



AIG Programs

Program Underwriting Authority

ResortGuard Program

Edition Date:	04/1/2015																												
Program Administrator:	Willis of New Hampshire, Inc. Pease International Tradeport One New Hampshire Avenue, Ste. 200 Portsmouth, NH 03801																												
Principal(s):	David G. Hampson, President & CEO James Kelley, Underwriting Officer Jeffrey Benjamin, Program Manager																												
Program Description:	Destination Resorts including Timeshare/Interval Ownership Condominiums, Condominium Associations in proximity to ski areas, Master Planned Communities, HOA/POA, Destination Resort/Spa Hotels, Upscale Sportsman’s Lodges, VIP/Boutique Hotels & Country Inns.																												
Program Manager:	Sarah Whitney																												
Program Inception:	September, 1999																												
Division:	66 – AIG Programs																												
Related PUC Numbers:	<p><u>United States:</u></p> <table> <tr><td>82</td><td>HOA/POA – Package/Auto</td></tr> <tr><td>83</td><td>HOA/POA - Excess</td></tr> <tr><td>773</td><td>Destination Resort – Package/Auto</td></tr> <tr><td>774</td><td>VIP Hotel – Package/Auto</td></tr> <tr><td>775</td><td>Timeshares – Package/Auto</td></tr> <tr><td>776</td><td>All Other (Condo) – Package/Auto</td></tr> <tr><td>914</td><td>All Excess except HOA/POA</td></tr> </table> <p><u>Canada:</u></p> <table> <tr><td>33</td><td>HOA/POA – Package/Auto</td></tr> <tr><td>34</td><td>HOA/POA – Excess</td></tr> <tr><td>35</td><td>Destination Resort – Package/Auto</td></tr> <tr><td>36</td><td>VIP Hotel – Package/Auto</td></tr> <tr><td>37</td><td>Timeshare – Package/Auto</td></tr> <tr><td>38</td><td>A/O – Package/Auto</td></tr> <tr><td>39</td><td>All Excess except HOA/POA</td></tr> </table>	82	HOA/POA – Package/Auto	83	HOA/POA - Excess	773	Destination Resort – Package/Auto	774	VIP Hotel – Package/Auto	775	Timeshares – Package/Auto	776	All Other (Condo) – Package/Auto	914	All Excess except HOA/POA	33	HOA/POA – Package/Auto	34	HOA/POA – Excess	35	Destination Resort – Package/Auto	36	VIP Hotel – Package/Auto	37	Timeshare – Package/Auto	38	A/O – Package/Auto	39	All Excess except HOA/POA
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Program Territory:	United States (except HI and US possessions) and Canada																												
Program Commission:	26% on all lines except Auto and Canadian Business 15% Commercial Auto 26% Umbrella																												

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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. PROGRAM OVERVIEW

1.1 ELIGIBLE BUSINESS – PROGRAM DESCRIPTION

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

Eligible Risks:

- Resort Hotels including hotels not owned by ski resorts
- Time share and interval ownership condominiums or privately owned condominiums in a rental pool using an experienced management company;
- Upscale destination hunting and fishing lodges;
- Master planned community associations;
- Boutique Hotels and Country Inns
- Independently owned and operated hotels with destination resort type facilities in resort areas, even if they have a franchise/chain affiliation;
- VIP Hotels – defined as high-end luxury hotels with exceptional levels of service/hospitality, upscale facilities with expanded amenities. Targeted hotels include:
 - Forbes 4 or 5 Star properties
 - AAA 4 and 5 Diamond properties.
 - Relais and Chateau member properties and similar small, high end boutique hotels (defined as hotels with a restaurant and no more than 100 rooms with a minimum off season room rate of \$250 per night).
 - Properties associated with Preferred Hotels and Resorts Association
 - Gayot 4 & 5 Golden Key properties
- Luxury Guest Ranches



The list of NAIC and ISO Class Codes for Eligible and Incidental Eligible Risks: - See Addendum C – Class Codes

In addition, We require the following account attributes*:

- At least five (5) years in operation or a minimum of 5 years operating experience in Resort Business.
- 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 \$50,000 (Incurred loss).
- Current policy must be active and not in the process of being cancelled or non-renewed.
- D&B credit score of 1, 2 or 3 as obtained from eStart.**
- Complete copy and evaluation (signoff from Willis Financial manager) of most recent 2 year Audited Financial Statement or Compilation/CPA prepared Financial Statement must be obtained on accounts with account premium of \$250,000 or more and/or third party deductibles of \$100,000 or greater.

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

**For accounts with a D&B score of 0, 4, or 5, an Experian score of twenty five (25) or higher and not operating under any chapter of the US Bankruptcy code are acceptable as an alternative (with proper file documentation). Otherwise, you must submit the account to your Program Manager along with a copy of their current audited financial statements for approval prior to quote.

1.2 INELIGIBLE BUSINESS

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

Ineligible Risks:

- Guest ranches that offer close interaction with ranch animals as part of the attraction such as cattle drives or overnight camping trips.
- Motels
- Franchised hotels or groups of hotels owned by the chain.
- Owner-occupied Residential Condominiums outside ski areas or resort areas
- Country Clubs unless part of the resort.
- Mechanical Bulls,
- Overnight Camps,
- Vacation condominiums unless in proximity to a ski area or a vacation destination area.
- Any downhill skiing or tubing exposures and ski or aerial sightseeing lifts exposures are not to be included.
- Risks that sponsor towing persons up a hill or slope by snowmobiles, lifts or any other means for the purpose of sledding/tubing are ineligible and must be excluded by attaching the Designated Ongoing Operations Exclusion end (CG 2153).
- Outfitters and Guides that are not part of an eligible operation.
- Mountain climbing and/or rock climbing exposures.



