



AIG Programs

Program Underwriting Authority

RecycleGuard Program

Edition Date:	10/01/2014
Program Administrator:	Willis Programs of New Hampshire, Inc. Pease International Tradeport One New Hampshire Avenue, Ste. 200 Portsmouth, NH 03801
Principal(s):	David G. Hampson – President & CEO Monica McNally – EVP, CUO Dan Curran, VP, DOU
Program Description:	Risks must have standard operations usual to recyclers handling scrap metals, paper, plastic, glass, textiles, electronics, construction debris, rubber and wood. Manufacturers' representatives (broker commission) and automobile dismantling operations are also included.
Program Manager:	JoAnne Artesani
Program Inception:	April, 2007
Division:	66 – AIG Programs
Related PUC Numbers:	6162, 6163, 6164, 6165, 6166, 6168
Program Territory:	Countrywide
Program Commission:	24%



TABLE OF CONTENTS

1. Program Overview	4
1.1 Eligible Business – Program description	4
1.2 Ineligible Business	8
2. Authority.....	9
2.1 Insurance Companies	9
2.2 Lines of Business / Premium / Operating System	9
2.3 Named Insureds.....	10
2.4 Limits Authority	10
2.5 Windstorm and Earthquake CAT Management Referrals.....	12
2.6 Adherence to Filed Rules/Loss Costs/Forms	12
2.6.1 ISO products / AAIS Products / Proprietary Products.....	12
2.6.2 New York Free trade Zone (NYFTZ)	13
2.7 Policy Term	13
2.8 Pricing Authority.....	13
2.8.1 ISO “Refer to Company” Rules.....	14
2.9 Limitations to Authority	14
2.9.1 Limitations: General Limitations.....	14
2.9.2 Limitations: Coverages.....	14
2.9.3 Limitations: Policy Terms and Conditions.....	15
2.10 State Surcharges and Fees.....	16
2.11 Policy Issuance Authority and Service Standards	16
2.12 Approved Coverage Forms and Endorsement Authority	16
2.13 Delegation of Authority.....	16
3. Program Underwriting Rules	16
3.1 Underwriting File/Documentation RequirementT	17
3.1.1 Property File Document Requirement.....	17
3.1.2 General Liability File Document Requirement.....	18
3.1.3 Automobile File Document Requirement.....	18
3.1.4 Umbrella / Excess Casualty File Document Requirement	18



3.2	Applications	18
3.3	Account Clearance/Reservation in 'e Start'	19
3.4	Account Summary Worksheet.....	19
3.5	Loss Runs/Loss Analysis	19
3.6	Referral Process / required documentation.....	19
3.7	Deductibles / SIR Procedures	20
3.8	Quotation	21
3.9	Binders.....	21
3.10	Other Underwriting Considerations	22
3.10.1	Declinations/Non Renewals/Cancellations	22
3.10.2	Material Change in Coverage/Rate Increases	22
3.10.3	State Specific Amendatory Endorsements	22
3.10.4	Headquarters State Rule.....	22
3.10.5	Terrorism Risk Insurance Act (TRIA)	22
3.10.6	Office of Foreign Assets Control (OFAC).....	23
3.10.7	Commission – Policyholder Notice	23
4.	Administration and Service	23
4.1	Loss Control	23
4.2	Premium Installments and Financing	24
5.	Acknowledgement and Acceptance	25
6.	Addenda – Line of Business Guidance: Loss Costs/Rules/Forms.....	26
6.1	Property / Inland Marine / Crime.....	26
6.1.1	Approved Rates/Loss Costs/Loss Cost Multipliers – Property / Inland Marine / Crime.	28
6.1.2	Approved Rules – Property / Inland Marine / Crime.....	29
6.1.3	Approved Forms - Property / Inland Marine / Crime	30
6.2	General Liability.....	34
6.2.1	Rates/Loss Costs/Loss Cost Multipliers – General Liability	34
6.2.2	Approved Rules – General Liability.....	34
6.2.3	Approved Forms – General Liability	37
6.3	Automobile.....	40
6.3.1	Approved Rates/Loss Costs/Loss Cost Multipliers – Automobile.....	40
6.3.2	Approved Rules – Automobile.....	40



6.3.3 Approved Forms - Automobile 43

6.4 Excess / Umbrella 43

6.4.1 Approved Rates/Loss Costs/Loss Cost Multipliers – Excess Umbrella..... 43

6.4.2 Approved Rules – Excess Umbrella..... 43

6.4.3 Approved Forms – Excess Umbrella 44

6.5 Miscellaneous Coverages – Equipment Breakdown 47

6.6 Referral Summary Reference Guide **Error! Bookmark not defined.**



NOTICE – PLEASE READ CAREFULLY

The Program Underwriting Authority (the "Authority") set forth the terms and conditions pursuant to which the program administrator named in Section 5 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.

The Program Administrator employee listed in Section 5, 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, including but not limited to updates to rates, rating rules, forms implementation and other underwriting bulletins as the Company may issue from time to time.

Please sign the acknowledgement and acceptance form in Section 5 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 5.

1.1 ELIGIBLE BUSINESS – PROGRAM DESCRIPTION

You may underwrite, quote and bind business on behalf of the Company on accounts written in the "RecycleGuard" Program (Hereinafter, the "Program") that meet one of more of the following general liability classification codes:

- 47146 Recycling Collection Centers other than Not-for-Profit
- 15406 Metal Scrap Dealers
- 45380 Junk Dealers – Any Junk dealer with plastic processing exposures such as mold injection must be pre-inspected or declined if any heat processing is used.
- 16009 Paper, Rag or Rubber Stock Dealers or Distributors-secondhand.
Any plastic recycler with a plastic processing exposure such as a mold injection must be pre-inspected and should be declined if heat processing is used. (Tire recycler must be underwritten based on guidelines noted below.)
- 58058 Plastic or rubber goods manufacturing – Only for plastic recyclers who grind or shred plastics
- 54077 Glass Recyclers
- 59985 Wood products manufacturing (pallets)
- 10256 Building Material Dealers – Second Hand – Only for Concrete and Asphalt Recyclers
- 47146 Electronic Recyclers
- 56900 Metal extraction or refining (smelters) – all risks must be pre-inspected before binding coverage.
- 91190 Automobile Dismantling (Refer to the Willis Auto Dismantlers – General Guidelines)
- 45993 Manufacturers Representative (Broker Commission)



Incidental* Class Codes: The following classes can be written subject to prior approval by the Program Manager and meeting underwriting guidelines. *Incidental is defined as operations that do not exceed more than 15% of sales with the exception of Metal Dealers – non-structural which is 25% of sales.*

- 15404 Metal Dealers – non-structural – Decline and/or refer if operation is more than 25% of sales.*
- 15405 Metal Dealers – structural – Decline and/or refer if operation is more than 15% of sales.*
- 99986 Wrecking of buildings or structures (dismantling only) – Decline and/or refer if the operation is more than 15% of sales*

Dismantling of structures includes the tearing down of commercial buildings less than 2 stories high and only use equipment such as excavators/cranes with a sheer and grapple

The following operations are not eligible:

Demolition operations include the use of blasting, explosives or wrecking balls to demolish equipment, commercial or residential properties, towers or water tanks; etc.

Any work performed on structures where electrical or power shut off has not been completed by others, prior to work commencing.

- 95233 Garbage Collection – Refer if more than 10% of operation (this includes residential)
- 63010 – 63013 Dwelling (one to three family dwellings) – If operation has more than 5 dwellings it must be referred.
- 49451 Vacant land – Other than Not-for-Profit – Refer if operation has more than 50 acres.
- 441310 Used automotive parts stores and U-Pull operations – authority is granted if the percentage of sales is less than 15% of total sales. If the percentage of sales is between 15% and 25% of total sales then attach CG 21 33 11 85 Exclusion – Designated Products – critical auto parts. If the percentage of sales is greater than 25% the account is ineligible for the program. Auto Dismantlers are excepted from this requirement.

Accounts with U-Pull operations are subject to a minimum premium of \$25,000.

- 58747 Rubber reclaiming – (Tire Recycling)

The following Underwriting guidelines are required in order to write tire recyclers:

- Risk can be ISRI or non-ISRI Recyclers
- No underwriting authority is granted. It is a full referral.
- All property exposures must be pre-inspected prior to binding.
- No risk that sells retread tires should be written or this exposure must be excluded.
- Stock in the open for Tire Recyclers should not be written. Tires must be stored a minimum of 75-100 feet from the buildings/equipment, but they must be in compliance with local laws and/or NFPA guidelines.
- Buildings must have heat/smoke detectors connected to a Central Station alarm if they are not sprinklered with a CSA.



- No risks should be written if located in a PC greater than 8.
- Standard company pricing should be used 1.00
- The minimum AOP deductible should be \$5,000 or higher depending upon the TIV.

