PROPERTY GUIDELINES

• Applicable to General Agents who have access to Contract
• Use “Ctrl” + “F” keys to keyword search for specific content, or use hyperlinks below

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PROHIBITED

Coverage Options Not Available

- Actual Loss Sustained (ALS)
- Agreed Value
- Blanket
- Coinsurance Waiver, or no coinsurance
- Functional Replacement Cost
- Inflation Guard
- Market Value
- Peak Season

Prohibited Exposures – All Lines of Business

- **Abatement work** (asbestos, hazardous materials, lead, PCAB, mercury, mold, etc.)
- **Any classification or exposure listed as prohibited in the underwriting guide**
  - Aircraft, Drone, and Spacecraft related exposures (i.e. Distribution, Installation/Service/Repair, Handling, Manufacturing, or Sale of aircraft or spacecraft, to include all parts and components)
- **Airports** including aircraft hangers and to include all flight operation exposures
  - Acceptable only if the exposure is outside of secured areas of the airport. For example retail operations in a terminal building that are not in secured areas would be potentially acceptable subject to all of our Retail Underwriting Guidelines.
- **Amusement or Recreation:**
  - Amusement Devices (exceptions are noted in class code underwriting guidelines)
  - Amusement Parks, Carnivals, Circuses, Midway rides, Motorsports
  - Saddle animals for hire
- **Assisted Living, Group Homes, Halfway Houses, Nursing Homes, Rehab Facilities, Safe Houses, Social Services, Transition Housing**
- **ATV’s** – Any exceptions are noted in class code underwriting guidelines or Farm/Ranch guidelines
- **Buildings or Structures:**
  - Built on a dock, pier, piling, stilt or wharf, but only property coverage is prohibited, liability is subject to class code guidelines
  - Deteriorating Condition, Condemned, and/or with Unrepaired Damage – Prohibited for Property and Liability – See Vacant Building class code guidelines for exceptions
  - Electrical that is either aluminum, fuse based, knob and tube, and/or pigtailed – prohibited for property and liability
  - Height exceeds 10 stories – prohibited for property and liability
  - Historic Register – prohibited for property only
  - Structural renovations (i.e. not structural such as new carpet/flooring, cleanup incidental refinishing, interior carpentry such as trim work, paint, and punch lists) require Company approval
- **Chemicals and Agricultural Chemicals** to include all Handling, Manufacturing, Transportation, or Storage
  - Incidental exposures related to building material or hardware stores, building maintenance, pool maintenance, farming/ranching are acceptable subject to class code underwriting guidelines
- **Construction Exposures:**
Construction within the 5 Borough’s of NYC (Queens, Bronx, Brooklyn, Manhattan, Staten Island)
- Blasting (to include implosion exposures)
- Builders Risk
- Demolition – Demolition of Buildings exceed 30 height of 30 feet
- Moving buildings or structures
- Road construction, bridge, subway, or tunnel construction
- Shoring up of building(s)
- Correctional or Detention Facilities
- Cosmetics – Drugs – Herbal dietary – Skin or Scalp Products – Vitamins
  - Products/Completed operations coverage is prohibited
  - Anything marketed as having a medicinal use is also prohibited for products/completed operations
- Electrical Wiring if any of the following present: aluminum, fuses, knob and tube, and/or pigtailed
- Energy or Fuels:
  - Artificial fuels, butane, fuel oils, gasoline, liquefied petroleum gases with only these exceptions subject to class code underwriting guidelines:
    - Retail gas stations
    - Storage of fuel oils and/or gasoline up to total capacity of 75,000 gallons
    - Wholesale distribution of fuel oils and gasoline within a 50 mile radius
  - Nuclear
- Environmental Cleanup, Remediation, or Super-Fund exposures
- Explosives – Fireworks – Pyrotechnics
  - Prohibits include all Handling, Manufacturing, Transportation, or Storage (or any substance intended for use as an explosive, fireworks, or pyrotechnic related) to also include:
    - Ammonium Nitrates
    - Ammunition (incidental retail exposures may be acceptable – see guidelines under sporting goods stores classification)
- Fire restoration
- Governmental Entities
  - Risks that provide products or services to a government entity require Company approval
- Hospitals
- Marine, Ocean Marine, and Offshore / Property on Docks, Piers, Pilings, Stilts, or Wharves:
  - All Marine Exposures related to cleaning, demolition/wrecking, or repair
  - Barges
  - Ocean Marine – Navigation or work on any oceangoing vessel
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- Military Bases
- Mining – Open-Pit – Quarrying
- Motion Picture Production
- Railroad (including streetcars) to include exposures related to Distribution, Installation/Service/Repair, Handling, Manufacturing, or Sale
  - Exception: Side track agreements are acceptable
- Security Services if armed. Armed off-duty certified police officers acceptable.
- Tower Exposures if they exceed 72 feet in height
- Utilities – Public to include but not limited to power generation, water, sewage
- Water Restoration
- Wind Coverage unless all underwriting criteria has been met
• **Wood Stoves** used as primary or supplemental sources of heating
PROPERTY OCCUPANCIES – UNDERWRITING GUIDELINES