- Resort Development – contracting exposures and Builders Risk exposures should be covered by the developer’s policy – our insured should obtain Certificates of Insurance with equal to or higher limits and have the developer name them as an Additional Insured and obtain a Hold Harmless Agreement
- Any accounts that are in or have been in Chapter 11 or 7 or have been taken over as a mortgagee in possession.
- Vacant Properties

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
AIG Insurance Company of Canada

2.2 LINES OF BUSINESS / PREMIUM / OPERATING SYSTEM

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

The premium amounts apply only to business written in the Program and do not apply to any business written with any other company, branch, division or department of AIG Property Casualty, Inc.

LINES OF BUSINESS	PREMIUM AUTHORITY	OPERATING SYSTEM`
Commercial Property/Inland Marine	\$150,000	Coverall
Commercial Package Policy	\$275,000	Coverall
Commercial General Liability	\$200,000	Coverall
Commercial Automobile	\$50,000	Coverall
Commercial Crime Coverage	\$25,000	Coverall
Umbrella Liability Coverage	\$100,000	Coverall
The sum of all policies and/or coverages written for one insured	\$525,000	

*Coverall Operation System applies to U.S. business only. Canadian business will be issued from the AIG approved workbook.



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 as 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	\$30,000,000	Maximum Amount Subject (gross) in Protection Class (PC) 1 - 8
	\$7,500,000	Amount subject any location in Protection Class 9 or 10
	\$60,000,000	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*),	\$ 7,500,000	
Earthquake Sprinkler Leakage – 250 Year MMI Zones 1 – 6.99 (derived from RiskMeter*),	\$ 7,500,000	
Flood – RiskMeter flood score over 40	No Authority	
Flood – RiskMeter flood score 10 - 40	\$ 7,500,000	
* See QwikNotes for Information on RiskMeter		
Wind/Coastal Property	No Authority	Refer to the Windstorm section of Property QwikNotes for guidelines prior to your referral.
Equipment Breakdown	Per Equipment Breakdown Addendum	See Section 6 for Equipment Breakdown Addendum.



CRIME		
Commercial Crime (1):	\$250,000	Per Occurrence
Employee Theft	ERISA \$500,000	
Forgery or Alteration		
(1) Includes Employee Benefit Plans – when scheduled on the Declarations Page		
Inside the Premises: Theft of Money and Securities	\$100,000	
Inside the Premises: Robbery or Safe Burglary of Other Property	\$100,000	
Outside the Premises	\$100,000	
Computer and Funds Transfer Fraud	\$100,000	
Money Orders and Counterfeit Money	\$100,000	
All other Commercial Crime	\$100,000	Per Occurrence

BUILDERS RISK : HARD AND SOFT COST TOTAL	Protection Class 1 - 6	Protection Class 7 - 8	Protection Class 9 - 10
BUILDING CONSTRUCTION:			
Frame and Joisted Masonry	\$2,500,000	\$2,500,000	No Authority
Non-Combustible (ISO Construction Class 3)	\$5,000,000	\$5,000,000	No Authority
Masonry Non Combustible, Semi-Fire Resistive, and Fire Resistive	\$5,000,000	\$5,000,000	No Authority
<ul style="list-style-type: none"> ➤ Coverage is a referral if the “Soft Costs” limit exceeds 20% of the Builders Risk “Hard Costs” ➤ “Soft Cost” Limits must be scheduled for each type of cost to be covered with respective limit 			

GENERAL LIABILITY, AUTOMOBILE, GARAGE, UMBRELLA	Limits	
Commercial General Liability and Products Liability	\$1,000,000 \$2,000,000 \$2,000,000	Each Occurrence General Aggregate Products-Completed Operations Aggregate
Medical Payments	\$ 15,000	
Personal/Advertising Injury	\$1,000,000	Each Occurrence
Damage to Premises Rented to You	\$1,000,000	
Liquor Liability	\$1,000,000 \$1,000,000	Each Occurrence Annual Aggregate (\$2,000,000 Agg available in UT)
Employee Benefits Liability	\$1,000,000 \$1,000,000	Claims Made Annual Aggregate



Pollution: Herbicide/Pesticide	\$1,000,000	Claims Made
Above Ground Storage Tanks	\$0	Claims Made
Errors and Omissions Liability for Spa and Hospitality Endorsements only.	\$1,000,000	Per Wrongful Act
	\$1,000,000	Annual Aggregate
	*limits for U.S. Spa End't	
	\$500,000/\$500,000 for U. S. Hospitality End't	
	\$1,000,000/\$1,000,000 Canada Combined Spa/Hospitality End't	
Commercial Automobile Liability	\$1,000,000	Any One Accident
Commercial Automobile Physical Damage	ACV to \$80,000	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		
Amount Subject Any One Location	\$1,000,000	
Garagekeepers Coverage:		Direct or Legal Liability
Comprehensive	\$500,000	
Collision	\$500,000	
Commercial Umbrella	\$10,000,000	Each Occurrence
	\$10,000,000	General Aggregate Limit

2.5 WINDSTORM AND EARTHQUAKE CAT MANAGEMENT REFERRALS

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

1. within Windstorm Control Zones (as defined in the Windstorm section of the 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 ORGANIZATION	SERVICES	AAIS	PROPRIETARY PRODUCTS
Commercial General Liability		Inland Marine	PropertyOne
Commercial Auto			Equipment Breakdown
Commercial Crime			Commercial Umbrella
			Canadian ResortGuard Rates and Forms

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 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 NY Umbrella must be written in 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 up to 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: Builder’s Risk; Contractors Equipment; Computer Coverage; Fine Arts Floater; Scheduled Property	Approved
Use of ISO Experience and Schedule Rating and IRPM	Approved
ISO ‘a’ Rating	No Authority
Deviation from ISO ‘Increase Limits Factors’	No Authority
ISO Rule 15 – Commercial Automobile	No Authority
ISO Rule 34 – Commercial General Liability	No Authority
ISO Composite Rating	Approved
Loss sensitive rating or retrospective rating	No Authority
Large or Special Risk Rating	No Authority
Use of any other State Approved “Deregulation” relative to rate or form use	No Authority
Dividend plans: individual risk or entire program	No Authority
Premium deferral or cash-flow programs, or compensating balance programs	No Authority
Rate guarantees beyond the annual policy term	No Authority
Self insured retentions	No Authority
Preferred Risk Property (PropertyOne Rating Plan)	Approved
Consent to Rate Rules	No Authority

2.8.1 ISO “REFER TO COMPANY” RULES

Anytime ISO has insufficient data to promulgate a rate or loss cost, they defer to the company to create its own rate. Please refer to Section 6, “Refer to Company” rules which are applicable (by product line) for the Program, or QwikNotes for guidance. If we do not address a specific “Refer to Company” issue pertaining to rating an account, please refer the matter to your Program Manager for guidance prior to quote.

