**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 |
| $50-$150 | $588 | $1,469 | 8.810 |
| $150-$250 | $1,469 | $2,056 | 5.870 |
| >$250 -$500 | $2,056 | $2,644 | 2.352 |
| >$500 - $1,000 | $2,644 | $3,524 | 1.760 |
| >$1,000 - $1,500 | $3,524 | $4,254 | 1.460 |
| >$1,500 -$2,000 | $4,254 | $4,842 | 1.176 |
| >$2,000 - $3,000 | $4,842 | $6,011 | 1.169 |
| > $3,000 - $5,000 | $6,011 | $7,625 | 0.807 |
| >$5,000 - $10,000 | $7,625 | $11,135 | .702 |
| $10,000 - $15,000 | $11,135 | $13,475 | .468 |
| $15,000 - $25,000 | $13,475 | $18,155 | .468 |
| Over $25,000 | Not available | Not Available | Not Available |

**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** |
|  | Years in Business (3 or more years). Evaluations include number of years experience performing electronic recycling and number of years with consistent staff performing same duties. | 0-15% | 0-15% |
|  | Use/language in written contract – (contract between recycler and customer is in place, services are defined, limitation of liability language present) | 0-15% | 0-15% |
|  | Adequate Quality Control procedures (formal employee training in place to erase content, training to remove data equipment from live environment, identify stolen hardware) | 0-25% | 0-25% |
|  | Effective and written loss prevention procedures (client notification process in place, database of hardware serial numbers kept, background checks performed on employees) | 0-25% | 0-25% |
|  | Insured is R2/RIOS certified (has full RIOS certification been obtained, anticipated completion of certification, continuing education in place, obtainment of awards or industry designation for data destruction/device recycling) | 0-25% | 0-25% |
|  | Insured facility maintains security measures (security devices, alarms, monitoring, trace software, guards, video recording) | 0-25% | 0-25% |
|  | Maximum individual risk mod is limited to 25% |  |  |

**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.