**COMMERCIAL LINES MANUAL – COMMERCIAL GENERAL LIABILITY**

**PUBLIC ENTITIES**

This manual contains the commercial general liability rules, rates, and risk quality factor rating procedures for qualified Public Entities.

#### SECTION I - GENERAL RULES

###### ELIGIBILITY

Eligible insureds under this Rating Plan include:

* 1. Government Entity

A government entity is a state, county, city, town, borough, public school district, special purpose district, or a political subdivision of any of the foregoing, in the United States or the District of Columbia.

* 1. Non Profit Entity (IRS exempt from federal taxes)

A non-profit entity is any entity qualifying for tax exempt status under IRS Publication 557. Government Entities are not considered Non Profit entities for the purpose of this plan.

* 1. For Profit Entity

Any entity that does not qualify as a Government Entity or a Non Profit Entity is considered a For Profit Entity for the purposes of this Plan. For Profit Entities under this Plan include: Schools, Water Companies, Sewer Companies, Emergency Service Providers and other types of private providers of governmental services.

**Risk Quality Factor Pricing**

In recognition that insureds with limited loss expectancy would pay more premium than is equitable if they were combined with homogenous groupings of insureds that have a much greater expectancy of loss, we are introducing a risk quality factor pricing. This pricing will be applied in a fair and nondiscriminatory manner based upon the individual risk quality of the insured. Pricing based upon the presence or absence of hazards and controls not contemplated in any individual risk rating plan provides the basis to the risk quality factor pricing philosophy.

Assumption: Loss Costs published by Insurance Services Office (ISO) are average loss costs and do not reflect certain inherent risk management strengths or weaknesses possessed by an individual insured.

**Risk Quality Factors**

This pricing contains three levels of risk quality: Superior, Standard and Substandard. Each level of risk quality is assigned a factor as follows.

|  |  |
| --- | --- |
| **RISK QUALITY** | **FACTOR** |
| Substandard | 1.25 |
| Standard | 1.00 |
| Superior | .75 |

**Risk Quality Criteria**

The following table contains underwriting criteria for Commercial General Liability coverage. These

criteria are provided to assist in selecting the appropriate risk quality factor for each account. Every

policy must be evaluated for each characteristic\*. Determine eligibility as follows:

*Superior: At least three of the characteristics are rated Superior with no criteria below Standard.*

*Standard: At least three of the characteristics are rated Standard.*

*Substandard: Two or more characteristics are rated Substandard.*

|  |  |  |  |
| --- | --- | --- | --- |
| **CHARACTERISTIC** | **SUPERIOR** | **STANDARD** | **SUBSTANDARD** |
| Financial Strength | Dun & Bradstreet credit appraisal (where applicable and available) equals 1 or 2 (high or good); and the company’s financial composite is above industry average; or  Review by company financial staff   1. Determines a profitable, stable financial position with increasing revenues or 2. Assigns this rating | Dun & Bradstreet credit appraisal (where applicable and available) equals 3; and the company’s financial composite is equal to or above industry average; or  Review by company financial staff  1) Determines a profitable, stable financial position or  2)Assigns this rating | Dun & Bradstreet credit appraisal (where applicable and available) equals 4 or 5 ; or the company’s financial composite is below industry average; or  Review by company financial staff   1. Determines an unprofitable or unstable financial position or 2. Assigns this rating |
| Hazards and Controls | Based on classification review in AM Best’s Underwriting Guide and/or FC&S (National Underwriter Company) Bulletins, insureds whose actual operations are much less hazardous or significantly better controlled than the average insured contemplated by the class. | Based on classification review in AM Best’s Underwriting Guide and/or FC&S (National Underwriter Company) Bulletins, insureds whose actual operations reflect the average insured contemplated by the class with respect to hazards or controls. | Based on classification review in AM Best’s Underwriting Guide and/or FC&S (National Underwriter Company) Bulletins, insureds whose actual operations are more hazardous or less controlled than the average insured contemplated by the class. |
| Risk Transfer | Insured obtains favorable  contractual arrangements  where possible with its  subcontractors, suppliers,  lessees or lessors.  Obtains Certificates of  Insurance that evidence our  insured as an Additional  Insured are obtained with  such parties. | Insured obtains  Certificates of Insurance.  May or may not have an  established policy for risk  transfer arrangements. | Insured has no established  policy with respect to  obtaining Certificates of  Insurance or entering into  favorable risk transfer  arrangements where  possible with its  subcontractors, suppliers,  lessees or lessors. |
| Public Communications | Exhibits a culture that reflects a strong commitment to open access to public documents, meetings and hearings. Public documents including budget information and meeting minutes are published on the entity’s website or available by other means upon request. | Exhibits a culture that reflects an average commitment to open access to public documents, meetings and hearings. Public Documents including budget information and meeting minutes are available upon request but entity does not publish on a website. | Exhibits a culture that reflects a less than average commitment to open access to public documents, meetings and hearings. Public Documents including budget information and meeting minutes are available upon request for a fee but entity does not publish on a website. |

\*If information for a specific characteristic is not available at the time of underwriting evaluation, the characteristic may be omitted. Accounts should be re‐evaluated at each renewal. Renewal underwriting decisions may consider new information that has become available, which may result in movement of an account to a different risk quality factor.

Exceptions to this eligibility should be rare. For an exception to be made there must be a compelling reason supporting the unsuitability of the indicated risk quality factor. For example, you may have factual information suggesting that account characteristics or operations will be materially different in the near future than they have been in the past (i.e. acquiring a new entity or selling a portion of an existing operation, moving to a new location, buying new equipment, hiring a new safety director, etc.).

