



## AIG Programs

### Program Underwriting Authority

#### Pest Control Program

Edition Date:	01/01/2015
Program Administrator:	Wright & Percy Insurance 4041 Esssen Lane, Suite 400 Baton Rouge, LA 70809-7318
Principal(s):	Kerry Drake, President, CEO Dennis Vidrine, VP, Program Manager
Program Description:	Pest Control
Program Manager:	MaryAlice Stenbridge
Program Inception:	1997
Division:	66 – AIG Programs
Related PUC Numbers:	0204-Package 0206 – Umbrella 6328 - Direct Bill Package 6329 – Direct Bill Umbrella
Program Territory:	Alabama, Arizona, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Mississippi, Missouri, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, and West Virginia
Program Commission:	20% on Package/GL and Umbrella and 17.5% for Automobile



## TABLE OF CONTENTS

1. Program Overview .....	4
1.1 Eligible Business – Program description .....	4
1.2 Ineligible Business .....	5
2. Authority .....	5
2.1 Insurance Companies .....	5
2.2 Lines of Business / Premium / Operating System .....	6
2.3 Named Insureds .....	6
2.4 Limits Authority .....	6
2.5 Windstorm and Earthquake CAT Management Referrals .....	8
2.6 Adherence to Filed Rules/Loss Costs/Forms .....	8
2.6.1 ISO products / AAIS Products / Proprietary Products .....	8
2.6.2 New York Free trade Zone (NYFTZ) .....	9
2.7 Policy Term .....	9
2.8 Pricing Authority .....	9
2.8.1 ISO “Refer to Company” Rules .....	10
2.9 Limitations to Authority .....	10
2.9.1 Limitations: General Limitations .....	10
2.9.2 Limitations: Coverages .....	11
2.9.3 Limitations: Policy Terms and Conditions .....	11
2.10 State Surcharges and Fees .....	12
2.11 Policy Issuance Authority and Service Standards .....	12
2.12 Approved Coverage Forms and Endorsement Authority .....	12
2.13 Delegation of Authority .....	12
3. Program Underwriting Rules .....	13
3.1 Underwriting File/Documentation Requirement .....	13
3.1.1 Property File Document Requirement .....	14
3.1.2 General Liability File Document Requirement .....	14
3.1.3 Automobile File Document Requirement .....	14
3.1.4 Umbrella / Excess Casualty File Document Requirement .....	14



- 3.2 Applications.....14
- 3.3 Account Clearance/Reservation in 'e Start' .....15
- 3.4 Account Summary Worksheet .....15
- 3.5 Loss Runs/Loss Analysis .....15
- 3.6 Referral Process / required documentation .....15
- 3.7 Deductibles / SIR Procedures.....16
- 3.8 Quotation.....17
- 3.9 Binders .....17
- 3.10 Other Underwriting Considerations.....17
  - 3.10.1 Declinations/Non Renewals/Cancellations .....18
  - 3.10.2 Material Change in Coverage/Rate Increases .....18
  - 3.10.3 State Specific Amendatory Endorsements.....18
  - 3.10.4 Headquarters State Rule .....18
  - 3.10.5 Terrorism Risk Insurance Act (TRIA).....19
  - 3.10.6 Office of Foreign AssetS Control (OFAC) .....19
  - 3.10.7 Commission – Policyholder Notice.....19
- 4. Administration and Service .....19
  - 4.1 Loss Control.....19
  - 4.2 Premium Installments and Financing.....20
- 5. Acknowledgement and Acceptance.....20
- 6. Addenda – Line of Business Guidance: Loss Costs/Rules/Forms .....21
  - 6.1 Property / Inland Marine / Crime .....21
    - 6.1.1 Approved Rates/Loss Costs/Loss Cost Multipliers – Property / Inland Marine / Crime .21
    - 6.1.2 Approved Rules – Property / Inland Marine / Crime .....21
    - 6.1.3 Approved Forms - Property / Inland Marine / Crime.....21
  - 6.2 General Liability .....24
    - 6.2.1 Rates/Loss Costs/Loss Cost Multipliers – General Liability .....24
    - 6.2.2 Approved Rules – General Liability .....24
    - 6.2.3 Approved Forms – General Liability .....25
  - 6.3 Automobile .....27
    - 6.3.1 Approved Rates/Loss Costs/Loss Cost Multipliers – Automobile .....27
    - 6.3.2 Approved Rules – Automobile .....27