The following Loss Control guidelines should be met at a minimum:

Loss control must be used to confirm that the following controls are in place. If not, the account should not be written. :

- Risk must be in compliance with local laws with regards to storage of tires.
- Compliance is based on local and NFPA guidelines which dictate proper height and separation of tire piles to buildings, fences, vehicles, flammable materials and other exposures.
- A written Emergency Response Plan is required and should be approved by the local Fire Department and local authorities.
 1. The following should be prohibited within the tire storage area to prevent a fire from occurring:
 - Smoking
 - Sources of ignition such as cutting, welding, heating devices and open fires.
 - Safeguards should be provided to minimize the hazard of sparks from equipment such as refuse burners, boiler stacks, and vehicle exhaust.
 - Piles of tires or altered tire material (tire cuttings, chunks or crumbs) should not be located beneath power lines or structures.
 - Trees, plants and vegetation within the tire pile separation should be managed.
 - Surface water drainage and measures to provide protection of pyrolytic oil runoff should be directed around and away from the storage site.
 2. The following should be in place to help minimize damage once a fire has occurred:
 - Access to the site and each tire storage yard or pile should be clear of combustible waste or vegetation and accessible to the fire department at all times.
 - On-site personnel should be trained in the use and function of fire-fighting equipment (such as fire extinguishers, water extinguishers, and shovels) to minimize loss.
 - Dry chemical fire extinguishers should be carried on each piece of fuel-powered equipment used to handle scrap tires.
 - An approved water supply capable of supplying the required fire flow to protect exposures and perform fire suppression and overhaul operation should be in place.
 - Additional tools and equipment for fire control and protection of life and property should be on site.
 3. The following items should also be in place to address other miscellaneous exposures such as Security and Crime:
 - Tire rims should be removed immediately upon arrival at the site.



- Tires should not be stored on wetlands, flood plains, ravines, canyons or steeply graded surfaces.
- The facility should have non-combustible fencing at least 10 feet high with intruder controls on top in accordance with local laws around the entire perimeter of the property.
- An attendant should be on site at all times when open.

The corresponding Profit Unit Code(s) (PUC) associated with this program are:

PUC Description	Agency Bill PUCs
Package/Auto ISRI	6162
Excess ISRI	6163
Auto Dismantlers – Package/Auto	6164
Auto Dismantlers – Excess	6165
Package/Auto Non-ISRI	6166
Excess Non-ISRI	6168

In addition, We require the following account attributes*:

- At least five (5) years in operation. Risks operating for less than five (5) years may be considered when the owner has at least five (5) years prior managerial experience and the account must be priced with a 5% debit.
- Three-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 and have no single loss greater than \$100,000 (Incurred loss).
- Current policy must be active and not in the process of being cancelled or non-renewed for reasons other than expiring carrier exiting the class of business.
- D&B credit score of 1, 2 or 3 as obtained from eStart.**

* 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.

**Accounts with a D&B score of 0, 4, or 5, must be referred to your Program Manager along with a copy of their current audited financial statements for approval prior to quote unless account premium is less than \$250,000. In these cases, an Experian Credit rating or copy of their current financial statement must be obtained. Additionally, their payment history must be reviewed. Any risk with an Experian credit rating below 25 would require additional financial information such as an Experian Business Profile report and/or financial statement. The underwriting file should be documented on accounts with D&B Credit Alerts for classes 0, 5 and Null.



1.2 INELIGIBLE BUSINESS

You cannot quote or bind business for accounts that are outside of the parameters established above.

In addition, any risk that falls within the following class codes/activities are not eligible for the program:

- 53425 Foundries
- 58056 Plastic – heat processing (plastic manufacturing – raw materials)
- 91582 Construction or demolition companies
- 95233 Garbage (Waste haulers/Refuse collection – primary operations – not including 10% incidental exposures)

For any renewal account where a single line of business is no longer eligible for the program per the program eligibility criteria, the entire account is ineligible and must be referred to the program manager.

Ineligible Activities:

- A. Any exception to the items below will require a referral to the Program Manager, unless they are declined and the Designated Operations Exclusion endorsement for GL (CG 2153) is used::
1. Trash to energy operations.
 2. Any waste hauling operation that involves compost, fertilizers or sludge collection or hauling.
 3. Any risks that process and/or change the physical characteristics of the following metals: beryllium, cadmium, manganese, or magnesium/mercury. Processing does not include the incidental separation of any of these metals.
 4. Any tire recyclers that retread, recap or sells tires. Any tire recyclers that use a heating process to recycle tires. Rotary shears/shredders should be used to shred tires.
 5. Any risk involved in the recycling or refining of any liquid with the exception of collection for re-sale or transfer.
 6. Any risk currently named as a PRP or “potentially responsible party” by the EPA for activities on site to be insured (refer to Company).
 7. Any risk filed under or operating under any chapter for the Federal Bankruptcy laws.
 8. Risks with separate trucking operations/entities which haul for others and/or are owner-operator truck drivers.
 - o This does not apply to owner-operator truck drivers who only work for our insured.
 - o They must have insurance with limits equal to or greater than our insured’s limits.
 - o They must provide a Certificate of Insurance and name our insured as an Additional Insured on their policy.
 9. Risks which provide rental or sale of equipment (with the exception of bins and containers) or machinery (new or used).
 10. Risks that manufacture an end product (not recyclers).
 11. Risks that create and/or use self-made equipment or customize equipment beyond manufacturer specs.
 12. Any recycling operation that has over 30% of their power units hauling over 250 miles.



13. Used car sales exceeding 10% of total sales of operation. Cars must be sold "as is" with a copy of the warranty on file.
14. Any risk that is involved in towing for others or performs more than incidental auto repairs.

B. All Construction or Demolitions (C&D) operations that perform any of the following activities are not eligible for the program:

1. Dismantling commercial properties that exceed 2 stories.
2. Dismantling residential properties where operations exceed 5% of their revenue.
3. Operations that dismantle underground tanks such as petroleum or hazardous chemical and/or include and tanks substances other than water; or towers over 2 stories high.
4. Any risk involving demolition that uses blasting, explosives or wrecking balls to demolish equipment, commercial properties, towers or water tanks. Only equipment such as excavators or cranes that can be used with sheers and grapples should be used.
5. Any work performed on structures where electrical or power shut off has not been completed by others, prior to work commencing. Dismantling of road, bridge or military installation.
6. Any C&D risk where the revenue from Reuse products (light fixtures, doors, used bricks, etc.) is more than 10% of their revenue must be referred to the Program Manager. There should be no warranties or guarantees sold with these products.

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 Fire Insurance Company of Pittsburgh, PA – for Umbrella only

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 AIG Property Casualty, Inc.



LINES OF BUSINESS	PREMIUM AUTHORITY	OPERATING SYSTEM
Commercial Property/Inland Marine	\$75,000	Coverall
Commercial General Liability	\$100,000	Coverall
Commercial Automobile	\$125,000	Coverall
Commercial Crime Coverage	included in property	Coverall
Umbrella Liability Coverage	\$50,000	Coverall
The sum of all policies and/or coverages written for one insured	\$350,000	

2.3 NAMED INSUREDS

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

Note: Individuals (i.e., natural persons) are 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	
PROPERTY		
Commercial Property and/or Inland Marine	\$10,000,000	Maximum Amount Subject (gross) in Protection Class (PC) 1 - 8
	\$5,000,000	Amount subject any location in Protection Class 9 or 10
	\$25,000,000	Total Insured Values (gross)
Earthquake – 250 Year MMI Zones of 7.0 through 12 (derived from RiskMeter*), and the entire state of California, Alaska and Hawaii	No Authority	
Earthquake – 250 Year MMI Zones 1 through 6.99 (derived from RiskMeter*),	\$ 5,000,000	
Earthquake Sprinkler Leakage – 250 Year MMI Zones 1 – 6.99 (derived from RiskMeter*),	\$ 5,000,000	
Flood – RiskMeter flood score over 40	No Authority	
Flood – RiskMeter flood score 10 - 40	\$ 5,000,000	
* See Qwiknotes for Information on RiskMeter		
Wind/Coastal Property	No Authority	Refer to the Windstorm section of Property QwikNotes for guidelines for your referral.



Equipment Breakdown

No Authority

See Section 6 for Equipment Breakdown Addendum.

CRIME

Commercial Crime (1):

\$250,000

Per Occurrence

Employee Theft

Or

(1) Includes Employee Benefit Plans – when scheduled on the Declarations Page

\$500,000

If required by ERISA

\$

All other Commercial Crime:

Per Occurrence

Forgery or Alteration

\$100,000

Inside the Premises – Theft of Money &

\$100,000

Securities

Inside the Premises – Robbery or Safe Burglary of other Property

\$100,000

Outside the Premises

\$50,000

Computer Fraud

\$100,000

Funds Transfer Fraud

\$25,000

Money Orders

\$5,000

GENERAL LIABILITY, AUTOMOBILE, GARAGE, UMBRELLA

Limits

Commercial General Liability and Products Liability

\$1,000,000

Each Occurrence

\$2,000,000

General Aggregate

\$2,000,000

Products-Completed Operations Aggregate

Medical Payments

\$ 10,000

Personal/Advertising Injury

\$1,000,000

Each Occurrence

Damage to Premises Rented to You

\$ 300,000

Employee Benefits Liability

\$1,000,000

Claims Made

\$1,000,000

Annual Aggregate

Commercial Automobile Liability

\$1,000,000

Any One Accident

Commercial Automobile Physical Damage

ACV to

\$250,000

Per Vehicle Replacement Cost

Minimum Deductible:

> \$1,000 with Cost New Less than \$75,000

> \$2,000 with Cost New At or Above \$75,000

> \$5,000 with Cost New above \$100,000

Amount Subject Any One Location

\$2,500,000

Garagekeepers Coverage:

\$2,500,000

Select 'Direct' or 'Legal' Liability

Comprehensive Deductible

\$1,000

Collision Deductible

\$1,000

Commercial Umbrella

\$10,000,000

Each Occurrence

\$

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 QwikNotes), 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	PropertyOne
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
- Package Modification Factors

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 these Guidelines In Section 6, or for Umbrella, as directed in Umbrella Qwiknotes. 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. All New York Umbrella must be written in the NYFTZ.

