



AIG Programs

PROGRAM UNDERWRITING AUTHORITY STATEMENT ADDENDUM

Recycleguard

Addendum Date: 01/25/2017

Program Administrator: Willis Programs of New Hampshire, Inc.
Pease International Tradeport
One New Hampshire Avenue, Suite 200
Portsmouth, NH 03801

This Addendum amends your Underwriting Authority Statement, effective as of the date set forth above. Such changes will be integrated in to future Underwriting Authority Statements or superseded by future Addenda.



AMENDMENTS TO AUTHORITY (as follows):

1.1 INELIGIBLE BUSINESS

Section 1.2 of your current Underwriting Authority Statement is deleted and replaced with the following:

- Account must meet underwriting authority criteria for all lines of business. Monoline business should be declined.

2.4 LIMITS AUTHORITY – NEW AND RENEWAL BUSINESS

Effective immediately, the following is added to your authority:

- You may not quote any new business with less than an AQI of A or B. Lower rankings should not be considered or referred for new business.
- All AQI D accounts should be referred or non-renewed.
- For renewals, rate change must meet the AQI rate minimum designated in the Action Plan:

AQI A = 7% minimum

AQI B = 12% minimum

AQI C = 20% minimum

AQI D = 25% minimum and referred or non renewal

Unless ISO loss cost changes result in the inability to achieve positive rate or the account has maximum debits in the highest rated underwriting company the above shall apply.

- Recycleguard Canada accounts must obtain a minimum rate increase of 3.7% in line with our 2017 rate improvement targets. If unable to achieve the rate increase it should be referred.



5. LINE OF BUSINESS GUIDANCE: RATES AND RULES

Effective immediately*, the following is added to Your existing Underwriting Authority Statement:

- All renewal business will be written in 'standard' AIG Companies. The use of downward Company deviations is not authorized.
- All loss cost/loss cost multiplier changes are to be included in full on all new and renewal quotes; you may not offset with schedule modifications.
- For renewal business, overall rate change is at a minimum of 17.8%. Rate can be achieved by line based on the following suggested averages for the Program:

Line Of Business	Rate Change
Automobile Liability:	20%
Auto Physical Damage:	20%
General Liability:	20%
Property/Crime/Inland Marine:	15%
Excess	10%

- Unless ISO loss cost changes result in the inability to achieve positive rate or the account has maximum debits in the highest rated underwriting company.
- Umbrella: the section titled 'GL rate Range for 1st \$1M' found in Qwik Notes, page 14, is hereby deleted and replaced by the following:

GL RATE RANGE FOR 1 st \$1M	All states except AK, FL, HI, LA, MO & OH	AK, FL, LA, MO & OH	HI
Other than CGL	8% – 30% — 20% - 30%	20%	15%
Products	15% – 50% 32% - 50%	30%	25%

CALCULATING THE UMBRELLA PREMIUM FOR LIMITS IN EXCESS OF THE 1ST MILLION

Multiply the 1st million modified umbrella premium by the following factors:

INCREASED LIMIT FACTORS for \$2M & higher *



	All states except AK, FL, HI, LA, OH	WA
\$1M x \$1M x Primary	30% - 50% 40% - 50%	40%
\$1M x \$2M x Primary	20% - 40% 30% - 40%	30%
\$1M x \$3M x Primary	15% - 35% 25% - 35%	25%
\$1M x \$4M x Primary	10% - 30% 20% - 30%	20%
\$5M x \$5M x Primary	11.5% 20% - 30%	20%
\$5M x \$10M x Primary	Refer to Program Manager	Refer to Program Manager

***Subject to a \$1,000 Minimum Premium per layer. In WA the Minimum Premium is \$500 for revenues of \$100M or less.**

In addition, Umbrella schedule rating is limited to the amount used on the expiring policy.

**** Such changes will take place immediately where the overall rate change does not require advance policyholder notification as required by the insured's headquarters state insurance requirements. Where such notice is required, You must obtain the maximum amount permissible up to but not exceeding this threshold. You are otherwise expected to be in full compliance with such notification requirements within 10 days of the date of this document. Please refer to <https://aigprograms.net/pgComplianceTools.php> for the most recent cancellation and nonrenewal chart.***

All modifications should be properly documented in the file in accordance with our filings.

Please refer any questions to your Program Manager.

All other terms and conditions remain unchanged.



ACKNOWLEDGEMENT AND ACCEPTANCE

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This Underwriting Authority Statement Addendum and the authority granted within attaches to the most current Underwriting Authority Statement that outlines your underwriting requirements and authority. Only the terms of this written Underwriting Authority Statement Addendum apply to the conduct of your underwriting responsibility. Verbal expressions of underwriting authority do not alter the terms of this Underwriting Authority Statement. Please sign below your acceptance to immediately implement all changes listed herein.

Acknowledged By:

Delegated By:

Name of Recipient/Designee

Daniel Curran

Name and Title of Grantor

Date

Date