- 6.3.3 Approved Forms - Automobile .....27
- 6.4 Excess / Umbrella.....28
  - 6.4.1 Approved Rates/Loss Costs/Loss Cost Mulpliers – Excess Umbrella .....28
  - 6.4.2 Approved Rules – Excess Umbrella .....28
  - 6.4.3 Approved Forms – Excess Umbrella.....28
- 6.5 Miscellaneous Coverages – Equipment Breakdown.....30
- 6.6 Referral Summary Reference Guide .....30



## 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 “Pest Control” Program (Hereinafter, the “Program”) that meet the following eligibility requirements:

Residential and commercial landscape gardening operations including lawn maintenance; and pest control operations (except those engaged in fumigation).

Applicable NAICS codes are: 541350 Building Inspection Services

561730 Landscaping Services

561710 Exterminating and Pest Control Services

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

- At least five (5) years in operation.
- 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 three years, must be 30% 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.\*\*



\* 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, you must refer any account:

1. That has a casualty line of business deductible of \$5,000 or more; or
2. Where the total account premium exceeds \$100,000; or
3. Where the accounts last three (3) years of payment history indicate payment issues; or
4. You've determined that the account is operating under any chapter of the US Bankruptcy code.

## 1.2 INELIGIBLE BUSINESS

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

- Owner/operators with less than 5 years in operation or less than 5 years management experience in the pest control industry.
- Operators who are not properly licensed by local or state government.
- Any risk requesting a deductible greater than \$5,000 per location.
- Risks engaged in crop spraying.
- Risks with disciplinary actions consisting of license probation, suspension, or revocation from the Structural Pest Control Board or other regulatory agency.
- Risks with retail sales that do re-labeling, re-packaging, or re-manufacturing. Accounts that sell do it yourself kits that are not labeled for private use.
- Accounts with any of the following:
  - fumigating and tenting operations;
  - 25% or more of total receipts are generated from real estate inspections;
  - radon testing comprises 10% or more of total receipts;
  - termite inspections, without treatment, comprise 15% or more of total receipts; and
  - 25% or more in subcontracted operations

## 2. AUTHORITY

### 2.1 INSURANCE COMPANIES

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

#### COMPANY NAME

**New Hampshire Insurance Company**

**Granite State Insurance Company**

**Illinois National Insurance Company**



## 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	\$25,000	Coverall
Errors and Omissions Coverage	Included in GL	Coverall
Commercial General Liability	\$75,000	Coverall
Commercial Automobile	\$50,000	Coverall
Commercial Crime Coverage	Included in Property	Coverall
Umbrella Liability Coverage	\$20,000	Coverall
The sum of all policies and/or coverages written for one insured	\$170,000	

Notes:

## 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	
<b>PROPERTY</b>		
Commercial Property and/or Inland Marine	\$1,000,000	Maximum Amount Subject (gross) in Protection Class (PC) 1 - 8
	No Authority	Amount subject any location in Protection Class 9 or 10
	\$2,000,000	Total Insured Values (gross) in PC 1 – 8
	No Authority	Total Insured Values (gross) in PC 9 or 10
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*),	\$ 500,000	
Earthquake Sprinkler Leakage – 250 Year MMI Zones 1 – 6.99 (derived from RiskMeter*),	\$ 500,000	
Flood – RiskMeter flood score over 40	No Authority	
Flood – RiskMeter flood score 10 - 40	\$ 500,000	
* See Qwiknotes for Information on RiskMeter		
Wind/Coastal Property	No Authority	Refer to the Windstorm section of Property Qwik Notes for guidelines for your referral.
Equipment Breakdown	No Authority	
<b>CRIME</b>		
Commercial Crime (1): Employee Theft Forgery or Alteration	\$10,000	Per Occurrence
(1) Includes Employee Benefit Plans – when scheduled on the Declarations Page		
All other Commercial Crime	\$10,000	Per Occurrence