2.9 LIMITATIONS TO AUTHORITY

Unless a specific exception is listed in Section 6, you may not place any business in contravention of this Authority with respect to any aspect of the insurance placed pursuant to the Program, including without limitation, types of risk, coverages provided, policy terms and conditions, and pricing techniques.



2.9.1 LIMITATIONS: GENERAL LIMITATIONS

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

1. Quote or bind an account operating pursuant to any chapter of the United States Bankruptcy Code.
2. Quote or bind any account with Commercial Auto exposures of a long-haul nature, defined as a radius of operations greater than 250 miles.
3. Quote or bind any account with overhead transmission/distribution lines either for direct damage or consequential loss, i.e. business interruption or extra expense.
4. Bind any account where Risk Transfer is not self evident, or where the premium for such accounts must be recorded as a deposit.
5. Use any endorsement related to any rating agency downgrade of AIG (Credit Downgrade Endorsement).
6. Captive, pooling, or other risk financing arrangements.
7. Assumed reinsurance.
8. Amendments to any Program Administrator Agreement or other contractual agreement between any company of AIG, Inc., and any duly authorized broker doing business with the AIG Programs Division.
9. Back-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 an AIG approved TPA is not handling all losses and loss adjustment.
13. Revise any premium audit without the express written consent of the Company Premium Audit Division.

2.9.2 LIMITATIONS: COVERAGES

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

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.
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 (except for the Spa and Hospitality end'ts).
8. Manufacturers Output policies or coverage.
9. Ocean Marine.
10. Product Recall.
11. Foreign coverage (i.e. outside the United States or Canada).



12. Hawaii Auto Coverage if not written through Coverall.
13. Massachusetts Auto Coverage if not written through Coverall.
14. Mold/Fungus Coverage.
15. Data Corruption coverage.
16. Policies that provide for Windstorm and/or Flood and/or Earthquake only.

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 Authority set forth herein. You must issue and mail all policies (either by USPS or electronically) within thirty (30) days from the effective date of the policy; endorsements must be issued and mailed within thirty (30) days of receipt of the request.

2.12 APPROVED COVERAGE FORMS AND ENDORSEMENT AUTHORITY

The attached Excel Spreadsheet sets forth the coverage forms and endorsements that are available for use with the Program by line of business by jurisdiction.



ATTACH WORKSHEET HERE WITH VERSION DATE INCLUDED IN TITLE; POST ON PA DISCRETE PORTAL ON WEBSITE

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

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

2.13 DELEGATION OF AUTHORITY

The person designated in Section 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 Administrators office and made available to the Company upon request. No person other than the Designee may delegate any underwriting authority nor may the Designee delegate any authority to anyone outside of the employ of the Program Administrator. Any exceptions to any of the foregoing must be expressly approved in writing by your Program Manager prior to initiating the quote process.

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

3. PROGRAM UNDERWRITING RULES

3.1 UNDERWRITING FILE/DOCUMENTATION REQUIREMENT

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

The minimum general requirements for contents of an underwriting file 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 DOCUMENTATION REQUIREMENTS

- 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 DOCUMENTATION REQUIREMENTS

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

3.1.3 AUTOMOBILE FILE DOCUMENTATION REQUIREMENTS

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

3.1.4 UMBRELLA / EXCESS CASUALTY FILE DOCUMENTATION REQUIREMENTS

- a. Umbrella pricing worksheet including reason for pricing deviations.
- b. UM/UIM offer, acceptance & rejection forms where required
- 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 from non AIG underwriting policies with writing company, premium, limits, policy periods, and for GL, a form schedule.
- 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 is required on all new business and kept in the policy file, along with any supplemental applications, questionnaires, or statements of value which are critical to the underwriting of the account. Umbrella applications are not required to be signed if all of the underlying applications have been signed. Where the application becomes part of the insurance policy (as is the case with Professional Liability, for example) subsequent applications must be signed. Where the application does not become part of the insurance policy, subsequent renewal applications do not need to be signed, although it is considered preferable to obtain such signatures where possible.

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

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

Standard ACORD forms and supplemental questionnaires or applications 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 (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:

1. When limited by the Program Manager and stated in their approval email; or
2. Deterioration of previously approved three year account loss ratio; or
3. The premium exceeds your authority as stated in Section 2.2, Premium Authority; or
4. Any approval for property and/or inland marine coverages:



- For flood and/or earth movement if there are any changes to limit(s) or deductible(s); or.
- Windstorm in a “wind control zone” (unless otherwise provided in the written approval); or
- If the key amount subject increases by more than **10%** above the approved amount subject limit; or
- Any amount subject value over \$40,000,000.

(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 larger than \$10,000 on a General Liability must be referred to your Program Manager prior to use. Application of General Liability deductibles must comply with ISO rate and rules (or Canadian rate/rule).

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) contains 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. For all cancellations, conditional renewals and non-renewals, use of ODEN Policy Terminator is required to ensure that notices provided comply with each state's requirements.

3.10.2 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 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.

3.10.8 CANADIAN FORMS – MANDATORY ATTACHMENTS

For all business domiciled in Canada, you are required to attach 'Customer Advisory Regarding the Enforcement of Economic Embargos and Trade Sanctions' and the 'AIG Privacy Principles' policy holder notices to all policies to be in compliance with local requirements.