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) are for a twelve (12) month term only.

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:	Approved
Use of ISO Experience and Schedule Rating and IRPM	Approved
ISO 'a' Rating (refer to GL section 6.2)	No Authority
Deviation from ISO 'Increase Limits Factors'	No Authority
ISO Rule 15 – Commercial Automobile (see rules - Section 6)	Renewals only **
ISO Rule 34 – Commercial General Liability (see rules - Section 6)	Renewals only **
ISO Composite Rating – provided account qualifies per ISO rules	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
Preferred Risk Property (PropertyOne Rating Plan)	No Authority
Consent to Rate Rules	No Authority

** refer to Section 3.6 Referral Process



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 Qwiknotes, or to Section 6, "Refer to Company" rules which are applicable (by product line) for the Program. 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 6, you may not place any business in contravention of these Guidelines 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

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. (refer to section 1.2.A.12)
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-dating of coverage more than ten (10) business days (and if ten days or less, subject to a warranty of no known or reported losses).
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 a 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.

2.9.2 LIMITATIONS: COVERAGES

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. (refer to section 6.2.2 and section 6.3.2) for exception permitted for this program.
5. Liquor Law Liability in states designated as a high hazard (8 or higher) by ISO
6. Railroad Protective Liability.
7. Professional Liability or Errors and Omissions Liability.
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. Mold/Fungus Coverage.
14. Data Corruption coverage.
15. Policies that provide for Windstorm and/or Flood and/or Earthquake only.

2.9.3 LIMITATIONS: POLICY TERMS AND CONDITIONS

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 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. Aggregate stop loss on deductibles or approved SIR's



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 Guidelines 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; endorsements must be issued and mailed within thirty (30) days of the effective date of the change.

For policies with effective dates from January through September, all policies must be mailed within thirty (30) days from the effective date of the policy.

For policies with effective dates from October through December, all policies must be mailed within sixty (60) days from the effective date of the policy. Endorsements must be issued and mailed within 60 days of receipt. However, every effort must be made to process endorsements within the 30 day standard. There must be written confirmation of no losses when backdating and the endorsement must be referred to the program manager if the effective date of change is beyond 60 days from the date of receipt.

2.12 APPROVED COVERAGE FORMS AND ENDORSEMENT AUTHORITY

Section 6 sets forth the coverage forms and endorsements that are available for use with the Program by line of business by jurisdiction, with detail provided in a supplemental Excel Spreadsheet.

This Spreadsheet 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 Section 6 herein, you must refer such form to your Program Manager for review and approval prior to use. If such form is approved, we will amend Section 6 accordingly.

2.13 DELEGATION OF AUTHORITY

The person designated in Section 5 (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 Administrator's 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.

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 these Guidelines. 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 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 or a letter of no known losses where applicable – 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:

3.1.1 PROPERTY FILE DOCUMENT REQUIREMENT

- a. IRPM worksheet, including those written with a unity (1.00 mod) and justification for all schedule credits/debits applied.



3.1.2 GENERAL LIABILITY FILE DOCUMENT REQUIREMENT

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

3.1.3 AUTOMOBILE FILE DOCUMENT REQUIREMENT

- 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 these guidelines.
- c. UM/UIM offers and rejections (where required)

3.1.4 UMBRELLA / EXCESS CASUALTY FILE DOCUMENT REQUIREMENT

- a. Umbrella pricing worksheet including reason for pricing deviations.
- b. UM/UIM offer, acceptance & rejection forms where required
- c. For all scheduled underlying policies that we do not write:
 - 1. Loss runs or a letter of 'no known losses' where applicable – see Section 3.5
 - 2. Declarations pages providing premium, limits, policy period for EL Carrier, and schedule of forms for all other casualty lines of business.
- d. Umbrella policy when issued.
- e. Schedule rating worksheets (including those written with a unity (1.00) mod) and justification for all schedule credits/debits applied.

3.2 APPLICATIONS

A copy of the completed, signed and dated application must be kept in the policy file. Any supplemental applications, questionnaires, or statements of value which are critical to the underwriting of the account must be signed. Umbrella applications are not required to be signed if all of the underlying applications have been signed. A completed updated application is to be obtained at least every third year.

Completed and signed RecycleGuard Program Supplemental Questionnaires for all new business and for all renewal business should be obtained every 3 years at a minimum.

All applications, including supplemental applications used by the Program Administrator, must be approved by the Company. In some cases, supplemental information can be obtained separately from the application. 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.

Standard ACORD forms and supplemental questionnaire or application approved by the 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 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.
- Exposure and hazard analysis.
- Current/expiring premium.
- Loss history summary by line of business, including open claims summary and large loss summary, if applicable.
- Financial analysis or confirmation of D&B Score or Experian score (1, 2 or 3, or referral to Program Manager)
- 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. Loss runs must be from an insurer or Approved Third Party Administrator and must have been produced and currently valued within 180 days of the policy effective date for both new and renewal business.

In addition, for each line of business written, a loss summary must be maintained in file that includes for each year:

- a. Annual premium
- b. Total Number of losses
- c. Total Incurred
- d. Analysis of any claim in excess of \$50,000

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 for the referral (including direct reference to Your Authority triggers 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 the referral is approved, the approval shall remain in effect and, with the exception of the limitations stated below (1), resubmission is not required at each renewal, but only if:

- You have established that there has been no material change to the risk and
- You have properly documented the file (2).

(1) The following exception(s) shall limit referral approval(s) to the current policy term only:

- When limited by the Program Manager and stated in their approval email; or
- Deterioration of previously approved three year account loss ratio; or
- The premium exceeds your authority as stated in Section 2.2, Premium Authority; or
- Any approval for property and/or Inland marine coverages:
 1. For flood and/or earth movement if there are any changes to limit(s) or deductible(s); or
 2. Windstorm in a "wind control zone" (unless otherwise provided in the written approval); or
 3. If the key amount subject increases by more than 10% above the approved amount subject limit; or
 4. Any amount subject value over \$40,000,000.

(2) 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 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, valid for thirty (30) days, whenever a policy is not issued and mailed (USPS or electronically) within five (5) business days of the policy's effective date and 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. You cannot extend a binder without written approval by the Company.

Binders may consist of an ACORD Form 75 or a binder letter, provided, however, that all binder letters must include at least the following information:

- Date of issue
- Quote version number (if replacing an earlier version)
- Type of coverage
- Terms and condition including policy period:
 - Limits and participations
 - Retentions/Deductibles/SIR's
 - List of coverage forms and endorsements:
 - clearly showing form number and edition dates for filed forms
 - including a copy of any approved manuscript wording (note: you may not use "to be determined" language when binding coverage terms.)
- Premium including adjustment basis and any payment/security terms
- Fees and assessments
- Commissions
- Writing company(s) and policy numbers
- 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 binders or 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 DECLINATIONS/NON RENEWALS/CANCELLATIONS

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

3.10.2 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.

3.10.3 STATE SPECIFIC AMENDATORY ENDORSEMENTS

You must include any/all state amendatory endorsements as required by the "Headquarters State" of the insured.

3.10.4 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.

3.10.5 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 (02/08) and must clearly show the premium charge. The rate will be a flat charge of 1% where approved. (Refer to Qwiknotes for zip codes where coverage for Terrorism requires a referral.)

Note: the current Federal Terrorism Risk Insurance Act, as amended, is schedule to 'sunset' on 12/31/2014. If it is not renewed, you will be advised to discontinue offering coverage, and instead attach a proprietary terrorism exclusion.

3.10.6 OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

You must attach the approved AIG Coverage Territory Endorsement on all policies (as directed in Section 6).

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.

3.10.7 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. 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 QWIK Notes loss control section for specific requirements.

The following program specific guidelines have been developed to ensure consistency in the utilization of loss control throughout the underwriting of AIG Programs accounts:

1. The Program Administrator should request a telephone survey within seven days of the effective date on all new business and every three (3) years thereafter if any of the following applies:
 - a. Total combined premium is between \$25,000 and \$50,000
 - b. There is no loss control report in the file or there is but it is more than two years old, and the policy meets the premium threshold indicated in a. above



- c. At the discretion of the underwriter; a telephone survey can be ordered more frequently and regardless of premium size if necessary.
2. The Program Administrator should request a physical survey on all new business and every three (3) years thereafter, if any of the following applies:
- a. Total combined premium is \$50,000 or greater
 - b. Property amount subject value \$1,000,000 and greater. For accounts with multiple locations, develop a plan to complete location surveys within five years. The plan should be developed in conjunction with the Program Manager.
 - c. At the discretion of the underwriter; a physical survey can be ordered more frequently and regardless of premium size, or amount subject total value, if necessary.

If the underwriter has special instructions or questions they need answered via a survey that are unique to the program or account, such instructions should be outlined in the survey request.

3. Consultative service may be requested at the discretion of the underwriter based on loss history or as a value added service.

