**GENERAL LIABILITY ENDORSEMENT**

**RATE RULE PAGE**

**RECYCLERS PROFESSIONAL LIABILITY COVERAGE ENDORSEMENT:**

This endorsement adds **Coverage D - Recyclers Professional Liability** to the Commercial General Liability coverage form. It provides bodily injury, property damage and personal and advertising injury as a result of damages due to the wrongful performance or failure to perform **professional services** related to the shredding and electronic waste recycling industry. Defense is provided outside of limits.

The term **Professional services** includes the destruction of records and documents; destruction and/or recycling of computer/office equipment including electronic waste for the purpose of recycling. A certificate of destruction is required for proper documentation.

**Limits of insurance:**

The maximum limits available:

* $500,000 each wrongful act/$500,000 aggregate limit
* $1,000,000 each Wrongful act/$1,000,000 Aggregate limit

Increased limits factors:

* $500K/$500k .80
* $1,000M/$1,000M 1.00

**Rates:** Base Rate Table - $1,000 per gross revenue/ Total Revenue (000’s)

|  |  |  |  |
| --- | --- | --- | --- |
| Total Revenue ($000) | Minimum rate range | Maximum rate range | Selected Interval Rate |
| $1-$50 | $588 | $588 | NA |
| $51-$150 | $589 | $1,469 | 8.810 |
| $151-$250 | $1,470 | $2,056 | 5.870 |
| >$251 -$500 | $2,057 | $2,644 | 2.352 |
| >$501 - $1,000 | $2,645 | $3,524 | 1.760 |
| >$1,001 - $1,500 | $3,525 | $4,254 | 1.460 |
| >$1,501 -$2,000 | $4,255 | $4,842 | 1.176 |
| >$2,001 - $3,000 | $4,843 | $6,011 | 1.169 |
| > $3,001 - $5,000 | $6,012 | $7,625 | 0.807 |
| >$5,001 - $10,000 | $7,626 | $11,135 | .702 |
| $10,000 - $15,000 | $11,135 | $13,475 | .468 |
| $15,000 - $25,000 | $13,475 | $18,155 | .468 |
| Over $25,000 | Refer to Company |  |  |

**Minimum Premium** $1,500

**Deductible/Retention:**

$2,500 1.10

$5,000 1.05

$10,000 1.00

**Hazard modification factor:**

**Types of operations:**

Document destruction: 1.00

Document storage: 1.00

Electronic waste destruction: 1.10

**Schedule Rating Factor:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Individual Risk Characteristics** | **Maximum credit** | **Maximum**  **debit** |
|  | **Use/language in written contract –**  Applicant must have 2 or more of the below contract provisions to qualify for a credit factor.  Debit factor is applicable when no contract is in place between the recycler and their customer.   1. Clear definition of the scope of services rendered 2. Limitation of liability language present 3. Terms of the contract are clearly defined 4. Timeline of the contract are clearly defined 5. Payment detail is clearly outlined 6. Contract termination provisions are present | 0-10% | 0-10% |
|  | **Adequate Quality Control procedures**  Applicant must have 2 or more quality control procedures to quality for a credit factor.  Debit factor is applicable to applicants with no quality control procedure.  Examples of Quality Control procedures may include:   1. Thorough content erasure 2. Hardware testing to validate data erasure 3. Removal of data equipment from a live environment 4. Methods to identify stolen hardware | 0-10% | 0-10% |
|  | **Effective and written loss prevention procedures**  Applicant must have 2 or more loss prevention procedures to qualify for credit factor.  Debit factor is applicable to applicants with no loss prevention procedures  Loss prevention procedures may include:  1. client notification process in place if breach occurs  2. database of hardware serial numbers kept  3. background checks performed on employees  4. security cameras in processing/sorting room | 0-10% | 0-10% |
|  | Credit is available for Applicants who have achieved R2/RIOS certification or are in the process of certification completion (has full RIOS certification obtained, anticipated completion of certification, continuing education in place, obtainment of awards or industry designation for data destruction/device recycling) | 0-10% | none |
|  | Insured facility maintains security measures  Applicants must have 3 or more physical security measures to qualify for a credit factor.  Debit factor is applicable to applicants with fewer than 1 security measure.  Security measures may include:   1. security devices, Card-entry access 2. 3rd party monitoring services 3. alarms, monitoring, 4. trace software, 5. guards, 6. video recording 7. perimeter security; ie: fencing, gates | 0-10% | 0-10% |
|  | Maximum individual risk mod is limited to 25% |  |  |
|  |  |  |  |

All accounts are eligible for schedule rating on the basis of the individual risk characteristics as defined in the schedule rating criteria. The completed schedule rating worksheet will be kept in the underwriting file on every account. A new schedule rating worksheet will be developed at each renewal.

**Rate Algorithm**

1. Determine Base Rate. Base rate is determined by regressive step rating.
   1. *ie: $200k projected revenues = (first $50k revenue is $588 + next($100 x 8.81) + last($50 x 5.87)) =*
   2. *$588 + $881 + $294 = $1,763 base rate*
2. Multiply the result from Step a. by the applicable “Hazard Modifier” based on the applicable Types of Operations.
3. Multiply the result from step b. by the “Scheduled Mod factor”.
4. Step c. is multiplied by 0.1 (defense outside limit factor) and added to the total developed premium excluding defense outside the limits
5. Multiply the result from step d. by the applicable “Increased Limit” factor.
6. Multiply the result from step e. by the “Deductible/Retention” factor.
7. Check for minimum premium – Premium, after all modifications to this point, is subject to the minimum coverage premium.