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:

LOSS CONTROL GUIDELINES – ResortGuard Revised

1. No telephone surveys
2. Physical surveys should follow QWIK notes
3. The Program Administrator should request an aquatic risk management physical survey on all new business with major water exposures including:
 - a. On duty lifeguard or regular security checks are required for resort exposures with pools where capacity is over 30 people
 - b. Any pool with a diving board or waterslide over 1 meter, wave pool or similar water park activities;
 - c. Waterparks as defined above;
 - d. Lakes, beach areas in excess of 100' frontage or swimming where you cannot see the bottom or the depth exceeds 10 feet;
 - e. If state law does not require a lifeguard based on a certain criteria, then account still needs to meet all other protective measures noted above such as indoor surveillance or regular security checks by the resort



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

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

Please sign below and return an executed copy of the Program Underwriting Authority to your Program Manager within 30 days. If AIG Programs does not receive the executed copy within such time, this Authority will automatically go into effect on 3/1/2015.

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

Acknowledged By:

Delegated By:

Willis of New Hampshire
Name of Program Administrator

New Hampshire Companies and AIG of Canada
Name of Insurers

James Kelley
Name of Recipient/Designee

Ruby Simmons
Name of Grantor

Director of Property
Title of Recipient/Designee

Product Line Manager
Title of Grantor

Signature of Recipient/Designee

Signature of Grantor

Date

Date



6. ADDENDA – LINE OF BUSINESS GUIDANCE: RATES AND RULES

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 this Authority and is subject to change. You must use the current, approved form edition, which may be a new version than appears in this Authority, 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: RATES AND RULES

Unless otherwise directed in this section, please refer to the Division 66 Property QwikNotes.

The company accepts ACORD Applications.

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.

1. **Property Preferred Rating Plan PRRP (excluding Florida & Canada)**
 - To use the PRRP rating plan the ISO "Unmodified" property premium must be \$50,000 or greater. "Unmodified" property premium is defined as property premium not including IRPM and Company deviations. Only package and deductible factors are applied.
 - Authority is granted to deviate up to 30% off ISO using the PRRP rating worksheet for ISO loss Cost I and II. This is equivalent of a 30% IRPM applied to the "modified" ISO loss cost I and II premium.
 - The "modified" ISO Loss cost I and II will include company deviations, package mods and deductible factors.
 - Use the PRRP or Tier rating worksheets based on state approvals.
 - The rating worksheets should be completed per location and per building unless there are multiple buildings at a location with similar construction and risk characteristics. The worksheets can be combined under one worksheet.
 - Buildings that do not qualify the PRRP must be rated using ISO rating.
 - Please note that IRPM rating no longer applies Group I and II loss cost when using PRRP rating.
 - ISO Loss Cost III – special rates can still have IRPM modification applied.
 - A \$1,000 flat charge applies to all accounts using PropertyOne.
2. **PropertyOne Business Income & Extra Expense Coverage Part (excluding Florida & Canada):**
 - Form Number 64872
 - Dependent Business Income limit up to \$100,000 and 72 hour waiting period
 - The following key points should be addressed for any requests to provide increased Dependent Property BI limits;



- i. Identify locations where any contingency exists
- ii. Underwrite each location via COPE information
- iii. If a location is the “sole source” for materials/supplies/customers, identify the availability of other suppliers/customer drawing attractions in the event of a loss, and how the other suppliers/customer drawing attractions can be accessed.
- iv. Determine if other current suppliers can fill the gap in the event of loss to any one dependent location if those suppliers provide similar or identical material/supplies or multi-source.
- v. Determine if there are major customers that the insured depends upon to generate sales and if so, underwrite the exposure carefully.
- vi. If any coverage is requested for unnamed contingent (dependent) locations:
 1. No catastrophe perils shall be covered;
 2. Obtain confirmation or duplicate suppliers and ease of access; and
 3. Obtain an estimate of total exposure from these unnamed locations.

3. PropertyOne Computer Equipment, Media, Data & Programs

- PropertyOne form includes Equipment \$500,000 and Media, Data & Programs \$250,000
- Limit may be increased using the Extension of Supplemental Dec page
- Rate based on the value equal to the difference between the higher limit and the embedded limit.

4. PropertyOne Fine Arts

- PropertyOne form includes \$25,000 any one item/\$100,000 per location
- Limit may be increased using the Extension of Supplemental Dec page
- Rate based on the value equal to the difference between the higher limit and the embedded limit.

If there is exposure deemed to require more comprehensive coverage, do not increase the Computer Equipment, Media, Data & Programs limits or Fine Arts limits on the PropertyOne form, but rather use AAIS coverage forms.

5. Hospitality/Leisure Program Enhancement Endorsement

- U.S. – 12.5% of the premium developed using ISO (or company filed and approved) Group I and II Loss Cost rating for Buildings, Business Personal Property and Business Income/Extra Expense. The coverage charge is subject to minimum premium of \$1,250, except for locations in Earthquake zones 1 and 2, the minimum premium is \$1,350.
- Canada – 5% of the premium developed using Canadian rating for the Business Income/Extra Expense. The coverage charge is subject to minimum premium of \$250 and a maximum premium of \$1,000.

6. Historic Hotels Building Valuation Endorsement

- No premium charge associated with this endorsement
- The following items should be obtained prior to binding coverage and referred to the Willis Program Manager for approval.
 - i. Appraisals are required prior to binding coverage and 100% of the appraisal values are used to set TIV