Manufacturing

- **Eligible Occupancies:**
  - Manufacturing risks with a wide range of hazards
    - ALL risks with manufacturing exposures are limited to a total Policy level TIV of $250,000
  - If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
    - Commercial tenants including retail are acceptable even if in the same structure
    - Tenants must be Contract eligible occupancy types, and separately underwritten and rated

- **Operations may include:**
  - Casting / Molding – A process by which a liquid material is usually poured into a mold which contains a hollow cavity of the desired shape and then allowed to solidify. Material used can be plastic, glass, metal, or ceramics.
  - Forming – A metalworking process of fashioning metal parts where it is reshaped without adding or removing material. Examples include rolling, extrusion, forging, and indenting.
  - Machining – A process where a piece of raw material is cut into a desired final shape by a controlled material removal process. This can include metal, wood, plastics, ceramics, and composites.
  - Joining – A process where raw material is combined either through welding, fastening, binding or fusion. This can include metal, wood, plastics, or composites.

- **Special Hazard Processes may include:**
  - Painting /Finishing – Here both the application and storage/handling of the coatings, thinners must be considered. Paints, solvents, lacquers, thinners are highly flammable so they require proper handling, application and storage. Oily rags must be kept in UL listed containers and “No Smoking” signs posted
    - Curtain, Flow, Roll coating – Submit – Liquid paint is applied through low pressure, excess recycled.
    - Drying – Submit – Use of either gas fired or electric heater.
    - Hand coating – Acceptable
    - Spray – Submit – Must be done in an approved UL booth or outside.
    - Painting in open area – Acceptable – Ignition sources must be at least 20’ from spray painting area.
  - Dipping / Powder Coating – All processes, Property coverage not available.
• Welding – Incidental welding and cutting operations common the manufacturing process above are acceptable. Those may include demolition, salvage, repair work. All other, Property coverage not available.
• Woodworking – This may be the machining, assembly, pre or surface finishing, coating or drying processes.

• Prohibit
  o Property Coverage of any type is not available if any of the following exist:
    ▪ Docks, piers, pilings, stilts, or wharves support or are part of the structure
    ▪ Greenhouses
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitational structures that have Federal Pacific Stab-Lok electrical control panels
    ▪ Height of structure exceeds 6 stories
    ▪ Manufacturing of products that are based on:
      ▪ Cotton or Wool products
      ▪ Paper products
      ▪ Plastic products
      ▪ Mattresses
      ▪ Rubber products
      ▪ Wax products
    ▪ Manufacturing of flammable products:
      ▪ Acetone
      ▪ Benzene
      ▪ Biodiesel
      ▪ Butyl alcohol
      ▪ Ethanol
      ▪ Gasoline
      ▪ Methanol
      ▪ Resins
      ▪ Turpentine
  ▪ Mobile homes
  ▪ Wood stoves as heat source

• Submit
  o Cancelled or Non-Renewed:
    ▪ Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    ▪ Cancelled or non-renewed in the past 3 years for any reason
  o Height over 4 stories
  o Loss History:
    ▪ 3 or more losses in the last 3 years or claim over $5,000
  o Renovations:
    ▪ In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.
• **Mandatory Guidelines**
  
  o **Occupancies:**
    - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  
  o **Building heights over 4 stories:**
    - Automatic sprinkler protection covering 100% of the structure
    - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4,5,6)
    - Smoke detectors required and must be hardwired
  