#### SECTION II - FORM USAGE RULES

**MANDATORY ENDORSEMENTS**

**EXCLUSION – GOVERNMENTAL ERRORS AND OMISSIONS - 121852**

This mandatory endorsement excludes injury or damage arising out of any actual or alleged act, error, omission, misstatement, neglect or violation of any federal or state civil rights laws, or breach of duty, by any insured in the discharge of any insured’s duties for the Public Entity.

There is no premium consideration for this mandatory endorsement.

**EXCLUSION – INJURY TO VOLUNTEER WORKERS IN POLICE SERVICE - 121853**

This mandatory endorsement excludes injury to volunteer workers in police service.

There is no premium consideration for this mandatory endorsement.

**OPTIONAL PREMIUM BEARING ENDORSEMENTS**

**FIRE DISTRICTS OR DEPARTMENTS PROFESSIONAL LIABILITY ENDORSEMENT - 121854**

This optional endorsement adds professional liability and good samaritan coverage for fire departments and amends the expected or intended injury exclusion for an occurrence in the course of fire-fighting or emergency operations.

There is an additional premium charge for this endorsement of $5 per firefighter, whether employed or volunteer, subject to a $100 minimum premium.

**LIMITED ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION FOR DESIGNATED PREMISES 121857**

This optional endorsement amends Section II – Who Is An Insured by adding a designated person or organization for a specific purpose at a designated premises.

There is an additional premium charge for this endorsement of $100.00 for each entity added as an additional insured.

**NURSES EMERGENCY MEDICAL TECHNICIANS PARAMEDICS PROFESSIONAL LIABILITY ENDORSEMENT - 121858**

This optional endorsement amends Section II – Who Is An Insured by adding coverage for “bodily injury” or “personal and advertising injury” arising out of professional healthcare services provided by employed nurses, emergency medical technicians or paramedics.

The premium for this endorsement is set forth in the following table:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Professional Group** | **$1M / $1M limit** | | **$1M / $2M limit** | | **$1M/ $3M limit** | |
|  | Rate A | Rate B | Rate A | Rate B | Rate A | Rate B |
| Registered Nurses, each | $75 | $187 | $76 | $190 | $77 | $192 |
| Licensed Practical Nurses, each | $70 | $172 | $71 | $174 | $72 | $177 |
| Nurses minimum premium | $200 | $400 | $200 | $400 | $200 | $400 |
| EMT (no ambulances), each, max 10 | $121 | $316 | $123 | $321 | $125 | $325 |
| EMT minimum premium | $250 | $750 | $250 | $750 | $250 | $750 |
| Ambulances with EMTs only (no paramedics) | $340 per ambulance | $730 per ambulance | $345 per ambulance | $740 per ambulance | $350 per ambulance | $750 per ambulance |
| Ambulances with Paramedics | $486 per ambulance | $1,215 per ambulance | $493 per ambulance | $1,233 per ambulance | $500 per ambulance | $1,250 per ambulance |

Limits are included within the Commercial General Liability Limits of Insurance on the policy to which this endorsement is attached. Rates are based on the limits indicated and are not subject to further modification by Experience or Schedule rating, as they are already deviated based on loss ratio per the following rule:

* If the General Liability loss ratio is 50% or less, use Rate A.
* If the General Liability loss ratio is 51% or greater, use Rate B.

For minimum premiums, each rated Professional Group is subject to its own minimum premium. There is no minimum premium for the “Per Ambulance” rates. If Nurses and EMT (no ambulances) are rated on a single policy and neither one rates above minimum premium, then the total premium for this endorsement would be the combined minimum premium values based upon the Rate (A or B) for which the account qualified.

**OPTIONAL NON-PREMIUM BEARING ENDORSEMENTS**

**AMENDED DEFINITION – PERSONAL AND ADVERTISING INJURY - 121850**

This optional endorsement amends the definition of Personal and Advertising Injury to include mental anguish, humiliation or emotional distress arising out of consequential bodily injury.

There is no charge for this optional endorsement.

**EXCLUSION – DAMS**

This optional endorsement excludes injury or damage arising out of the rupture, bursting, over-topping, flooding, cracking, seepage, under-seepage, accidental discharge or partial or complete structural failure of any dam, levee or dike under the insured's control.

There is no premium consideration for this optional endorsement.

**INSUREDS IN MEDIA AND INTERNET TYPE BUSINESSES AMENDED EXCLUSION - COLLEGES, UNIVERSITIES OR SCHOOLS - 121855**

This optional endorsement amends Coverage B, Exclusion 2.j. so that it does not apply to certain types of media if broadcast or published by an insured's schools, colleges or universities.

There is no charge for this optional endorsement.

**INSUREDS IN MEDIA AND INTERNET TYPE BUSINESSES AMENDED EXCLUSION - PUBLIC ACCESS CHANNEL EXCEPTION - 121856**

This optional endorsement amends Coverage B, Exclusion 2.j. so that it does not apply to the insured’s use of a public access cable television channel.

There is no charge for this optional endorsement.

**POLLUTION EXCEPTION FOR CLASSROOM ACTIVITIES ENDORSEMENT - 121859**

This optional endorsement amends Coverage A, Exclusion 2. f. so that it does not apply to "bodily injury" or "property damage" arising out of ordinary classroom activities on the premises of any insured educational institution.

There is no charge for this optional endorsement.

**POLLUTION EXCEPTION FOR WATER SUPPLY ENDORSEMENT - 121860**

This optional endorsement amends Coverage A, Exclusion 2. f. so that it does not apply to "bodily injury" or "property damage" arising out of water that has been treated in a water treatment facility and supplied for human consumption by the insured.

There is no charge for this optional endorsement.