- ii. If an Appraisal was completed in the past 3 years, the account may be quoted subject to an updated appraisal. Adjustments will be made upon receipt of the new appraisal.
 - iii. The definition for “historic hotel building” is a hotel that is at least fifty (50) year old and the hotel is listed in or eligible for the National Register of Historic Places or the building is recognized locally as having historical significance.
 - iv. Willis Loss control staff should be used to assist the underwriters in reviewing appraisals.
7. **Golf Course Coverage:** The three coverage parts are each subject to IRPM modification, but not below the minimum premium indicated.
- **Tee to Green:**
 - i. Maximum Limit \$1,000,000 per course
 - ii. Rate for \$100,000 limit per course is \$400 minimum premium
 - iii. Rate for each additional \$50,000 in limit is \$250
 - iv. Deductible \$1,000 all perils
 - **Sprinklers & Underground Wiring:**
 - i. Coverage included loss or damage to inground sprinkler systems (including related equipment) and underground wiring excluding loss or damage caused by freezing.
 - ii. Maximum Limit \$250,000
 - iii. Rate is \$0.85 rate \$100 of limit, subject to \$200 minimum premium
 - iv. Deductible is \$1,000 all perils
 - v. Evaluation of freezing exposure should be done and loss control procedures should be documented.
 - **Additional Covered Golf Course Property:**
 - i. Flags, ball washers, benches, tee markers, tee monuments, tee signs, exterior light fixtures, poles, and bells at the premises described in the Declarations and fences, bridges, walks, patios, and other paved surfaces adjacent to covered greens and fairways.
 - ii. Maximum Limit \$250,000
 - iii. Rate is \$0.85 rate \$100 of limit, subject to \$200 minimum premium
 - iv. Deductible is \$1,000 all perils
 - v. Fence exposures should have wind exposure evaluated. Risk with high-value fences should have higher deductibles.
8. **Member Property Endorsement**
- No charge for the \$10,000 extension of coverage and deductible is waived
 - The main exposure is golf equipment; however, if members use or store their golf carts on premises this will increase the exposure. Controls to limit loss (i.e. theft) should be evaluated and we should know the number of members that store equipment.
9. **Food Contamination and Communicable Disease**
- Limits are \$100,000 or \$250,000
 - Premium are Factor applied to the Business Income Premium
 - i. 1% for \$100,000 limit
 - ii. 2.5% for \$250,000 limit



Refer to QwikNotes for specific guidance on approved Marshall & Swift valuations with the following exception:

1. Insurance to Value: Marshall and Swift valuation replacement cost valuation for all buildings with a building value of \$1,000,000 or greater.
2. Business Income Worksheets: Signed Business Income worksheets must be completed for each location with BI values greater than \$1,000,000.

Miscellaneous Inland Marine:

1. U.S. accounts will use the AAIS forms. Canadian accounts include mobile equipment on the insured's premises within the property coverage form.
2. AAIS Forms (U.S. only): Builders' Risk; Computer Coverage; Contractor's Equipment; Fine Arts Floater; Scheduled Property Floater
3. Docks and Wharves
 - i. Must be written on the separate Piers, Docks and Wharves endorsement on ACV basis only

Deductibles:

1. Direct Damage
 - a. Minimum Deductible of \$1,000
 - b. Higher Deductibles should be used wherever possible and on higher exposure/larger schedules
 - c. Unprotected Properties (PC 9 or PC 10), minimum deductible of \$5,000
2. Business Income and Extra Expense
 - a. Minimum Deductible is 72 hours.
 - b. Longer waiting periods should be used wherever possible and considered on higher exposure/larger limit risks.

Crime:

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.

PropertyOne, AAIS, ISO Crime, and Canadian Property and Crime forms are to be used on most accounts. Refer to the attached policy form addendum for ResortGuard specific forms.

6.2 GENERAL LIABILITY: RATES AND RULES

Unless otherwise directed in this section, please refer to the Division 66 General Liability QwikNotes

The company accepts ACORD Applications.



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

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:

DAY CARE EXPOSURES

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

- Supplemental Day Care application is required for areas with a day care center or babysitting service
- All employees or volunteers involved in this operation must have a 50 state criminal and sex offender registry background check completed before working with children
- If operation is subcontracted, the underwriter must obtain certificates of insurance from an acceptable carrier to AIG (A-, XI or better) with minimum limits of \$1,000,000 or higher if we are asked to provide an umbrella policy. The insured must be named as an additional insured (by endorsement) on the sub-contractor's insurance policy.
- The cost for this coverage is 15% of GL premises premium and subject to a minimum premium of \$1,000
- The maximum limit available is \$1,000,000.
- Day care service must be limited only to resort/hotel guests and their guests.
- Parents must remain on the resort premises at all times.
- Children cannot be transported from the resort/hotel premises under any circumstances.
- Account must follow Federal Interagency Day Care Regulation and NAEYC guidelines for safety.
- Loss control must be ordered on all accounts with this exposure and recommendations must be complied with within 60 days.

EQUESTRIAN

Accounts with concessioned operations

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

Accounts with owned operations

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

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



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

- Participants under the age of 6 must not be allowed to ride.
- Written procedures regarding matching all riders to a horse according to aptitude, ability & size.
- Written procedures requiring elementary riding safety must be explained to all riders, including how to control a runaway horse.
- A ratio of six (6) riders to one (1) guide is required if gait is trot or slower.
- A ratio of four (4) riders to one (1) guide is required if exceeding trot.
- Riders cannot dismount on the trail
- Employee guides must be over the age of 24 or have more than two (2) years horse guiding experience.
- All guides must have current first aid training from an accredited source (Emergency Medical Technician, Red Cross or equivalent)
- Helmets must be offered to all guests.
- Guides must take at least one functional set of two-way radios or cellular phones on each ride.
- A written equipment maintenance and safety program is required.

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

- Participants under the age of 6 must not be allowed to ride.
- Instruction in unconfined area (except for cross-country) must not be allowed.
- Exceeding a ratio of three (3) students to one (1) instructor when providing cross-country instruction must not be allowed.
- Students must be required to wear riding helmets equipped with safety harnesses and appropriate hard soled boots.
- Written procedures must require the first lesson to include:
 1. Emergency situation training, including dismounting & controlling a runaway horse
 2. Proper handling of reins and tack inspection
- Accounts must have a written equipment maintenance and safety program

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

- All vehicles and wagons must have slow moving caution symbols and have hydraulic or approved mechanical brakes
- Written procedures must require that only employed drivers are allowed to operate teams or vehicles at all times.
- Employee drivers must not be less than 24 years old and have less than two (2) years team driving experience.
- Must have a “Helper” for all animal drawn wagons with six (6) passengers or more and all tractor or vehicle drawn wagons with twelve (12) passengers or more.
- An “out-walker” must be required for each animal drawn unit in a parade or crowd.
- No alcohol is allowed on board the unit.
- No passengers are allowed to stand while the vehicle is in motion.
- Hay wagons are required to have sideboards at least two (2) feet above the seating level, which do not have controlled access and egress ways.