GENERAL LIABILITY, AUTOMOBILE, GARAGE, UMBRELLA	Limits	
Commercial General Liability and Products Liability	\$1,000,000 \$3,000,000 \$3,000,000	Each Occurrence General Aggregate Products-Completed Operations Aggregate
Medical Payments	\$ 10,000	
Personal/Advertising Injury	\$1,000,000	Each Occurrence
Damage to Premises Rented to You	\$ 100,000	
Employee Benefits Liability	\$1,000,000 \$3,000,000	Claims Made Annual Aggregate





Pollution: Herbicide/Pesticide	\$1,000,000	Claims Made
Above Ground Storage Tanks	No Authority	Claims Made
Errors and Omissions Liability	\$1,000,000	Per Wrongful Act
	\$2,000,000	Annual Aggregate
Commercial Automobile Liability	\$1,000,000	Any One Accident
Commercial Automobile Physical Damage	ACV to	Per Vehicle Replacement Cost
Minimum Deductible:	\$50,000	
➤ \$1,000 with Cost New Less than \$60,000		
➤ \$2,000 with Cost New At or Above \$60,000		
Amount Subject Any One Location	\$1,000,000	
Commercial Umbrella	\$5,000,000	Each Occurrence
	\$5,000,000	General Aggregate Limit
Commercial Umbrella Excess Follow Form	\$5,000,000	Each Occurrence
	\$5,000,000	General Aggregate Limit
	\$5,000,000	Products-Completed Operations Aggregate

## 2.5 WINDSTORM AND EARTHQUAKE CAT MANAGEMENT REFERRALS

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

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

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

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

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

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

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

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

INSURANCE SERVICES ORGANIZATION	AAIS	PROPRIETARY PRODUCTS
Commercial General Liability	Inland Marine	Commercial Umbrella
Commercial Auto		
Commercial Property		
Commercial Crime		



Unless you are advised otherwise by a Program Administrator Bulletin, the Company will automatically adopt all ISO/AIS 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.

Regulation 86 is available here: <http://www.elany.org/contentHTML/1184.htm>

### 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	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	No Authority
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

### 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. 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.
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 five (5) business days (and if five 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 **unless authorized in other sections of this guideline.**
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 **unless authorized in other sections of this guideline.**
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.
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 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.

## 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.

Any time 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 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 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.

#### 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.

---

### 3.1.2 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)

---

### 3.1.3 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. Complete copies of policies.
- 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.

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 (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

#### **Deductibles**

The deductible applies to Property Damage Liability claims. The company's obligation to pay damages on behalf of the insured or to defend the insured applies only to the amount of damages in excess of the deductible amounts stated in the policy, not to exceed the limits of insured applicable to each occurrence.



A minimum deductible of \$1,000 per claim for Property Damage is required. Higher deductible options are available such as \$2,500 - \$5,000 - \$10,000.

An “occurrence” deductible may be used for business in the state of Florida.

SIR’s of either \$10,000 or \$25,000 may be used for Umbrella.

Financials are required on all requests for deductibles of \$10,000 or higher.

### 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.



## 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 2-1-15.

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

**Acknowledged By:**

**Delegated By:**

\_\_\_\_\_  
Name of Program Administrator

\_\_\_\_\_  
Name of Insurers

\_\_\_\_\_  
Name of Recipient/Designee

\_\_\_\_\_  
Name of Grantor

\_\_\_\_\_  
Title of Recipient/Designee

\_\_\_\_\_  
Title of Grantor

\_\_\_\_\_  
Signature of Recipient/Designee

\_\_\_\_\_  
Signature of Grantor

\_\_\_\_\_  
Date

\_\_\_\_\_  
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.**

The company accepts ACORD Applications.