  o **Cooking Exposures require these controls:**
    - Automatic Suppression System present, serviced by a licensed contractor annually
    - Hoods & Ducts must be serviced by a licensed contractor at a minimum semi-annually
    - Filters must be cleaned at least monthly, or more frequently as needed
  
  o **Electrical Wiring:**
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
    - Federal Pacific Stab-Lok electrical control panels prohibited
    - Inspected regularly by licensed electrician
    - NFPA 70, National Electrical Code compliant
  
  o **Fire Extinguishers:**
    - Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags
  
  o **Maintenance:**
    - Equipment must be stored in a secured place
    - Flammable Liquids (i.e. gas, paint thinner, oily rags)
      - Must be stored in a fire-resistant container
      - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code
  
  o **Metal Working:**
    - Heating, bending, cutting is acceptable
    - All other hazards discuss with your assigned Underwriter
  
  o **Smoking:**
    - Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
    - Signs – “No Smoking” signs must be posted where applicable
  
  o **Woodworking Exposures require the following:**
    - Dust collection system mandatory, warranted by Protective Safeguards endorsement
    - If spraying/painting done, UL approved spray booth required
  
  o **Limits – Authority (Total Insured Value)**
• Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)

• Authority:
  • ALL risks with manufacturing exposures are limited to a total Policy level TIV of $250,000
  • Florida Property is not available unless specifically granted in your General Agency Agreement

• Coinsurance:
  • Buildings and/or Contents: Options are 100%, 90%, or 80%
  • Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%

• Insurance to Value (ITV):
  • Example: Building $100,000 / 80% Coins.=$125,000 / 1,900 Sq ft = $66 Sq ft ITV
    • ACV – Submit if under $25 per square foot
    • RC – Submit if under $50 per square foot

• Replacement Cost:
  • 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
  • Roofs – ACV applied for roofs 15 years or older

• Mandatory Forms
  • All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating, and developing a quotation
  • Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  • Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

• Rating
  • No specific rating rules
  • Agent Credit Authority:
    • Additional credit authority is available but requires Company Underwriter approval

• Monoline:
  • Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property, or Monoline Marine
  • Maximum of 10% Credit

• Package:
  • Includes Commercial Packages
  • Package credits not available with Farm/Ranch policies
  • Maximum of 10% Credit + Maximum Package Credit – 20% Maximum Credit on Packages

• State Exceptions
  • Florida – Property is not available unless specifically granted in your General Agency Agreement

• Inspections
Inspections required on all risks with property exposures under this occupancy category, regardless of insured values

Inspections must be sent to company, with re-inspection required every 3 years

Inspection Report:
- Equifax or similar inspections are adequate.
- Inspection must include:
  - Age and construction of building(s), including systems updates (if applicable)
  - Area verification to include other occupancies on the same premises, and immediately adjacent
  - Color photo of each location inspected
  - Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification

Recommendations:
- Recommendations (if any) must be forwarded to the insured
- Recommendation responses from the Insured:
  - Copies must be forwarded to the Company once received
  - Compliance expected within 30 days, if not consult with Company
    - Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
  - Tenants must comply with recommendations that effect property or loss potential.
  - Waiving or modifying any recommendation requires Company approval

Applications
- Acord 125 – Commercial Insurance Application
- Acord 140 – Property Section, or equivalent, signed

Restaurant (Catering – Commercial Cooking – Food Service)

Eligible
- Occupancies:
  - Catering, Restaurants, Operations such as Delicatessens, Halls, and misc. Food Services that have “commercial cooking exposures”
  - If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
    - Tenants must be Contract eligible occupancy types, and separately underwritten and rated

Prohibit
- Property Coverage of any type is not available if any of the following exist:
  - BBQ exposures without these characteristics:
    - Open Pit BBQ’s that do not have a completely separate indoor ventilation system
• Smokers located less than 100 feet away from insured structures, space within that entire 100 foot distance must be clear space
  - Docks, piers, pilings, stilts, or wharves support or are part of the structure
  - Greenhouses
  - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitation structures that have Federal Pacific Stab-Lok electrical control panels
  - Fire pits that are the open type, IF not used for cooking
  - Height of structure exceeds 6 stories
  - Mobile homes
  - Tableside cooking
  - Wood stoves as heat source

• Submit
  o Cancelled or Non-Renewed:
    - Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    - Cancelled or non-renewed in the past 3 years for any reason
  o Height over 4 stories
  o Loss History:
    - 3 or more losses in the last 3 years or claim over $5,000
  o Renovations:
    - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