- The driver or assistant must be seated in the driver's seat while loading and unloading passengers.
- Lights are required on the front and back of vehicles pulling hay wagons and reflectors on the horses' tack, saddle or neck yokes for dusk and night rides.
- A written equipment and safety programs is required.

LIQUOR LIABILITY:

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

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

Liquor Rating

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



MOBILE EQUIPMENT - GOLF CARTS:

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

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

SECURITY/POLICE

The following guidelines apply to employed security/police. If security/police are subcontracted they should have similar standards in place. Use the supplemental application and loss control reports as sources to verify controls.

- Security firm must have at least three (3) years experience.
- Risks must screen prospective employees and do reference and police checks on all applicants.
- Documentation of formal training program must be in place.
- Written policies and procedures – copy must be in the underwriting file.
- Formal weapons qualification process for all armed guards.
- Hiring standards-must have prior law enforcement experience
- Security personnel are given annual performance evaluations
- There must be a record-keeping log of all calls.
- Non Owned & Hired Car – This coverage is not available for accounts with Security Guard exposure where employees are using their cars on company business.
- No "Hot Pursuits" allowed

SKATEBOARD PARKS

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

- Skateboards and In-line skaters only. No bikes.
- Park Monitors are trained in CPR and first aid.
- Park Monitors should be at least 18-21 years old - preferably adults and trained in how to address conflicts.
- Area needs to be kept clean and clear of trash/rocks/sand or anything that can cause skateboarder to lose control.
- No food. No pets. No children under 5 years old.
- The number of skaters in the park must be controlled (should have enough room without running into each other).
- Children waiting to enter should be lined up "outside" the park and not inside.



- Signed releases approved by a licensed attorney must be obtained and they also need to be controlled.
- Children under 16 years old must have it signed by their parents.
- Other parents are not allowed to sign for their children's friends or visitors.
- There should be a separate area for younger and inexperienced children. Need to pick an age limit or test a child's ability to skateboard. Ramps should be lower in this area. This will avoid injury from heights and more experienced and/or aggressive children.
- Skateboarders cannot bring in any homemade ramps.
- Safety helmets, knee and elbow pads must be required. Children should not be allowed in park without them.
- Rental equipment (other than safety equipment) should not be allowed
- There should be good drainage in the parks.
- An Operational Procedures Manual should be in place
- A means of contacting emergency personnel should be provided.

SNOWMOBILES

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

SPA SERVICES AND HOSPITALITY PROFESSIONAL

Spa Services

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

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

Licensing and Certification

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



Underwriting Exposures

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

Ineligible Exposures

- Hair Removal Electrolysis, X-ray, or Laser or photocoagulation
- Tanning beds or Tanning booths
- Tattoo or Tattoo Removal
- Micro-pigmentation, derma-pigmentation, permanent makeup or cosmetic tattooing
- Dying or tinting of eyelashes using dyes or tints not approved by Food and Drug administration
- Body Piercing other than earlobes
- Dermatology services (including but not limited to Botox, injection of fillers, dermabrasion, or dermaplaning)
- Chemical peels containing greater than 30% active ingredients
- Laser Treatments
- Plastic Surgery, Liposuction, eyelifts, face lifts, Sclerotherapy or other procedures to minimize the appearance of veins
- Acupuncture
- Nutritional Counseling or weight loss programs
- Personal training

Limits

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

Note coverage is not available in LA



Rating

<u>Base Rate</u>	<u>Classification</u>	<u>CW First Person</u>	<u>AK First Person/ Each Additional</u>	<u>AL First Person</u>	<u>CA First Person</u>	<u>CO First Person</u>
	Esthetician	\$400	\$200/\$75	\$237	\$346	\$251
	Masseuse/ Massage Therapist	\$400	\$200/\$75	\$237	\$346	\$251
	Body Wrap Technician	\$400	\$200/\$75	\$237	\$346	\$251
	Manicurist/N ail Technician	\$200	\$100/\$75	\$237	\$175	\$130
	Beautician	\$200	\$100/\$75	\$237	\$175	\$130
	Hairstylist	\$200	\$100/\$75	\$237	\$175	\$130
<u>Additional Charges</u>		<u>Rate Per Unit</u>	<u>Rate Per Unit</u>	<u>Rate Per Unit</u>	<u>Rate Per Unit</u>	<u>Rate Per Unit</u>
	Hydrotherap y Table/Tub	\$200	\$100	\$173	\$181	\$148
<u>Limits of Insurance</u>		<u>Factor</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
	\$500,000	0.758	0.758	0.758	0.758	0.758
	\$1,000,000	1.000	1.000	1.000	1.000	1.000
	Refer to company for higher limits					



<u>Base Rate</u>	<u>Classification</u>	<u>FL</u> <u>First</u> <u>Person</u>	<u>GA</u> <u>First</u> <u>Person</u>	<u>KS</u> <u>First</u> <u>Person</u>	<u>NC</u> <u>First</u> <u>Person</u>	<u>NY</u> <u>First Person/</u> <u>Each</u> <u>Additional</u>
	Esthetician	\$252	\$274	\$205	\$258	\$200/\$75
	Masseuse/ Massage Therapist	\$252	\$274	\$205	\$258	\$200/\$75
	Body Wrap Technician	\$252	\$274	\$205	\$258	\$200/\$75
	Manicurist/N ail Technician	\$110	\$141	\$112	\$187	\$100/\$75
	Beautician	\$110	\$141	\$112	\$187	\$100/\$75
	Hairstylist	\$110	\$141	\$112	\$187	\$100/\$75
<u>Additional</u> <u>Charges</u>		<u>Rate Per Unit</u>	<u>Rate Per Unit</u>	<u>Rate Per Unit</u>	<u>Rate Per Unit</u>	<u>Rate Per Unit</u>
	Hydrotherap y Table/Tub	\$148	\$155	\$150	\$215	\$100
<u>Limits of</u> <u>Insurance</u>		<u>Factor</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
	\$500,000	0.758	0.758	0.758	0.758	0.758
	\$1,000,000	1.000	1.000	1.000	1.000	1.000
	Refer to company for higher limits					