4.2 PREMIUM INSTALLMENTS AND FINANCING

The Company does not offer premium installments. Premium financing is allowed but is not offered by the Company.

5. ACKNOWLEDGEMENT AND ACCEPTANCE

ACKNOWLEDGEMENT AND ACCEPTANCE

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

Please sign below and return an executed copy of these Underwriting Guidelines to your Program Manager within 30 days. If AIG Programs does not receive the executed copy within such time, these Underwriting Guidelines will automatically go into effect on October 30, 2014.

I acknowledge and accept the terms and conditions set forth in these Underwriting Guidelines.

Acknowledged By:

Delegated By:

Willis Programs
Name of Program Administrator

AIG Programs
Name of Insurers

Dan Curran
Name of Recipient/Designee

Ruby Simmons
Name of Grantor

VP, Director of Underwriting
Title of Recipient/Designee

Product Line Mgr.
Title of Grantor

[Signature]
Signature of Recipient/Designee

[Signature]
Signature of Grantor

9/29/2014
Date

10/21/14
Date



6. ADDENDA – LINE OF BUSINESS GUIDANCE, LOSS COSTS/RULES/FORMS

Included in this Section is a complete set of forms (and current edition date by jurisdiction) approved for use with this program. This information is current as of the date of these guidelines and subject to change. You must use the current, approved form edition, which may be a new version than appears in these guidelines, based upon the Insured's headquarter state. We will use the Cover-All operating system and/or Program Administrator bulletins to keep this information current.

6.1 PROPERTY / INLAND MARINE / CRIME

Unless specific guidelines apply, refer to the Division 66 Property Qwiknotes.

Deductibles - \$2,500 minimum per occurrence Property Deductible

Deductibles - \$5,000 minimum per occurrence Property Deductible – tire recyclers

AMOUNT SUBJECT:

In addition to the Division 66 Property Qwiknotes, clear space between buildings are parking lots, maintained lawns, gravel etc... Anything combustible (brush, stock in the open) between buildings would negate the benefit of separation. All values within the enclosed walls of the structure are always considered subject irrespective of interior cutoffs.

STOCK IN THE OPEN (INCLUDING TIRE RECYCLERS):

Stock in the Open Coverage can be provided subject to the following underwriting criteria:

- Stock limit must be included in the per location TIV calculation
- Depending upon the type of recycling material (plastic, paper, wood pallets, or flammable metals (titanium), all local laws and/or NFPA guidelines which dictate proper height and separation of piles to buildings, fences, vehicles, flammable materials and other exposures must be met.
- A written Emergency Response Plan is required and should be approved by the local Fire Department and local authorities.
- Paper recyclers should not be written if their stock in the open is in loose array, and not in bins

The following is prohibited within the storage area to prevent a fire from occurring:

- Smoking
- Sources of ignition such as cutting, welding, heating devices and open fires
- Safeguards should be provided to minimize the hazard of sparks from equipment such as refuse burners, boiler stacks, and vehicle exhaust
- Trees, plants and vegetation within the pile separation should be managed.

The following should be in place to help minimize damage:



- Access to the site and each storage yard or pile should be clear of combustible waste or vegetation and accessible to the fire dept at all times.
- On-site personnel should be trained in the use and function of fire-fighting equipment to minimize loss such as, fire extinguishers, water extinguishers, and shovels.
- Dry chemical fire extinguishers should be carried on each piece of fuel-powered equipment used to handle recycling material such as paper.
- An approved water supply capable of supplying the required fire flow to protect exposures and perform fire suppression and overhaul operations should be in place.
- Additional tools and equipment for fire control and protection of life and property should be on site.

The company accepts ACORD Applications.

INLAND MARINE

- Inland Marine coverages are subject to the same underwriting criteria applicable to commercial property
- The total values and loss experience for all Inland Marine coverages must be included in the TIV to determine authority and referral requirements
- Risks which are susceptible to catastrophe perils as identified below should maintain higher deductibles
- IM schedules must have a clear description of the insured's equipment/machinery in addition to the cost:
 - Year built
 - Make/Model
 - Serial numbers
 - If stored offsite, what is used to protect equipment
 - Who and how often equipment is maintained / record keeping practices
 - Any equipment/machinery that was created by the insured should be avoided

CONTRACTORS EQUIPMENT

- **Scheduled Equipment**
 - We require a schedule of equipment other than unscheduled tools and equipment as referenced below, with description, serial numbers, and values for each item. In lieu of scheduling on the policy, we can refer to the "schedule on file dated MM/DD/YYYY"
 - Equipment Leased or Rented from Others for a period greater than 90 days should be added to the Schedule at the rate charged for owned and scheduled equipment
 - \$3,000,000 maximum any one location for covered property. Any limits beyond this must be referred to the program manager
- **Unscheduled Tools and Equipment**
 - Maximum per item limits for unscheduled "blanket" tool and equipment:
 - \$5,000 per item for owned tools and equipment
 - \$5,000 per item limit and total limit for Employees Tools
- **Equipment rented or leased from others**



- \$750,000 any one item
- Maximum 90 day lease (equipment leased for more than 3 months must be added to the schedule of equipment)
- **Deductibles**
 - A minimum deductible of \$2,500 applies for coverage written on the Scheduled form and equipment leased/rented from others. Some exceptions can be made for \$1,000 deductibles on small equipment and tools.
 - For equipment with values exceeding \$500,000 – a minimum deductible of 1% with a minimum of \$5,000 which applies to any single piece of equipment such as cranes, shredders, balers, or shears.
- **Valuation**
 - Coverage is available on an ACV basis subject to 80% coinsurance
 - However, authority is granted to quote Replacement Cost on scheduled Contractors' Equipment for any item 10 years old or less subject to 90% Coinsurance, subject to the following:
 - There must be documentation to support the RCV such as invoices on newer items, or information from websites that identify the equipment and corresponding values
 - The Insured should be informed that the limits stated on the schedule of equipment must reasonably reflect the cost to replace the equipment or the Insured will suffer a coinsurance penalty in the event of underinsurance
 - Additionally, the Schedule of Equipment must state the valuation as RCV or ACV for each scheduled item through the use of IM 70 31

6.1.1 APPROVED RATES/LOSS COSTS/LOSS COST MULTIPLIERS – PROPERTY / INLAND MARINE / CRIME

Unless directed otherwise, you are to use ISO loss costs or class rates applicable at each location.

Unless directed otherwise, you are to use ISO loss costs or class rates applicable to each location. If an account meets the criteria for use of the PropertyOne rating plan, such rating requires referral and approval.

INLAND MARINE / CONTRACTORS EQUIPMENT

- **Premiums/Rating Structure**
 - Owned equipment
 - Cranes (with booms 50' or less) .50 to 1.50
 - Unscheduled tools & equipment 1.50 to 2.50
 - Waterborne equipment (load) 1.00 to 2.00
 - Construction trailers .50 to 1.00



- All other equipment .45 to 1.25 based upon equipment type and use
- \$500 Minimum Premium Applies
- Equipment rented or leased from others
 - 3 to 5 times the normal rate for owned and scheduled equipment of the type being leased, and apply that rate to the cost of the lease subject to the following minimums:
 - \$2.50 per \$100 of cost to lease for values of \$25,000 or more
 - \$1.50 per \$100 if cost to lease for values less than \$25,000
 - \$500 Minimum Premium
 - Equipment rented or leased from others for more than 3 months to be added to the schedule at the rate charged for owned and scheduled equipment
- Rental Reimbursement
 - 1 to 3 times the average rate for owned and scheduled equipment being covered and apply that to the rental reimbursement limit

If limits exceed Property One use ISO and AAIS rates to price for higher limits

6.1.2 APPROVED RULES – PROPERTY / INLAND MARINE / CRIME

Refer to QwikNotes for specific guidance on approved Marshall & Swift valuations.

When writing Crime Coverage on a Discovery form, you must attach the Retroactive Date endorsement. The date utilized on the endorsements should not be more than one year prior to the effective date for which we issue our original policy to an insured. For subsequent renewals, we can use the same date. If there is a break in coverage at any point, we must change the retro date to be no more than one year prior to the *new* effective date.

IM Underwriting Considerations:

Basic considerations for pricing, deductible selection and risk acceptability:

- Type of operations in which equipment is involved
- Theft protection when away from premises: ie: fenced area, kill switches, fuel shut off
- Where and how stored when not in use
- Identify maintenance procedures and schedules
- Fire protection for large equipment such as shredders, cranes, shears, etc...