• Mandatory Guidelines
  o Occupancies:
    - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  o Building heights over 4 stories:
    - Automatic sprinkler protection covering 100% of the structure
    - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    - Smoke detectors required and must be hardwired
  o Cooking Exposures require these controls:
    - Automatic Suppression System present, serviced by a licensed contractor annually
    - **BBQ exposures:**
      - Open Pit BBQ’s must have a completely separate indoor ventilation system
      - Smokers must be located at least 100 feet away from insured structures, space within that entire 100 foot distance must be clear space
      - Hoods & Ducts must be serviced by a licensed contractor at a minimum semi-annually
- Filters must be cleaned at least monthly, or more frequently as needed
  - Electrical Wiring:
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob &
      tube are all prohibited
    - Federal Pacific Stab-Lok electrical control panels prohibited
    - Inspected regularly by licensed electrician
    - NFPA 70, National Electrical Code compliant
  - Fire Extinguishers:
    - Must be of the type and placed per all applicable building code
      requirements, inspected regularly, and recharged with current service
tags
  - Maintenance:
    - Equipment must be stored in a secured place
    - Flammable Liquids (i.e. gas, paint thinner, oily rags)
      - Must be stored in a fire-resistant container
      - All storage of these types of flammables should be in
        compliance with NFPA 30 – Flammable and Combustible
        Liquids Code
  - Smoking:
    - Receptacles – Self-closing fire-resistant receptacles must be provided
      and emptied regularly if smoking allowed in designated areas
    - Signs – “No Smoking” signs must be posted where applicable
  - Limits – Authority (Total Insured Value)
    - Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include
      values on Gold/Silver/Bronze Pak)
    - Authority:
      - Florida Property is not available unless specifically granted in
        your General Agency Agreement
      - $1,000,000 TIV Authority PER POLICY with the following
        exceptions:
        - CA TIV Authority is $1,500,000 PER POLICY except
          for Clothing, Dry Goods, Surplus Stores, and Variety
          Stores which in those cases are subject to a TIV
          Authority of $250,000 PER POLICY
        - POLICY TIV’s of up to $2,000,000 may be submitted for
          approval. Contract does not currently have capacity for
          POLICY TIV’s above this amount.

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- Coinsurance:
  - Buildings and/or Contents: Options are 100%, 90%, or 80%
  - Business interruption with or without Extra Expense: Options are 100%,
    90%, 80%, 70%, 60%, 50%

- Insurance to Value (ITV):
• Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
  • ACV – Submit if under $25 per square foot
  • RC – Submit if under $50 per square foot

○ Replacement Cost:
  • 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
  • Roofs – ACV applied for roofs 15 years or older

• Mandatory Forms
  ○ All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating and developing a quotation
  ○ Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  ○ Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

• Rating
  ○ Agent Credit Authority:
    • No Schedule Credit and/or Package Credit available for risks within this occupancy category
    • Accounts, when written, must be at manual pricing, absolutely no credits

• State Exceptions
  ○ Connecticut – All risks are Prohibit
  ○ Florida – Property is not available unless specifically granted in your General Agency Agreement
  ○ New Jersey – Risks located at or near “The Shore” are Prohibit
  ○ Texas – All risks must be in business a minimum 3 years at same location, same owner

• Inspections
  ○ Inspections required on all risks with property exposures under this occupancy category, regardless of insured values
  ○ Inspections must be sent to company, with re-inspection required every 3 years
  ○ Inspection Report:
    • Equifax or similar inspections are adequate.
    • Inspection must include:
      • Age and construction of building(s), including systems updates (if applicable)
      • Area verification to include other occupancies on the same premises, and immediately adjacent
      • Color photo of each location inspected
      • Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification
  ○ Recommendations:
    • Recommendations (if any) must be forwarded to the insured
    • Recommendation responses from the Insured:
• Copies must be forwarded to the Company once received
• Compliance expected within 30 days, if not consult with Company
  o Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
• Tenants must comply with recommendations that effect property or loss potential.
• Waiving or modifying any recommendation requires Company approval

Applications
  o Acord 125 – Commercial Insurance Application
  o Acord 140 – Property Section, or equivalent, signed