Hospitality Services Professional

Coverage

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

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

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

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

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

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

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

- Spa/Salons - (should be covered under Spa Professional Liability end 110256 outlined above)
- Restaurant/Food Service Caterers
- Fitness centers
- Daycare/day camps
- Golf or tennis professionals
- Business services/event planning (Wedding planners)
- Reservation/travel booking agencies (should be excluded via ISO end)
- Real estate (should be excluded via ISO endorsement)

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

- **Other Insurance provision** makes it excess over any other insurance provided to the insured whether such insurance is on a primary, excess, contingent or any other basis unless such insurance is written to be specifically excess of this policy
- **Section III – Limits of Insurance:**



All “**wrongful acts**” resulting from related or interrelated “wrongful acts” will be deemed to be a single “wrongful act”.

Underwriting Exposures

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

Excluded/Ineligible Exposures: The following exposures should be reviewed closely. When appropriate the CGL/umbrella exclusions should be used:

- **Recreational services** - Water parks, snorkeling, scuba diving, parasailing, speed boats and surf and wind boarding, paddle boarding, kite skiing, jet water skiing, white water rafting or boat rentals.
- **Specific professional services** such as attorneys, architects, engineers, accountants, real estate/travel agent manager or investment advisor or professional. If any exposure exists, the **ISO Professional liability exclusion must be attached listing the service to be excluded.**
- **Medical facilities** including but not limited to any hospital, clinic, medical office, urgent care center, sanatorium, or laboratory.
- **Professional healthcare services** such as medical, surgical, dental, nursing or healthcare services, including furnishing food or beverage in connection therewith or furnishing or dispensing of drugs or medical or surgical supplies or appliance.
- **Employment related practices** such as wrongful termination, and/or discrimination, and/or sexual harassment and/or workplace torts.

Referral to Program Manager:

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



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

Limits

The Hospitality Services Professional Liability Coverage Endorsement is available at the following limits:

- \$25,000 Each Wrongful Act/\$25,000 Aggregate
- \$50,000 Each Wrongful Act/\$50,000 Aggregate
- \$100,000 Each Wrongful Act/\$100,000 Aggregate
- \$250,000 Each Wrongful act/\$250,000 Aggregate
- \$500,000 Each Wrongful Act/\$500,000 Aggregate

Note coverage is not available in AK

Deductible

\$250 deductible applies

Pricing

Classifications 20026 subline 334
 Premium Basis per \$1,000 Gross sales

All States except CA, GA, IA, MS, MO, NY, ND, TX

Limit	Rate Range
25,000	0.025 – 0.075
50,000	0.04 – 0.12
100,000	0.07 – 0.21
250,000	0.16 – 0.48
500,000	0.31 – 0.93



States: CA, IA, MS, MO, NY, ND, TX

Limit	Rate
25,000	0.050
50,000	0.080
100,000	0.140
250,000	0.320
500,000	0.620

GA

Limit	Rate
25,000	0.050
50,000	0.080
100,000	0.140
250,000	0.320
500,000	0.620

STREETS AND ROADS

- Traffic control device standards are established and monitored in accordance with the written procedures.
- Ongoing maintenance schedule is in place and documented according to the written plan.
- Speed control procedures are in place and implemented according to the written procedures

WATER EXPOSURES

1. Swimming Pools, Lakes, or Beaches

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

- Outdoor pools must be totally enclosed by a substantially constructed fence not less than 4 feet high. Self-closing and self-latching gates or doors must be used with mechanisms out of the reach of children. All walkways surrounding the pool must be of rough concrete construction or covered with non-slip material
- The depth of the water must be clearly marked with numbers and letters at least 4 inches high. A buoyant rope should be placed at the 5 foot depth to distinguish the deep end from the shallow end of the pool.
- Diving boards less than 3 meters should meet the following standards in order to be written in the program:
 - i. If the diving board is 26" (2/3 meter) then the minimum water depth must be 8 feet 6 inches.
 - ii. If the diving board is 30" (3/4 meter) then the minimum water depth must be 9 feet.
 - iii. If the diving board is 39" (1 meter) then the minimum water depth must be 10 feet.
 - iv. If the diving board is 78" (2 meters) then the minimum water depth must be 11 feet.
 - v. If the diving board is 117" (3 meters) then the minimum water depth must be 12 feet.
 - vi. All diving boards must be properly maintained and be covered with a non-slip material



- Rules must be posted containing at a minimum items designating the hours the pool is available for use; adults must accompany children under 12; alcoholic beverages and glass containers are prohibited within 20 feet of the pool area; running, horseplay are prohibited within the pool area; the use of any electrical appliances are restricted within 10 feet of the pool edges and must meet NFPA codes. The pool should be restricted to guests of the resort.
- Certified lifeguards (per state requirements) must be on duty while the pool is open for use and rescue equipment must be located at the pool, clearly identified, displayed, and properly maintained. If no lifeguards – then proper signage must be posted at entrance or on fence.
- Testing of water for PH and chlorine levels must be done on a regular and frequent basis. All chemical treatment (equipment and supplies) and circulation/filtration equipment should be enclosed and secured from public access.

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

2. Water Parks

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

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

Pricing for Water Parks:

Class Code - 10020 Amusement Parks

Exposure base - gross receipts of the Water Park operation

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

Base Loss Cost - \$6.50

Minimum Premium - \$5000

Additional Premium Charges (Each Water Feature)

<u>Water Features</u>	<u>Flat Charge</u>
Elevated Slides (15 ft. or greater vertical drop to water)	\$2500
All Other Slides	\$1000
Activity Pools & Lazy River	\$2000
All Other Pools & Spas	\$1000
Flow / Surf Rider	\$3500
Wave Pools	\$7500

Deductible (Bodily Injury)



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

Schedule Rating

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

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

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

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

A written risk management plan from the insured stating:

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

4. Watercraft – Maintenance/Service Boats

Coverage for maintenance/service watercraft is limited to a maximum of 7 (seven) boats only. Any other use of ineligible owned watercraft must be placed elsewhere.