**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.

**6.1.2 APPROVED RULES – PROPERTY / INLAND MARINE / CRIME**

Refer to Qwik Notes 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.

**6.1.3 APPROVED FORMS - PROPERTY / INLAND MARINE / CRIME**

**ISO PROPERTY FORMS OR ENHANCED PROPERTY FORMS ARE APPROVED**

FORM #	PROPERTY FORM TITLE	LIMITATIONS



<b>MANDATORY ATTACHMENTS – ALL POLICIES</b>		
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, MA
89644 (07/05)	Economic Sanctions Endorsement (OFAC)	AK, MA
96556 (02/08)	Policyholder Disclosure Notice of Terrorism Insurance Coverage	
102214 (06/10)	Georgia Diminution of Value Exclusion	Mandatory if GA Locations
<b>PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS</b>		
	<b>"ENHANCED" PROPERTY BASE FORMS:</b>	<b>NOT APPROVED IN AK, LA, FL</b>
97100 (05/08)	Commercial Property Conditions	
97101 (05/08)	Common Policy Conditions (Use IL 0017 for Package Policies)	
97069 (03/08)	Supplemental Declarations	
97064 (03/08)	Business and Personal Property Cov Form	
97072 (05/08)	Cause of Loss – Special Form	
100381 (12/08)	Cov for Loss to the Undamaged Portion of Bldg	
100380 (12/08)	Ordinance or Law Amendatory Endorsement	
99079 (05/08)	Exclusion of Loss Due to Virus or Bacteria	Except NY, MA
<b>OPTIONAL ENDORSEMENTS (ISO and ENHANCED UNLESS OTHERWISE NOTED)</b>		
97070 (05/10)	Business Income (and Extra Expense) Coverage Form	
CP 1065 (10/12)	Flood Coverage Endorsement	Except CA, HI, TX
CP 1065 (06/07)	Flood Coverage Endorsement	CA, HI, TX
CP 1045 (10/12)	Earthquake and Volcanic Eruption (Sub Limit Form)	Except CA, HI, OR, TX
CP 1045 (08/99)	Earthquake and Volcanic Eruption (Sub Limit Form)	CA, HI, TX
CP 1045 (02/00)	Earthquake and Volcanic Eruption (Sub Limit Form)	OR
97065 (04/08)	Equipment Breakdown Exclusion (mandatory when not providing Equipment breakdown coverage)	
97081 (04/08)	Equipment Breakdown-Other Conditions Endt	
99127 (06/08)	Mortgagee Clause - Washington	WA
97091 (03/10)	Blanket Limits Per Premises Endorsement	
97092 (05/08)	Margin Clause	
90610 (11/08)	Windstorm or Hail Deductible Endorsement	Limited to AL, CT, DC, DE, GA, HI, 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, MA, MD, ME, MO, NC, NH, NJ, RI, SC, TX, VA
101139 (04/09)	Windstorm or Hail Deductible Endorsement with Named Storm Definition - SC	SC
CP 1054 (06/07)	Windstorm or Hail Exclusion NY - you cannot exclude Windstorm or Hail on an Admitted basis	Except NC, NY, SC, TX, WA
CP 1061 (06/07)	Windstorm or Hail Exclusion	NC
CP 1059 (06/07)	Windstorm or Hail Exclusion	SC
CP 1057 (06/07)	Windstorm or Hail Exclusion	TX
CP 1063 (06/07)	Windstorm or Hail Exclusion	WA
11035 (05/12)	Supplemental Dec – Limit/Deductible Changes	
CP 1036 (10/12)	Limitations on Coverage for Roof Surfacing	Except CA, CT, CO, HI, IL, IN, MA, MO, NH, TX, WY
115114 (10/13)	Limitations on Coverage for Roof Surfacing	CA, CO, IL, TX,
CP 1048 (10/12)	Limitations on Coverage for Roof Surfacing - MO	MO
CP 1022 (10/12)	ACV for Roof Surfacing - CT	CT
CP 1023 (10/12)	ACV for Roof Surfacing - MA	MA
CP 1025 (11/13)	ACV for Roof Surfacing - IN	IN
CP 1049 (01/12)	ACV for Roof Surfacing - WY	WY
	<i>NOTE: no "Roof Surfacing" endorsements are available in HI, NH.</i>	