Services, Recycle – Salvage – Secondhand – Waste

Eligible
  o Occupancies:
    ▪ Range from Office and Retail to Processing exposures
      • If woodworking or metal working exposures present the maximum available TIV is $250,000
      ▪ If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
    • Commercial tenants including retail are acceptable even if in the same structure
    • Tenants must be Contract eligible occupancy types, and separately underwritten and rated

Prohibit
  o Property Coverage of any type is not available if any of the following exist:
    ▪ Docks, piers, pilings, stilts, or wharves support or are part of the structure
    ▪ Greenhouses
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitational structures that have Federal Pacific Stab-Lok electrical control panels
    ▪ Height of structure exceeds 10 stories
    ▪ Mobile homes
    ▪ Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards.
    ▪ Processes that involve the use of the following types of combustibles/flammables:
      ▪ Acetone
      ▪ Benzene
      ▪ Butyl alcohol
      ▪ Biodiesel
      ▪ Ethanol
      ▪ Methanol
• Resins
• Wax
  • Processing of the following prohibited:
    • Paper products
    • Plastic products
    • Rubber products
  • Wood stoves used as heat source

• Submit
  o Cancelled or Non-Renewed:
    • Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    • Cancelled or non-renewed in the past 3 years for any reason
  o Height over 4 stories
  o Loss History:
    • 3 or more losses in the last 3 years or claim over $5,000
  o Renovations:
    • In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

• Mandatory Guidelines
  o Occupancies:
    • All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  o Building heights over 4 stories:
    • Automatic sprinkler protection covering 100% of the structure
    • Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    • Smoke detectors required and must be hardwired
  o Electrical Wiring:
    • Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
    • Federal Pacific Stab-Lok electrical control panels prohibited
    • Inspected regularly by licensed electrician
    • NFPA 70, National Electrical Code compliant
  o Fire Extinguishers:
    • Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags
  o Flammable Liquids (i.e. gas, paint thinner, oily rags):
    • Must be stored in a fire-resistant container
    • All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code
  o Maintenance:
    • Equipment must be stored in a secured place
    • Flammable Liquids (i.e. gas, paint thinner, oily rags)
      • Must be stored in a fire-resistant container
• All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code
  o Metal Working:
    ▪ Heating, bending, cutting is acceptable
    ▪ All other hazards discuss with your assigned Underwriter
  o Smoking:
    ▪ Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
    ▪ Signs – “No Smoking” signs must be posted where applicable
  o Woodworking Exposures require the following:
    ▪ Dust collection system mandatory, warranted by Protective Safeguards endorsement
    ▪ If spraying/painting done, UL approved spray booth required
  o Limits – Authority (Total Insured Value)
    ▪ Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
    ▪ Authority:
      ▪ Florida Property is not available unless specifically granted in your General Agency Agreement
      ▪ $1,000,000 TIV Authority PER POLICY with the following exceptions:
        o CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores, and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
      ▪ POLICY TIV’s of up to $2,000,000 may be submitted for approval. Contract does not currently have capacity for POLICY TIV’s above this amount.

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• Coinsurance:
  ▪ Buildings and/or Contents: Options are 100%, 90%, or 80%
  ▪ Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%

• Insurance to Value (ITV):
  ▪ Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
  ▪ ACV – Submit if under $25 per square foot
  ▪ RC – Submit if under $50 per square foot

• Replacement Cost:
  ▪ 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
- Roofs – ACV applied for roofs 15 years or older

- **Mandatory Forms**
  - All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating and developing a quotation
  - Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  - Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

- **Rating**
  - No specific rating rules
  - Agent Credit Authority:
    - Additional credit authority is available but requires Company Underwriter approval
  - **Monoline:**
    - Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property, or Monoline Marine
      - Maximum of 10% Credit
  - **Package:**
    - Includes Commercial Packages
    - Package credits not available with Farm/Ranch policies
    - Maximum of 10% Credit + Maximum Package Credit – 20% Maximum Credit on Packages

- **State Exceptions**
  - Florida – Property is not available unless specifically granted in your General Agency Agreement

- **Inspections**
  - Inspections required regardless of total insured property values on all Service Type risks that have "special hazards" or processing exposures involving metal work and/or woodworking
  - If the exposure is strictly office and/or retail in nature then Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
  - Inspections must be sent to company, with re-inspection required every 3 years
  - **Inspection Report:**
    - Equifax or similar inspections are adequate.
    - Inspection must include:
      - Age and construction of building(s), including systems updates (if applicable)
      - Area verification to include other occupancies on the same premises, and immediately adjacent
      - Color photo of each location inspected
      - Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification
  - **Recommendations:**
    - Recommendations (if any) must be forwarded to the insured
Recommendation responses from the Insured:

- Copies must be forwarded to the Company once received
- Compliance expected within 30 days, if not consult with Company
  - Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
- Tenants must comply with recommendations that effect property or loss potential.
- Waiving or modifying any recommendation requires Company approval

Applications
- Acord 125 – Commercial Insurance Application
- Acord 140 – Property Section, or equivalent, signed

Habitational (Apartments – Dwellings – Condominiums – Townhomes)

Eligible
- See Special Pricing Guidelines below under Rating Section based on Age of Building
- Occupancies:
  - Apartments / Condos/ Townhome exposures 250 units or less, subject to maximum TIV authority
    - Dwelling schedules up to 10 units, subject to maximum TIV AuthorityFurniture and/or Home Improvement stores up to $250,000 TIV, but must be 100% sprinklered
  - Lease terms must be a minimum of 30 days
  - If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
    - Commercial tenants including retail are acceptable even if in the same structure
    - Tenants must be Contract eligible occupancy types, and separately underwritten and rated
- Occupancy rates must be at least:
  - 51% occupied at time of binding, with a minimum occupancy rate of 85% within 90 days of writing

Prohibit
- Property Coverage of any type is not available if any of the following exist:
  - Docks, piers, pilings, stilts, or wharves support or are part of the structure
  - Greenhouses
  - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitational structures that have Federal Pacific Stab-Lok electrical control panels
  - Height of structure exceeds 10 stories
  - Leases allows tenants to have BBQ grills on their deck or patio
  - Mobile homes
- Occupancies where:
  - Social Services exposures are present. Examples include:
    - Assisted living
    - Group homes
    - Halfway houses
    - Homeless transition
    - Rehabilitation
    - Safe House
  - Student housing (to include graduate student housing) that exceeds 25% of the total number of available units
  - Subsidized housing that exceeds 25% of the total number of available units
- Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards.
- Wood stoves used as heat source

- Submit
  - Cancelled or Non-Renewed:
    - Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    - Cancelled or non-renewed in the past 3 years for any reason
  - Height over 4 stories
  - Loss History:
    - 3 or more losses in the last 3 years or claim over $5,000
  - Number of Habitational Units for Apartments, Condos, or Townhomes exceeds 250
  - Number of habitational Units that are dwellings exceeds 10
  - Renovations:
    - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

- Mandatory Guidelines
  - Building heights over 4 stories:
    - Automatic sprinkler protection covering 100% of the structure
    - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    - Smoke detectors required and must be hardwired
  - Occupancies:
    - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  - Electrical Wiring:
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
    - Federal Pacific Stab-Lok electrical control panels prohibited
    - Inspected regularly by licensed electrician
    - NFPA 70, National Electrical Code compliant
  - Fire Extinguishers:
Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags

- Life Safety – Smoke Detectors:
  - Smoke Detectors in all units (battery or hardwire).
  - Batteries must be replaced at least once annually

- Maintenance:
  - Equipment must be stored in a secured place
  - Flammable Liquids (i.e. gas, paint thinner, oily rags)
    - Must be stored in a fire-resistant container
    - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code

- Smoking:
  - Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
  - Signs – “No Smoking” signs must be posted where applicable

- Limits – Authority (Total Insured Value)
  - Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
  - Authority:
    - Florida Property is not available unless specifically granted in your General Agency Agreement
    - $1,000,000 TIV Authority PER POLICY with the following exceptions:
      - CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
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- Coinsurance:
  - Buildings and/or Contents: Options are 100%, 90%, or 80%
  - Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%

- Insurance to Value (ITV):
  - Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
    - ACV – Submit if under $25 per square foot
    - RC – Submit if under $50 per square foot

- Replacement Cost:
- 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
- Roofs – ACV applied for roofs 15 years or older

- **Mandatory Forms**
  - All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating, and developing a quotation
  - Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  - Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