Crime Underwriting Considerations:

Audits

- Cash accounts and inventories must, at a minimum, have an annual audit by Certified Internal Auditors or Certified Public Accountants

Check Signing

- Any checks issued over \$1,000 must be countersigned by at least 2 persons. If countersignature cannot be instituted, an owner or corporate officer must be the authorized signer



- The duties of handling in-coming checks and issuance of out-going checks must be handled by separate individuals
- Mechanically Affixed Signatures involve computer or non-computer equipment
 - If computer operated, control over the input and outflow must be restricted to specifically authorized personnel
 - Non-computer equipment (e.g. facsimile signature plate or check writing machine) must be properly secured when not in use. Operational access must be limited to as few designated persons as possible and supervised by an owner/officer
 - Reconciliation – any employee authorized to reconcile bank account statements should not be permitted to handle deposits or sign checks without countersignature
 - Stamping incoming checks – all incoming check s must be stamped “for deposit only” as soon as they are received.
- Control over Flow and Possession of Merchandise – there must always be close managerial supervision over the movement of property from one location to another
- Any risk that requires referral must have background checks on all individuals handling cash or check issuance and annual audits of the insured’s cash management is mandatory

ATM (Automatic Teller Machine)

Answers to the following questions should be obtained prior to submitting them to the PM for coverage under Crime:

- Does the ATM have continuous recording instruments in the device?
- How many ATM’s does the Insured have on their premises?
- Is the machine inside a secure building?
- Is there a central station burglar alarm operational during non working hours?
- Are they liable for loss of money contained in the ATM?
- What is the average amount of money in the machine? Maximum amount?
- Does an armored transport company transport all cash?
- Who handles the stocking of the machine?
- Who is performing the stocking?
- What are the controls to reconcile the amount of cash that is placed into the ATM against the amount of cash dispensed (ie: catch shortfalls) quickly?
- How frequently is the cash replenished?
- Is this done after business hours?
- What is the procedure if the machine needs to be replenished between scheduled restocking times?

6.1.3 APPROVED FORMS - PROPERTY / INLAND MARINE / CRIME

ISO forms are to be used on most accounts.

FORM#	PROPERTY FORM TITLE	LIMITATIONS
-------	---------------------	-------------



MANDATORY ATTACHMENTS – ALL POLICIES

91222 (04/13)	Policyholder Notice - Commission	None
IL 0017 (11/98)	Common Policy Conditions – ISO CPP (only)	All states except WA
IL 0146 (08/10)	Common Policy Conditions – ISO CPP (only) - WA	WA
89644 (06/13)	Economic Sanctions Endorsement (OFAC)	All states except AK
118019 (07/14)	Economic Sanctions Endorsement (OFAC)	AK
96556 (02/08)	Policyholder Disclosure Notice of Terrorism Insurance Coverage	
102214 (06/10)	Georgia Diminution of Value Exclusion	Mandatory If GA Locations

PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS

PROPERTYONE (IPIS) BASE FORMS

MANDATORY BASE FORM COMMERCIAL PROPERTY COVERAGE

63948 (12/11)	NHIC Supplemental Declarations Page	Except AK
111470 (10/12)	NHIC Supplemental Declarations Page: AK only	AK
63949 (12/11)	GS Supplemental Declarations Page	Except AK
111471 (10/12)	GS Supplemental Declarations Page: AK only	AK
63050 (12/11)	INIC Supplemental Declarations Page	Except AK
111472 (10/12)	INIC Supplemental Declarations Page: AK only	AK
64543 (12/04)	Property Coverage Form	

MANDATORY ENDORSEMENTS - PROPERTYONE

97080 (02/12)	Amendatory Endorsement	Except WA
111768 (11/12)	Amendatory Endorsement - WA	WA
111881 (02/13)	Ordinance or Law Amendatory	Except MD, NY,
115136 (12/13)	Ordinance or Law Amendatory - NY	NY
81146 (11/02)	Property Not Covered – Change Endorsement	

PROGRAM OPTIONAL ENDORSEMENTS: PROPERTYONE

63940 (06/04)	Extension of Supplemental Declarations	
63958 (06/04)	Schedule of Premises	
64872 (12/04)	Business Income and Extra Expense Coverage Part	
64545 (12/01)	Property Coverage Form – Flood Endorsement	
64546 (12/04)	Property Coverage Form – Earth Movement	
64550 (02/05)	Equipment Breakdown Exclusion (mandatory when not providing Equipment breakdown coverage)	
110319 (07/12)	Equipment Breakdown – Other Conditions Endt	Except FL
67281 (12/04)	Sprinkler Leakage Earthquake Exclusion	



67282 (12/04)	Sprinkler Leakage Earthquake Limitation	
97091 (03/10)	Blanket Limits Per Premises Endorsement	Except AK, FL, LA
97091 (10/13)	Blanket Limits Per Premises Endorsement	AK, FL, LA
97092 (05/08)	Margin Clause	Except AK, FL, LA
97092 (10/13)	Margin Clause	AK, FL, LA
111796 (01/13)	Limitation of Coverage for Roof Surfacing	Except CT, IN, MA, MO, NH, WY
113799 (01/13)	CT: ACV for Roof Surfacing	CT
111716 (06/13)	IN: ACV for Roof Surfacing	IN
111795 (01/13)	MA: ACV for Roof Surfacing	MA
111797 (01/13)	MO: Limitation of Coverage for Roof Surfacing	MO
113718 (07/13)	NH: ACV for Roof Surfacing	NH
111798 (01/13)	WY: ACV for Roof Surfacing	WY
111464 (01/13)	Discharge From Sewer, Drain or Pump (Not Flood Related)	Except HI
90611 (05/07)	Windstorm or Hail Exclusion	Except CO, LA, NY, SC, TN, TX, (cannot exclude Wind In NY on Admitted Business)
96358 (10/07)	Windstorm or Hail Exclusion – Texas	TX
97040 (03/08)	Windstorm or Hail Exclusion – South Carolina	SC
90610 (11/08)	Windstorm or Hail Deductible Endorsement	Limited to AL, CT, DC, DE, FL, GA, HI, LA, MA, MD, ME, MO, NC, NH, NJ, RI, SC, TX, VA
CP 0320 (10/92)	Multiple Deduct (Fixed Dollar Deduct) OR:	All other states
CP0321 (10/12)	Windstorm or Hail (Percentage) Deductible Endorsement	All other states
100382 (12/08)	Windstorm or Hail Deductible Endorsement with Named Storm Definition	Limited to AL, CT, DC, DE, GA, HI, LA, MA, MD, ME, MO, NH, NJ, NC, RI, TX, VA
101139 (04/09)	SC Windstorm or Hail Deductible Endorsement with Named Storm Definition	SC
94347 (04/07)	Peak Season Limit of Insurance	Except LA, NY
94453 (05/07)	Fine Arts Amendatory Endorsement	Except LA, NY
110285 (06/12)	Ordinary Payroll Exclusion	Except AK
94454 (05/07)	Vacancy Permit	Except LA, NY
108114 (09/12)	Protective Safeguards Endorsement	
97037 (02/08)	Upgrade to Green	Except CT
99713 (08/08)	Upgrade to Green: CT	CT
110316 (07/12)	Blanket Limits – Stock Endorsement	
109299 (10/11)	Business Personal Property Under Stg Agreement	Except AK
110278 (05/12)	Stock Exclusion Endorsement	Except AK
110279 (05/12)	Stock While Outside Building Exclusion	Except AK



94349 (04/07)	Functional Replacement Cost	Except CT, WV
95151 (07/07)	Modification of Valuation of Mfg's or Processors Selling Price	
115130 (01/14)	Recycling Operations Shredder Coverage Endorsement	Except CA, DE, FL, LA, MA, MD, NE, NY, WY
115129 (01/14)	Additional Property Not Covered Endorsement	Except CA, DE, FL, LA, MA, MD, NE, NY, WY
110286 (06/12)	Ordinary Payroll Exclusion	Except AK, FL, LA
CP 1510 (10/12)	Ordinary Payroll Exclusion	AK
CP 1510 (06/07)	Ordinary Payroll Exclusion	FL, LA

FORM#	CRIME	LIMITATIONS
-------	-------	-------------

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 our policy. However, use of this form is strongly discouraged.

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

CRIME BASE FORM POLICIES

CRDS 01 (08/13)	Crime & Fidelity Part Declarations	Except CA, CO, FL, LA, MD, NY
CRDS 01 (08/07)	Crime & Fidelity Part Declarations	MD
CRDS 01 (07/02)	Crime & Fidelity Part Declarations	CA, CO, FL, LA, NY
CR 0021 (08/13)	Commercial Crime Coverage Form – Loss Sustained Form	Except CA, CO, FL, LA, MD, NY
CR 0021 (05/06)	Commercial Crime Coverage Form – Loss Sustained Form	CA, CO, FL, LA, MD, NY
CR 0020 (08/13)	Commercial Crime Coverage Form - Discovery	Except CA, CO, FL, LA, MD, NY
CR 0020 (05/06)	Commercial Crime Coverage Form - Discovery	CA, CO, FL, LA, MD, NY
CR 2005 (10/10)	Retroactive Date Endorsement	Except CA, CO, FL, LA, MD, NY
CR 2005 (05/06)	Retroactive Date Endorsement	CA, CO, FL, LA, MD, NY

MANDATORY ENDORSEMENTS



CR 0413 (08/13)	Protected Information Exclusion	Except CA, CO, FL, LA, MD, NY
CR 0413 (05/06)	Protected Information Exclusion	CA, CO, FL, LA, MD, NY
CR 2028 (08/07)	Add Protective Devices or Services	Except CA, CO, DE, FL, HI, LA, IL, MA, MN, NY, TX
CR 0147 (08/07)	Add Protective Devices or Services - MN	MN

PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS

6.2 GENERAL LIABILITY

Unless specific guidelines apply, refer to the Division 66 General Liability Qwiknotes

The company accepts ACORD Applications.

6.2.1 RATES/LOSS COSTS/LOSS COST MULTIPLIERS – GENERAL LIABILITY

We will use ISO loss costs, rules and forms when writing Commercial General Liability.