FORM #	CRIME	LIMITATIONS
<p><b>It is our intent to migrate our Crime policies to the Actual Loss Sustained form as follows:</b></p> <p><b>Effective immediately, all <i>new</i> Crime business should be written using ISO’s Actual Loss Sustained coverage form (CR 0021).</b></p> <p><b>In the event a PA 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.</b></p> <p><b>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.)</b></p>		
<b>CRIME BASE FORM POLICIES</b>		





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
<b>MANDATORY ENDORSEMENTS</b>		
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
CR P005 (08/13)	Multistate Advisory Notice	Except MD, NH, UT
CR P003 (10/10)	Multistate Advisory Notice	
<b>PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS</b>		
<b>PROGRAM MANDATORY</b>		
CR 3531 (08/07)	Provide Sublimits for Money, Securities or Checks	Except CA, CO, DE, FL, HI, LA, IL, MA, NY, TX
CR 3531 (03/00)	Provide Sublimits for Money, Securities or Checks	CA, CO, DE, FL, HI, LA, IL, MA, NY, TX

## 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



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:.

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

### 6.2.3 APPROVED FORMS – GENERAL LIABILITY

FORM #	GENERAL LIABILITY FORM TITLE	LIMITATIONS
<b>MANDATORY ATTACHMENTS – ALL POLICIES</b>		
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, MA
89644 (07/05)	Economic Sanctions Endorsement (OFAC) - AK, MA,	AK, MA
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	
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
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
CG 2106 (05/14)	Exclusion - Access or Disclosure of Confidential or Personal Information (Coverage B only)	New - ISO mandatory. Except MD
<b><u>ANYTIME THERE IS A KNOWN INDIANA EXPOSURE (Payroll/Location):</u></b>		
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: <i>"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"</i>	Except IN
<b>PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS</b>		
<b>PROGRAM MANDATORY</b>		
96764 (12/07)	Coverage D Professional Liability Coverage Endorsement	Except IL & LA
97035 (02/08)	Coverage D Professional Liability Coverage End't. – IL only	IL
97052 (03/08)	Coverage D Professional Liability Coverage End't. – LA only	LA
96765 (12/07)	Fungus Exclusion	Except NH
97078 (04/08)	Fungus Exclusion – NH only	NH
96767 (12/07)	Pollution Coverage for Pest Control Materials In Transit	
96766 (12/07)	Pesticide or Herbicide Applicators Pollution Coverage	Except TX
97090 (04/08)	Pesticide or Herbicide Applicators Pollution Coverage - TX	TX
<b>PROGRAM OPTIONAL</b>		
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 2010 (04/13)	Additional Insured – Owners, Lessees, or Contractors	Except 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
CG 2404 (05/09)	Waiver of Transfer of Rights of Recovery Against Others to Us	
CG 2001 (04/13)	Additional Insured – Primary Non-contributory wording	

### 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

#### 6.3.3 APPROVED FORMS - AUTOMOBILE

FORM #	AUTOMOBILE FORM TITLE	LIMITATIONS
<b>MANDATORY ATTACHMENTS – ALL AUTO POLICIES</b>		
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, MA
89644 (07/05)	Economic Sanctions Endorsement (OFAC)	AK, MA



PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS	
ISO ENDORSEMENTS/CURRENT EDITION	WHERE APPROVED FOR USE

6.4 EXCESS / UMBRELLA

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

See the Qwik notes for our Umbrella underwriting guidelines. .