- **Rating**
  - **Agent Credit Authority:**
    - Additional credit authority is available but requires Company Underwriter approval
      - **Monoline:**
        - Includes Commercial General Liability (including OCP and Farm Liability)
        - Includes Monoline Property or Monoline Marine
        - Maximum of 10% Schedule Credit – Only available if Building/Location is under 30 years old. If Building/Location is over 30 years old, no Schedule credit can be applied
      - **Package:**
        - Includes Commercial Packages (Package credits not available with Farm/Ranch policies)
        - Maximum Package Credit 10% for a total of 20% Maximum account credit if location under 30 years old. If over 30 years old, only Package credit is available.
  - **Occupancies that affect rating:**
    - Graduate Student housing – If under 25%, eligible but then must apply a Debit Mod of 25% to the Property LOB
    - Student housing – If under 25%, eligible but then must apply a Debit Mod of 25% to the Property LOB
    - Subsidized housing – If under 25%, eligible but then must apply a Debit Mod of 25% to the Property LOB
  - **State Specific:**
    - IL Only:
      - 1.20 debit mod must be applied if entity in business less than 3 years, or any claim(s) in past 3 years
    - MA Only:
      - Massachusetts Tenant Relocation Expense – Form IL0108:
        - Mandatory when covering Property in Massachusetts for any non-transient rental living quarters
• Flat premium charges are: 1-4 units $10, 5-10 units $50, Over 10 units $90

• **State Exceptions**
  o CT – Property prohibited in the counties of Fairfield, Hartford and New Haven
  o FL – Property is not available unless specifically granted in your General Agency Agreement, AND still requires Company approval for individual risks
  o IL – 1.20 debit mod must be applied if entity in business less than 3 years, or any claim(s) in past 3 years
  o MI – Property Prohibited in Detroit & Flint
  o NJ – Property Prohibited in the Counties of Atlantic, Essex, Hudson
  o NY – Property Prohibited in Bronx, Kings, New York, Queens, and Richmond Counties
  o PA – Property Prohibited

• **Inspections**
  o Inspections required on all Habitational risks regardless of total property values
    ▪ Dwellings Schedules with Multiple Locations require that within 45 days of binding at least on quarter (25%) of the locations will have been inspected. Oldest and largest structures should be inspected first.
  o Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
  o Inspections must be sent to company, with re-inspection required every 3 years
  o **Inspection Report:**
    ▪ Equifax or similar inspections are adequate.
    ▪ Inspection must include:
      * Age and construction of building(s), including systems updates (if applicable)
      * Area verification to include other occupancies on the same premises, and immediately adjacent
      * Color photo of each location inspected
      * Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification
  o **Recommendations:**
    ▪ Recommendations (if any) must be forwarded to the insured
    ▪ Recommendation responses from the Insured:
      * Copies must be forwarded to the Company once received
      * Compliance expected within 30 days, if not consult with Company
        o Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
      * Tenants must comply with recommendations that effect property or loss potential.
      * Waiving or modifying any recommendation requires Company approval

• **Applications**
Hotel, Motel

- **Eligible**
  - Age of structure(s)
    - All eligible risks must be 30 years old or newer. If older than 30 years, not eligible in Contract
  - Occupancies:
    - Bed and Breakfasts, Boarding Houses Campgrounds, Hotels, Motels, Rooming Houses
    - Lease terms must be a minimum of 30 days
    - If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
      - Commercial tenants including retail are acceptable even if in the same structure
      - Tenants must be Contract eligible occupancy types, and separately underwritten and rated
  - Occupancy rate must be at least 60%

- **Prohibit**
  - Property Coverage of any type is not available if any of the following exist:
    - Age of structures – Must be 30 years old or newer. If older than 30 years, not eligible in Contract
    - Docks, piers, pilings, stilts, or wharves support or are part of the structure
    - Greenhouses
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitational structures that have Federal Pacific Stab-Lok electrical control panels
    - Height of structure exceeds 10 stories
    - Mobile homes
    - Wood stoves as sources of heat

- **Submit**
  - Cancelled or Non-Renewed:
    - Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    - Cancelled or non-renewed in the past 3 years for any reason
  - Height over 4 stories
  - Loss History:
    - 3 or more losses in the last 3 years or claim over $5,000
  - Number of Habitational Units for Apartments, Condos or Townhomes exceeds 250
  - Number of habitational Units that are dwellings exceeds 10
  - Renovations:
    - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.
Mandatory Guidelines

- Occupancies:
  - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.