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

5. Non-Maintenance/Service Boats

Coverage should be written elsewhere when an account has more than 5 motorized rental boats (50 HP or greater) or any account that has ski boats or jet skis in their rental fleet.

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



ISO forms and filed/approved proprietary forms are used on most accounts. **Refer to the attached policy form addendum for ResortGuard specific forms.**

6.3 AUTOMOBILE: RATES AND RULES

Unless otherwise directed in this section, please refer to the Division 66 Automobile QwikNotes

The company accepts ACORD Applications.

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

Driving records should be obtained for all employed livery drivers or employees that drive vehicles for work related purposes as part of the hiring process and on an annual basis thereafter as part of a written non discriminating company policy.

New Business:

- Accounts with less than 30 drivers: MVR's are to be ordered on all drivers within 5 days of binding and reviewed for acceptability within 10 days of binding.
- Accounts with 30 drivers or more: MVR's are to be ordered on 30 drivers or a minimum of 25% of all drivers within 10 days of binding and reviewed for acceptability within 30 day of binding.

Renewals:

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

Age and driving records are the key factors to analyze. MVR violations are to be categorized into the following types:

- TYPE A – are major violations. These are DWI, DUI, OUI, OWI, refusing a substance test, driving with an open container of alcohol, reckless driving, hit and run, fleeing a police officer, racing, driving while license is revoked or suspended, manslaughter or any felony. **Risks with ANY driver with a TYPE A violation within the prior three years is not acceptable.**
- TYPE B – include most driving violations such as speeding, improper lane change, failure to yield or obey a traffic signal or sign, license suspension, at fault accidents.



- TYPE C – include parking tickets, financial responsibility violations, seat belt violations, improper equipment or excessive loads.

Use a LEXINGTON approved MVR GRID worksheet to evaluate acceptability. Any new business which has an overall rating of POOR must be declined

Driver Exclusions should be avoided when ineligible drivers can be assigned non driving duties.

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.

Hired & Non-owned Auto Coverage

- This coverage is not available for accounts with Security Guard exposure where security employees are using their own cars on company business.
- All other accounts should be getting a signed certification of limits equal to the insured's policy limits or at least \$300,000 per accident. All employees driving their own vehicles on the business of the insured should be verifying minimum limits are maintained.
- Fleets of private passenger vehicles are not acceptable.
- Vehicles primarily used for personal use should be avoided.
- Accounts with 15 passenger vans must show proof that the vans have been modified with either dual rear wheels or the rear seat removed, removed roof racks and/or trailer hitches and must have a written plan to dispose of all such vehicles by a specified date. Refer to the Automobile QwikNotes.

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

AUTOMOBILE COVERAGE CANNOT BE ISSUED ON A STANDALONE BASIS.

If policy is multistate and VA is on the policy then BOTH forms need to be added.

ISO forms and filed/approved proprietary forms are used on most accounts. **Refer to the attached policy form addendum for ResortGuard specific forms.**

6.4 EXCESS / UMBRELLA: RATES AND RULES

Unless otherwise directed in this section, please refer to the Division 66 Umbrella QwikNotes.

See the Qwik notes for our Umbrella underwriting guidelines.

Use AIG Rating Plan for Standard Umbrella found in Umbrella QwikNotes.



GENERAL REQUIREMENTS:

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

Umbrella Prime per the Forms Addendum Except AK, VT, and WA (which will continue to use the National Union Coverage forms and endorsements).

6.5 MISCELLANEOUS COVERAGES: EQUIPMENT BREAKDOWN

General Statements Regarding Eligibility

- Eligible Occupancies: Resort operations (including Spa hotels, Upscale Sportsman's Lodges, VIP and Boutique Hotels), time-shares or condominiums in proximity to ski areas and resorts.

If a risk meets any one of the following criteria, it must be referred to the Program Manager for an equipment breakdown quotation. If one "Location" is a referral then the entire policy becomes a referral policy.

- Any policy that has a "Location" with a "TIV" greater than \$20,000,000
- Any policy with an Equipment Breakdown limit or sublimit that exceeds \$100,000 as respects the following coverages:
 - Perishable Goods/Spoilage
 - Data Restoration
 - Expediting Expense
 - Hazardous Substances
 - Off Premises Property Damage
 - Dependent Properties
 - Computer Equipment
 - Service Interruption



- Any policy with an Equipment Breakdown limit or sublimit that exceeds the following as respects Newly Acquired Premises coverages:
 - \$1,000,000 Building
 - \$1,000,000 Business Personal Property
 - 180 days
- Any policy that includes any one of the following coverage forms, but only if equipment breakdown coverage under said form is to be insured:
 - Any Inland Marine Form
 - Any Equipment Floater or Contractors Installation Floater
- Any policy with two or more covered equipment breakdown losses within the last 24 months.
- Any policy with a covered equipment breakdown loss greater than \$25,000.
- Any policy that has a "Location" with a total power generating capacity greater than 250 kilowatts based on the nameplate rating of the equipment. This includes solar, wind, and any other method of generating power. This does not include equipment intended to generate electricity solely on an "emergency basis".
- Any policy that has a "Location" outside the United States

Deductibles:

The Equipment Breakdown deductibles for Property Damage and Business Income follow the Property Policy Property Damage Deductible and Business Income Deductible, subject to a \$1,000 minimum.

Rates:

.018 Per \$100 of TIV

The rates herein are annual rates and may be pro-rated for in-term transactions or odd-term policies.

Definitions:

- "TIV" is Total Insured Value and is defined as 100% Building Value, 100% Business Personal Property (excluding stock) Value and 100% Business Income Value.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.