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

6.4.2 APPROVED RULES – EXCESS UMBRELLA

6.4.3 APPROVED FORMS – EXCESS UMBRELLA

FORM #	STANDARD UMBRELLA FORM TITLE	LIMITATIONS
<b>MANDATORY ATTACH: ALL STANDARD UMBRELLA POLICIES</b>		
91222 (04/13)	Policyholder Notice - Commission	None
96556 (1/08)	Policyholder Disclosure Notice of Terrorism Insurance Coverage	
89644 (06/13)	Economic Or Trade Sanctions Condition Endorsement	All states except AK, MA
89644 (07/05)	Economic Or Trade Sanction Condition	AK, MA
57696 (10/04)	Commercial Umbrella Declarations	None
57697 (10/04)	Standard Commercial Umbrella	None
81256 (3/06)	Act of Terrorism Self Insured Retention Endorsement	Except FL, OH, OK
94126 (2/07)	Certified Act of Terrorism Self-Insured Retention Endorsement (Florida Only)	FL only
93947 (1/07)	Act of Terrorism Self Insured Retention Endorsement (LIMITED STATES ONLY)	OH
94150 (3/07)	Act of Terrorism Self Insured Retention Endorsement	OK only



(Oklahoma Only)		
86435 (8/09)	Aircraft Products And Grounding Exclusion	
83823 (1/04)	Anti Stacking Endorsement	Except VA
60441 (5/94)	Cross Suits Exclusion	
60436 (5/94)	D&O Liability Exclusion	
74562 (10/03)	EIFS Exclusion	Except AL
89438 (6/05)	Employee Benefits Liability Exclusion ( <i>do not attach if providing EBL</i> )	
81510 (2/03)	Formaldehyde Exclusion Endorsement	
78691 (08/01)	Fungus Exclusion	Except MA, WA
79380 (4/02)	Fungus Exclusion - MA	MA
79279 (03/02)	Washington Fungus Exclusion	WA
89440 (6/05)	Knowledge of Occurrence	
86436 (8/04)	Lead Exclusion	Except ME, NH
87251 (12/04)	Liquor Liability Exclusion	
91022 (5/06)	Advertising Injury and Personal Injury Limitation Endorsement	
86379 (8/04)	Pre-existing Damages and Defects Exclusion	
60458 (9/07)	Professional Liability Exclusion	
63841 (1/04)	Radioactive Matter Exclusion	
60423 (5/94)	Sexual Abuse Or Molestation Exclusion	Except IL, NE, VT
81522 (2/03)	Silica Exclusion	
57725 (6/93)	Subsidence Exclusion	
62221 (3/03)	Total Pollution Exclusion	Except IL, LA, VT
79346 (3/02)	Total Pollution Exclusion With Building Equipment and Hostile Fire Exception (Louisiana)	LA only
87260 (12/04)	Violation of Communication Law Exclusion	
82852 (8/03)	Disclosure Notice - Formaldehyde	TX only
82851 (8/03)	Disclosure Notice – Lead	TX only
82854 (8/03)	Disclosure Notice – Asbestos	TX only
<b>PLUS ALL REQUIRED STATE AMENDATORY ENDORSEMENTS</b>		
<b>STANDARD UMBRELLA "OPTIONAL" FORMS</b>		
89438 (6/05)	Employers Liability Exclusion	
95546 (9/07)	Employers Liability Coverage Endorsement (Occurrence Version)	Except TX, WV



81525 (3/12)	Texas Employers Liability Endorsement (Defense Expenses Outside Retained Limit) (Rule: attach anytime an insured "ops out" of the Standard WC system but has purchased alternative WC coverage)	TX (note rule)
86441 (05/06)	Employers Liability / Stop Gap Coverage Limitation *Mandatory in TX if the insured does not purchase WC	ND, OH, TX*, WA, WY
81521 (6/05)	Retained Limit Amendment	
57827 (6/93)	Employee Benefits Liability Follow Form (occurrence)	
57826 (6/93)	Employee Benefits Liability Follow Form (claims made)	
86440 (8/04)	Contractors Limitation Endorsement	
95570 (9/07)	Water Damage From Exterior Wall Applications Exclusion Endorsement	