6.2.2 APPROVED RULES – GENERAL LIABILITY

An account must be referred anytime the use of Rule 34 is used on a new line or, on renewals, when the line of business loss ratio exceeds 50% and/or additional deviation is being requested from the original approval.

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

- Any activity or operation not typical to eligible risks must be specifically excluded from coverage using CG 21 53 Exclusion – Designated Ongoing Operations or the risk is ineligible and should be declined.
- Must have receipt of current, valid Certificates of Insurance, Indemnification Agreements, Additional Insured Status whenever risk contracts with outside firms for services. Required Limits of Liability will be equal to or greater than \$1,000,000 per occurrence/\$2,000,000 aggregate.

Underwriting Criteria

- Risks must have a forklift safety program
- Risk should not allow the public to walk through their yards unescorted
- Designated areas must be clearly marked for loading and unloading of independent drivers on premises



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

Conversion Endorsement – 78812 (10/01): (not available for Auto Dismantlers)

- This is an optional endorsement used to cover the insured when they unknowingly acquire stock in trade from a seller who did not have a legal title to the material.
- Base rate: 1.50 per 1,000 of payroll for standard limits of \$50,000/\$50,000 each incident/aggregate subject to the following ILF:
 - \$100,000/\$100,000 1.28
 - \$200,000/\$200,000 1.63
 - \$300,000/\$300,000 1.86
 - \$500,000/\$500,000 2.25

A deductible equal to 10% of the limit is required.

Impaired Property Amendatory End't. – 78811 (10/01):

- This optional endorsement modifies the GL exclusion M. Damage to impaired property or property not physically injured. For example, it covers a metal recycler if they are sued because their recycling process creates a defective or deficient product once it is blended with another's product. We cover the loss of use of the other's product because it is now impaired and cannot be sold as it.
- Premium charge - \$50.00.

Products Redefined (95152) – this is an optional form that clarifies that "waste" material is considered an insured product because they are recycler.

- No premium charge.

Amendment of Limit for Designated Locations & Projects

- CG 2504 05 09 Designated Locations General Aggregate Limit
- CG 2503 05 09 Designated Construction Projects General Aggregate Limit
- These optional endorsements must be referred to the Program Manager. Coverage is only available on the primary GL and not the umbrella.
Premium charge – 1% of premises – operations premium.
- 61712 08 07 Additional Insured Where Required Under Contract or Agreement
- CG 24 04 05 09 Waiver of Transfer of Rights of Recovery
 - Schedule: Where required by written contract or agreement executed prior to the "occurrence"
- 74434 10 99 Additional Insured – Primary – Non Contributory

The premium charge is \$250 per endorsement

- The following only applies to WOS and Primary and noncontributory:



- Authority is granted subject to proper documentation in the file which includes copies of the insurance portion of the contract stating these terms are required.

These endorsements should not be added automatically to all accounts

POLLUTION COVERAGE (For Recyclers Only): Required referral to Program Manager

- Eligible Risks For Pollution Liability Coverage:
 - GL premium must be less than the \$24,000 Eagle GL minimum premium
 - Risk must be a recycler of metal scrap, paper or plastics only.
 - There must be no manufacturing of plastics or paper materials or smelting operations.
 - No waste haulers or auto dismantlers can purchase pollution coverage.
 - Junk Dealers are not eligible if they specialize in processing plastics or paper materials. Any exception must be referred to the Program Manager.

NOTE: The following coverage overview does not include all of the policy restrictions.

AIG Environmental should be contacted if a risk requires 1st Party Pollution Liability Coverage or a broader 3rd Party policy.

- Provides bodily injury and property damage coverage due to pollution incidents and mandated off-site clean up costs for which the insured is legally obligated to pay because of environmental damage: required by governmental actions.
- Coverage applies to damages caused by a pollution incident from an "insured site" and off site Waste facility not owned, occupied or rented by the insured.
- Coverage is on a claims made basis and defense is within limit.
- Coverage is on a 3rd party coverage basis from the insured's designated location within the territory.
- Extended reporting Period option is available for a maximum of 3 years. .
- Product/Completed Operations are excluded. This can be amended by using the Products-Completed Operations Pollution Liability Coverage Extension endorsement which deletes that Prod-CO Hazard exclusion
- Auto, aircraft, rolling stock (railroad cars), watercrafts, and transporting material is excluded.
- Punitive damages are not covered.

Policy Limits Structure:

- The maximum limits available are \$500,000 Each Pollution Incidents/\$500,000 Aggregate
- THE UMBRELLA POLICY CANNOT BE EXTENDED TO PROVIDE HIGHER LIMITS.
- Retro Active Date:
 - For Renewals : the first policy effective date of continuously renewed coverage
 - For New Business: the date of the first time coverage is written by us. Any prior policy date must be approved by the program manager
 - Mandatory deductible is \$5,000 per claim



- **Premium/Rates: Pricing:** 8% of the modified GL premium for the first \$100k/\$100k and then apply the GL ISO Increased Limits Factors for limits higher than \$100k/\$100k up to \$500k/\$500k limits – subject to a \$1,000 Minimum Premium.
- **Products-Completed Ops Pollution Liability Coverage Extension Endrs:** Revise pricing to 8.5% for the first \$100k/\$100k limits and then apply the ISO GL Increased Limits Factors for limits up to \$500k/\$500k subject to a \$1,500 Minimum Premium.

Policy Forms

- Pollution Liability Coverage Form – Designated Sites – CG 00 39
- Pollution Liability Dec Page – CGDS067H
- Products-Completed Operations Pollution Liability Coverage Extension - Form 97079

Mandatory Endorsements

- Exclusion – Underground Storage Tanks Incidents – CG 29 78
- Broad Form Nuclear Exclusion – IL 00 21

6.2.3 APPROVED FORMS – GENERAL LIABILITY

FORM #	GENERAL LIABILITY FORM TITLE	LIMITATIONS
MANDATORY ATTACHMENTS – ALL POLICIES		
91222 (04/13)	Policyholder Notice - Commission	None
CG 0001 (04/13)	Commercial General Liability Coverage Form	
89644 (06/13)	Economic Sanctions Endorsement (OFAC)	All states except AK
118019 (07/14)	Economic Sanctions Endorsement (OFAC) - AK	AK
96556 (02/08)	Policyholder Disclosure Notice of Terrorism Insurance Coverage	
IL 0021 (09/08)	Nuclear Exclusion	Except HI, NE, NY, WA
IL 0021 (07/02)	Nuclear Exclusion – HI	HI
IL 0021 (05/02)	Nuclear Exclusion – NE	NE
IL 0023 (07/02)	Nuclear Exclusion – NY	NY
IL 0198 (09/08)	Nuclear Exclusion - WA	WA
62898 (07/12)	Radioactive Matter Exclusion	
CG 2147 (12/07)	Employment Related Practices Exclusion	Except TX, WA
CG 2639 (12/07)	Employment Related Practices Exclusion – TX	TX



CG 0197 (12/07)	Employment Related Practices Exclusion - WA	WA
CG 2146 (07/98)	Abuse or Molestation Exclusion	Except HI, IL, NJ, TX, VT
CG 2646 (04/99)	Abuse or Molestation Exclusion	TX
113513 (03/13)	Abuse or Molestation Exclusion	NJ, VT
IL 0017 (11/98)	Common Policy Conditions	All states except WA
IL 0146 (08/10)	Common Policy Conditions - WA	WA
58332 (08/07)	Lead Exclusion	Except AK, CA, LA, MA, ME, NH, NJ, NY, OK, TX, VA
58332 (07/93)	Lead Exclusion - CA, LA, OK, TX, VA	CA, LA, OK, TX, VA
111516 (08/12)	Lead Exclusion - MA	MA
96571 (11/07)	Lead Exclusion - NJ	NJ
96832 (12/07)	Lead Exclusion - NY	NY
64004 (07/12)	ERISA Exclusion	
78689 (07/03)	Fungus Exclusion	Except AK, GA, KS, LA, MA, NH, NY, VA, WA
78689 (08/01)	Fungus Exclusion - VA	VA
CG 2167 (12/04)	Fungus Exclusion - GA, KS, NH	GA, KS, NH
CG 3210 (04/05)	Fungus Exclusion - LA	LA
78379 (04/02)	Fungus Exclusion - MA	MA
79277 (02/04)	Fungus Exclusion - WA	WA
82540 (07/12)	Asbestos and Silicosis Exclusion	Except LA, NY
90024 (10/05)	Asbestos and Silicosis Exclusion - LA	LA
96834 (03/08)	Asbestos and Silicosis Exclusion - NY	NY
CG 2149 (09/99)	Total Pollution Exclusion	Except AK, IL, MN, TX, VA, VT
CG 3267 (09/08)	Total Pollution Exclusion - AK	AK
IL 0003 (09/08)	Calculation of Premium	Except HI, NE, NY
IL 0003 (09/07)	Calculation of Premium - HI	HI
IL 0003 (08/07)	Calculation of Premium - NE	NE
IL 0185 (08/08)	Calculation of Premium - NY	NY

ANYTIME THERE IS A KNOWN INDIANA EXPOSURE

(Payroll/Location):

115924 (10/13) Indiana Amendatory - Definition of Pollutants (see '1' below)
 (1) When the insured is headquartered in a state other than Indiana but has known exposure (payroll, property exposures), include the following policyholder notice:

84337 (04/04) Policyholder Notice - Amendatory Endorsement. Include the following wording: "We are amending your policy by adding Endorsement 115924 (10/13), Indiana Amendatory Endorsement. This endorsement restricts the insurance you are provided by excluding coverage for all pollution exposures in the state of Indiana and/or for which Indiana law applies"

Except IN



PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS

PROGRAM OPTIONAL

61712 (12/06)	Additional Insured - Where Required Under Contract or Agreement	Except MA, NY
CG 2404 (05/09)	Waiver of Transfer of Rights of Recovery Against Others to Us	
74434 (10/99)	Additional Insured Primary Wording	
97034 (02/08)	CGL Amendatory Endorsement (see '2' below) (2) When using this, do not attach: CG 2010; CG 2279; CG 2147; or CG 2503	Except NY
99136 (07/08)	CGL Amendatory Endorsement (see '2' above)	NY
86563 (08/09)	CGL Extension Endorsement (see '3' below)	Except AK, MD, ND, NH, NY, OR, VA, VT

(3) When using this, do not attach the following mandatory endorsements as they are embedded in the form:

Asbestos and Silica (82540)*

Employment Related Practices (CG 2147)*

Fungus (78689)*

Pollution (CG2149)*

AND ATTACH SILICA EXCLUSION 64003 (09/01)

*Or other state specific endorsements

89919 (09/05)	CGL Extension Endorsement (see '3' above)	AK
86563 (12/04)	CGL Extension Endorsement (see '3' above)	NH
99431 (06/08)	Fungus Exclusion with Edible Goods Exception – Use in lieu of Mandatory Fungus Exclusion Where Approved.	Except AK, CA, LA, NH, NY, WA
CG 2425 (12/04)	Limited Fungi or Bacteria Exclusion	CA, NH
CG 2155 (07/10)	Total Pollution Exclusion with Hostile Fire Exception (4) (4) Use in lieu of Total Pollution Exclusion	Except AK, TX, VA
CG 3268 (09/08)	Total Pollution Exclusion with Hostile Fire Exception - AK	AK
CG 3285 (07/10)	Total Pollution Exclusion with Hostile Fire Exception - VA	VA
CG 2165 (12/04)	Total Pollution Exclusion with Building, HVAC, and Hostile Fire Exception (5) (5) Use in Lieu of Total Pollution Exclusion	Except AK, TX, VA
CG 3269 (09/08)	Total Pollution Exclusion with Building, HVAC, and Hostile Fire Exception – AK	AK
CG 3285 (07/10)	Total Pollution Exclusion with Building, HVAC, and Hostile Fire Exception – VA	VA



	For Construction/Contractors/Real Estate Developers, add the Following:	
69186 (08/07)	Continuing and Progressive Endorsement	Except AK, CA, LA, MA, NE, OK, TX, VA, VT
69186 (11/05)	Continuing and Progressive Endorsement	AK, LA, MA, NE, OK, TX, VT
69186 (10/01)	Continuing and Progressive Endorsement	CA, VA
74959 (02/00)	Land Subsidence and Condemnation Exclusion	Except AK, KS, MD, MN, MT, NH, TX, VA
74960 (02/00)	UREA Formaldehyde Exclusion	Except AK, KS, MD, MN, MT, NH, TX, VA
87096 (11/04)	Water Intrusion Exclusion	Except AK, GA, NY, VA
74860 (01/00)	EFIS Exclusion	
CG 2154 (01/96)	Wrap Up Exclusion	
CG 2279 (04/13)	Contractors Professional Liability Exclusion	Don't attach if using 97034
CG 2010 (04/13)	Additional Insured – Owners, Lessees, or Contractors	Except CA, FL, HI
CG 2010 (07/04)	Additional Insured – Owners, Lessees, or Contractors	CA, FL, HI
CG 2037 (04/13)	Additional Insured – Owners, Lessees, or Contractors, Completed Operations	Except CA, FL, NY
CG 2037 (07/04)	Additional Insured – Owners, Lessees, or Contractors, Completed Operations	CA, FL, NY

6.3 AUTOMOBILE

Unless specific guidelines apply, refer to the Division 66 Automobile Qwiknotes

The company accepts ACORD Applications.

6.3.1 APPROVED RATES/LOSS COSTS/LOSS COST MULTIPLIERS – AUTOMOBILE

We will use ISO loss costs, rules and forms when writing Commercial Automobile.

6.3.2 APPROVED RULES – AUTOMOBILE

An account must be referred anytime the use of Rule 15 is used on a new line or, on renewals, when the line of business loss ratio exceeds 50% and/or additional deviation is being requested from the original approval.

The appropriate secondary rating factors for Recyclers must be used on all risks:

- 51 – auto dismantlers
- 54 – junk dealers
- 59 – All other



Auto Underwriting Criteria

- o Risks must have a "tarping" policy in place that meets the ISRI Safety Blueprint standards.
- o Type of backhauling must be evaluated. Should not include material such as haul hazardous waste, lumber, heavy equipment, perishables or explosives; etc.
 - Vehicle maintenance program must be in place identifying experience and how often.
 - o Driver files must have copy of CDL.
- o Driving records for all drivers should be checked as part of hiring process and on an annual basis there after to a written non-discriminating company policy.
 - Driver training program must be in place.

Eligible drivers must:

- Be at least 21 years old
- Have a minimum of four years driving experience
- Have an acceptable driving record
- Have a valid license
- Be familiar with the vehicles to be used or given instruction prior to driving insured vehicles

Authority is granted for commercial auto exposures of a long haul nature, defined as a radius of operations greater than 250 miles, but exposure cannot be greater than 30% of the power units.

MVR Ordering Guidelines:

New business:

- Fewer than 30 drivers - MVR's should be ordered on all drivers within 5 days of binding and reviewed for acceptability within 10 days of binding. .
- 30 or more drivers - MVRs should be ordered on 30 drivers or a minimum of 25% of all drivers within 10 days of binding and review within 30 days. PMs may have the option to request a higher % if there are adverse trends and they may want to see more drivers reviewed

Renewals:

- MVR's should be ordered for all new drivers based on driver list updates. When Renewal applications sent – only request a list of new drivers only. Also MVRs should be pulled on 25% of the remaining drivers on expiring
- Based on current MVR guidelines, the PA is required to identify Type A or B violations, DUI, Reckless driving; etc. Unacceptable drivers are either excluded or a signed "no drive" letter should be obtained
- MVR's should be ordered every 3rd year for all drivers so a complete drivers list will need to be obtained.
- An MVR Grid will only be completed every 3rd year to include all drivers
- As noted above if a "clean driver" has a major violation during the policy term, it is a referral to the PM. With the PA's input, a decision is made to put them on MVR watch - (quarterly or, semi-annual). They can then be reviewed at renewal to decide if they should be excluded or a signed no driver letter should be obtained.



NOTE FOLLOWING FORMS WITH GUIDELINES:

90812 10 06 Additional Insured Where Required Under Contract or Agreement – no premium charge

87950 Additional Insured Where Required Under Contract or Agreement – NY, VA

CA 24 04 05 09 Waiver of Transfer of Rights of Recovery

- Schedule: Where required by written contract or agreement executed prior to the "occurrence"

74445 Additional Insured Primary, non-contributory

The following only applies to WOS and Primary and noncontributory:

- Authority is granted subject to proper documentation in the file which includes copies of the insurance portion of the contract stating that these terms are required

The premium charge is \$250 per endorsement

These endorsements should not be added automatically to all accounts.

CA 99 48- POLLUTION LIABILITY- BROADENED COVERAGE

- MUST BE USED IF MCS 90 IS USED) - DO NOT USE IN NY AND VT – COVERAGE PROVIDED IN THESE STATES VIA STATE AMENDATORY END'T.

CA 99 23 -RENTAL REIMBURSEMENT

- MAY BE ISSUED ON A BLANKET BASIS- ALL PRIVATE PASSENGER VEHICLES

CA 99 40 -EXCLUSION OR EXCESS COVERAGE HAZARDS OTHERWISE INSURED

- Use form to exclude specific vehicles that may be covered elsewhere or vehicles and we do not want to cover for liability due to the exposure.

Auto Pollution: Pricing:

- Premium is calculated by multiplying 3% times the modified auto liability premium.
- Coverage is not available in the umbrella policy.

AUTOMOBILE COVERAGE CANNOT BE ISSUED ON A STANDALONE BASIS



6.3.3 APPROVED FORMS - AUTOMOBILE

FORM#	AUTOMOBILE FORM TITLE	LIMITATIONS
	MANDATORY ATTACHMENTS – ALL AUTO POLICIES	
91222 (04/13)	Policyholder Notice - Commission	None
CA 0001 (03/10)	Business Auto Coverage Form	Except CA, FL, MA, NY, VA
CA 0001 (03/06)	Business Auto Coverage Form	CA, FL, MA, NY, VA
IL 0017 (11/98)	Common Policy Conditions	All states except WA
IL 0146 (08/10)	Common Policy Conditions - WA	WA
89644 (06/13)	Economic Sanctions Endorsement (OFAC)	All states except AK
118019 (07/14)	Economic Sanctions Endorsement (OFAC)	AK
	PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS	
	ISO ENDORSEMENTS/CURRENT EDITION	WHERE APPROVED FOR USE
CA 9923 (03/10)	Rental Reimbursement Coverage	Except CA, FL, HI, MA, NY, VA

6.4 EXCESS / UMBRELLA

Unless specific guidelines apply, refer to the Division 66 Umbrella Qwiknotes.