## 6.5 MISCELLANEOUS COVERAGES – EQUIPMENT BREAKDOWN

## 6.6 REFERRAL SUMMARY REFERENCE GUIDE

The following is a brief summary of some of the common items that are not premium or limits driven that would require a referral or are not permitted from an underwriting perspective. Please note that this is meant to be a quick reference document to assist you in the underwriting process. It is incumbent upon you to verify that you are operating at all times within your authority and, when necessary, refer anything that is outside of your authority to your Program Manager.

Less than five (5) years in operation	1.1
Less than three-year currently valued (within 180 days of the proposed effective date) hard copy loss history provided by the insurance carrier, or unable to obtain a 'no known loss letter' if this option is available as referenced in Section 3.5	1.1 3.5
The loss ratio for the current year, and separately, all lines combined for the past three years, must be 30% or less and have no single loss greater than \$50,000 (incurred loss).	1.1
Current policy must be active and not in the process of being cancelled or non-renewed.	1.1
Accounts with a D&B score of 0, 4, or 5; or you are unable to validate the adequacy of an existing insured's financial state	1.1
Any account operating pursuant to any chapter of the United States Bankruptcy Code	2.9.1.1
An individual or a non-qualifying entity to be listed as a "Named Insured".	2.3
Policy periods (including any coverage and rate commitments associated therewith) greater than twelve (12) months.	2.7
Any account that you want to composite rate.	2.8



“Refer to Company” issue when no rate provided in these guidelines.	2.8.1
Policies or Endorsements issued thirty one (31 days) or later after the effective date.	2.11
Backdating: anytime there is a known loss, or you receive the order to bind six (6) or more days after the effective date	2.9.1.9
Use of any forms not shown as approved for use in Section 6	2.12
Use of a manuscript form	2.9.3.6
Requests for mid-term increase in limits of liability (GL only). A “no known loss” warranty may also be required.	2.9.3.3
Any account where risk transfer is not self-evident; the premium for such accounts must be recorded as a deposit-	2.9.1.4
Use of any financial “Downgrade Endorsement”.	2.9.1.5
Aggregate Limit Reinstatement	2.9.3.2
Extension of cancellation or non-renewal provision beyond the statutory minimum or ninety (90) days, whichever is greater.	2.9.3.4
Master policies with certificates.	2.9.3.5
Removal of any policy exclusion or mandatory endorsement.	2.9.3.7
Payment of any loss not covered by the policy as it was written at the time of loss.	2.9.1.11
Any issue relating to premium audits.	2.9.1.13
Policies that provide coverage for Windstorm and/or Flood and/or Earthquake only.	2.9.2.16
Writing property coverage including windstorm and/or earth movement on both new and renewal business for any location(s) within Windstorm Control Zones (as defined in the Windstorm section of the Qwik Notes), and/or with a RiskMeter 250 year MMI rating of 7.0 and above for earth movement.	2.5
NYFTZ Business that qualifies as Class 1 or 3 business, or any Class 2 that is not approved in these guidelines	2.6.2
Delegation of authority to anyone not properly licensed and under the employ and direct supervision of such designee, or to anyone outside of the employ of the Program Administrator.	2.13
Use of an “a” rate not authorized in Section 6 of these guidelines.	3.1
Supplemental questionnaire or application not previously approved by the Company	3.2
All Underwriting Alerts, Credit Alerts and Hard Blocks	3.3
Use of GL deductibles not previously approved for use with this program, or on any policy with deductible \$25,000 or greater.	3.7
Any risk on the Office of Foreign Assets Control (OFAC).	3.10.6
Terrorism coverage in a zip code designated for referral in Qwik Notes	3.10.5