See the QwikNotes for our Umbrella underwriting guidelines. .

6.4.1 APPROVED RATES/LOSS COSTS/LOSS COST MULPLIERS – EXCESS UMBRELLA

6.4.2 APPROVED RULES – EXCESS UMBRELLA

Accounts meeting the following criteria may be rated using the ILF Based Rating Tool

- Primary Auto Liability and GL premium is less than \$25,000 combined premium
- The combined Auto Liability and GL loss ratio is less than 50%
- The Auto Liability radius is local



- Medium Grade is selected if greater than or equal to 50% of the vehicles are Heavy trucks or lower weight
- High Grade is selected if greater than or equal to 51% of the vehicles are Extra Heavy trucks or Truck Tractors

6.4.3 APPROVED FORMS – EXCESS UMBRELLA

FORM #	UMBRELLA PRIME FORM TITLE	LIMITATIONS
UMBRELLA PRIME MANDATORY FORMS		
Not approved in AK, VT, WA		
91222 (04/13)	Policyholder Notice - Commission	None
96556 (1/08)	Policyholder Disclosure Notice of Terrorism Insurance Coverage	
89644 (06/13)	Economic Sanctions Endorsement (OFAC)	All states except AK
118019 (07/14)	Economic Sanctions Endorsement (OFAC)	AK
100669 (11/08)	Crisis Response Coverage Enhancement Endorsement (With Recall Expense)	
80518 (11/09)	Commercial Umbrella Declarations	AL, CA, CT, DC, DE, GA, HI, IA, ID, IL, IN, MD, ME, MO, MS, MT, NC, ND, NM, NV, OH, OK, OR, SC, SD, TN, UT, WI, WV, WY only
96532 (10/07)	Commercial Umbrella Declarations	KS only
81421 (1/03)	Commercial Umbrella Declarations	KY only
105735 (6/10)	Commercial Umbrella Declarations	LA only
80517 (11/09)	Umbrella Prime Contract	Not in AK, VA, VT & WA
105850 (2/11)	Umbrella Prime Contract (Virginia)	VA only
80477 (7/02)	Schedule of Underlying Insurance	Not AK, VT & WA
83049 (3/06)	Act of Terrorism Self Insured Retention Endorsement	Not in FL, OH, OK & VA
91688 (11/06)	Certified Act of Terrorism Self-Insured Retention Endorsement (Florida Only)	FL only
93944 (1/07)	Act of Terrorism Self Insured Retention Endorsement (Ohio Only)	OH
94151 (3/07)	Act of Terrorism Self Insured Retention Endorsement (Oklahoma Only)	OK only
105847 (12/10)	Act of Terrorism Self Insured Retention Endorsement (Virginia Only)	VA only
	Policyholder Disclosure Notice of Terrorism Insurance Coverage	Not AK, VT & WA



89644 (9/05)	Coverage Territory	Not VA
86428 (2/09)	Aircraft Products And Grounding Exclusion	Not AK, VT & WA
80394 (9/03)	Anti Stacking Endorsement	Not AK, FL, KS, VT & WA
80394 (7/02)	Anti Stacking Endorsement	FL & KS
80411 (1/04)	Cross Suits Exclusion	Not NH, SD
80411 (7/02)	Cross Suits Exclusion	SD only
80417 (7/02)	D&O Liability Exclusion	Not AK, VT & WA
80419 (7/02)	Employee Benefits Liability Exclusion (<i>do not attach if providing EBL</i>)	Not AK, VT & WA
80434 (2/03)	Formaldehyde Exclusion Endorsement	Not AK, VT & WA
82449 (6/03)	Fungus Exclusion	Not AK, MA, NH, VT & WA
89683 (9/05)	Fungus Exclusion Endorsement (Massachusetts and New Hampshire Only)	MA & NH only
83687 (9/11)	Duties in the Event of an Occurrence or Suit and Schedule A Approved Crisis Management Firms	Not MO
106763 (8/10)	Duties in the Event of an Occurrence or Suit and Schedule A Approved Crisis Management Firms	MO only
86471 (2/06)	Lead Exclusion	Not AK, FL, NH, VT & WA
86471 (8/04)	Lead Exclusion	FL only
87224 (12/04)	Liquor Liability Exclusion	Not AK, VT & WA
80463 (7/02)	Personal Injury Follow Form	Not AK, VT & WA
95605 (9/07)	Pre-existing Damages and Defects Exclusion	Not AK, VT & WA
83093 (5/05)	Professional Liability Exclusion	Not AK, VT & WA
83094 (9/03)	Radioactive Matter Exclusion	Not AK, VT & WA
89472 (6/05)	Sexual Abuse Or Molestation Exclusion	Not AK, IL, VT & WA
89974 (10/05)	Sexual Abuse Or Molestation Exclusion (Illinois)	IL only
80479 (2/03)	Silica Exclusion	Not AK, TX, VT & WA
80479 (7/02)	Silica Exclusion	TX only
80488 (7/02)	Subsidence Exclusion	Not AK, VT & WA
105907 (7/10)	Total Pollution Exclusion With Building Equipment and Hostile Fire Exception	Not LA, AK, VT & WA
105603 (11/10)	Total Pollution Exclusion With Building Equipment and Hostile Fire Exception (Louisiana)	LA only
81911 (1/05)	Texas Disclosure Notice	TX only

**PLUS ALL REQUIRED STATE AMENDATORY
ENDORSEMENTS**



UMBRELLA PRIME OPTIONAL FORMS

80399 (7/03)	Auto Liability Exclusion	Not AK, VT, WA & WV
82910 (9/03)	Auto Liability Exclusion	WV only
80398 (7/02)	Auto Liability Follow Form	Not AK, VT & WA
82610 (11/09)	Uninsured – Underinsured Auto	FL, LA, NH, VT, WI & WY only
90991 (5/06)	Employers Liability Exclusion	Not AK, VT & WA
87073 (11/04)	Employers Liability Coverage Endorsement (Occurrence Version)	Not AK, TX, VT, WA & WV
82616 (5/06)	Employers' Liability/StopGap Limitation Endorsement	ND, OH, WA, WY
81586 (3/12)	Texas Employers Liability Endorsement (Defense Expenses Outside Retained Limit)	TX only
81585 (6/09)	Texas Employers Liability Endorsement (Defense Expenses Inside Retained Limit)	TX only
105535 (5/10)	Employers Liability Follow Form	WV only
80445 (7/02)	Marine Liability Exclusion	Not AK, FL, NH, SD, VT & WA
87043 (11/04)	Commercial General Liability Limitation	Not AK, VT & WA
81583 (4/07)	Retained Limit Amendment	Not AK, IL, VA, VT & WA
100670 (11/08)	Retained Limit Amendment (IL Only)	IL only
107403 (12/10)	Retained Limit Amendment (VA Only)	VA only
87215 (11/04)	Employee Benefits Liability Coverage Form (occurrence)	Not AK, VT & WA
83069 (9/03)	Employee Benefits Liability Follow Form (occurrence)	Not AK, VT & WA
83073 (4/07)	Employee Benefits Liability Follow Form (claims made)	Not AK, VT & WA
80431 (7/02)	Foreign Liability Exclusion	Not AK, NH, VT & WA
80432 (7/02)	Foreign Liability Follow Form	Not AK, VT & WA
83097 (9/03)	Specified Operations Exclusion	Not AK, VT & WA
89484 (6/05)	Specified Entity Exclusion	Not AK, VT & WA
80485 (7/02)	Specified Product Exclusion	Not AK, VT & WA
80454 (7/02)	Notice of Occurrence	Not AK, VT & WA
86558 (8/04)	Discrimination Exclusion	Not AK, VT & WA
81581 (2/03)	Nonconcurrency Endorsement	Not AK, TX, VT & WA
87226 (12/04)	Mercury Exclusion	Not AK, VT & WA
83085 (09/03)	Liquor Liability Limitation Endorsement	Not AK, VT & WA
90996 (5/06)	Fungus Exclusion With Edible Good Or Product Consumption Exception Endorsement	Not AK, VT & WA
80396 (7/02)	Athletic Activities Exclusion	Not AK, VT & WA
80397 (7/02)	Athletic Activities Follow Form	Not AK, VT & WA
86395 (8/04)	Additional Insured Endorsement (Primary and Noncontributory)	Not AK, VT & WA



86453 (8/04)	Contractors Limitation Endorsement	Not AK, VT & WA
80473 (7/02)	Rip and Tear Exclusion	Not AK, VT & WA
87002 (11/04)	Blasting Exclusion	Not AK, TX, VT & WA
87220 (4/07)	Ground Up Construction Operations Exclusion	Not AK, VT & WA
80472 (4/07)	Residential Construction Operations Exclusion	Not AK, FL, VT & WA
87007 (11/04)	Residential Construction Operations With Exception for Repair or Remodel	Not in AK, TX, VA, VT & WA
95611 (9/07)	Water Damage From Exterior Wall Applications Exclusion Endorsement	Not AK, VT & WA

6.5 MISCELLANEOUS COVERAGES – EQUIPMENT BREAKDOWN