- Building heights over 4 stories:
  - Automatic sprinkler protection covering 100% of the structure
  - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
  - Smoke detectors required and must be hardwired

- Cooking Exposures require these controls:
  - Automatic Suppression System present, serviced by a licensed contractor annually
  - Hoods and Ducts must be serviced by a licensed contractor at a minimum semi-annually
  - Filters must be cleaned at least monthly, or more frequently as needed

- Electrical Wiring:
  - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
  - Federal Pacific Stab-Lok electrical control panels prohibited
  - Inspected regularly by licensed electrician
  - NFPA 70, National Electrical Code compliant

- Fire Extinguishers:
  - Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags

- Life Safety – Smoke Detectors:
  - Smoke Detectors in all units (battery or hardwire).
  - Batteries must be replaced at least once annually. If building codes required hard-wired then hardwired is mandatory

- Maintenance:
  - Equipment must be stored in a secured place
  - Flammable Liquids (i.e. gas, paint thinner, oily rags)
    - Must be stored in a fire-resistant container
    - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code

- Smoking:
  - Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
  - Signs – “No Smoking” signs must be posted where applicable

- Limits – Authority (Total Insured Value)
  - Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
  - Authority:
• Florida Property is not available unless specifically granted in your General Agency Agreement
• $1,000,000 TIV Authority PER POLICY with the following exceptions:
  o CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores, and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
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  o Coinsurance:
    ▪ Buildings and/or Contents: Options are 100%, 90%, or 80%
    ▪ Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%
  o Insurance to Value (ITV):
    ▪ Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
      • ACV – Submit if under $25 per square foot
      • RC – Submit if under $50 per square foot
  o Replacement Cost:
    ▪ 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
    ▪ Roofs – ACV applied for roofs 15 years or older

• Mandatory Forms
  o All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating, and developing a quotation
  o Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  o Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

• Rating
  o Agent Credit Authority:
    ▪ No Schedule Credit and/or Package Credit available for risks within this occupancy category
    ▪ Accounts, when written, must be at manual pricing, absolutely no credits

• State Exceptions
  o Alabama, Connecticut, Mississippi, New Jersey, New York, South Carolina – Property coverage prohibited

• Inspections
Inspections required on all risks with property exposures under this occupancy category, regardless of insured values

- Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
- Inspections must be sent to company, with re-inspection required every 3 years

**Inspection Report:**
- Equifax or similar inspections are adequate.
- Inspection must include:
  - Age and construction of building(s), including systems updates (if applicable)
  - Area verification to include other occupancies on the same premises, and immediately adjacent
  - Color photo of each location inspected
  - Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification

**Recommendations:**
- Recommendations (if any) must be forwarded to the insured
- Recommendation responses from the Insured:
  - Copies must be forwarded to the Company once received
  - Compliance expected within 30 days, if not consult with Company
    - Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
  - Tenants must comply with recommendations that effect property or loss potential.
  - Waiving or modifying any recommendation requires Company approval

**Applications**
- Acord 125 – Commercial Insurance Application
- Acord 140 – Property Section, or equivalent, signed

**Distributor, Wholesaler, and Warehouse**

**Eligible**
- Occupancies:
  - Entire range of hazards associated with distributors, wholesalers, and warehouse options. This includes office exposures
  - Furniture and/or Home Improvement stores up to $250,000 TIV, but must be 100% sprinklered
  - Lumberyards up to $250,000 TIV
  - Private warehousing (insured’s own goods and/or lessor’s risk) acceptable but subject to items being:
    - Known, what is stored must be declared
    - Low hazard with no combustibles and/or flammables
    - Low target theft
• Limited damageability
  ▪ If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines

• Prohibit
  o Property Coverage of any type is not available if any of the following exist:
    ▪ Docks, piers, pilings, stilts, or wharves support or are part of the structure
    ▪ Greenhouses
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube
    ▪ Height of structure exceeds 10 stories
    ▪ Mobile homes
    ▪ Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards. Examples include but not limited to:
      • Chemicals
      • Cotton
      • Flammables
      • Paint
      • Plastics
      • Tires
      • Woolen goods
    ▪ Wood stoves used as heat source
  o “BPP of Others” coverage is not available for the following exposures:
    ▪ Antiques
    ▪ Consignment

• Submit
  o Cancelled or Non-Renewed:
    ▪ Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    ▪ Cancelled or non-renewed in the past 3 years for any reason
  o Height over 4 stories
  o Loss History:
    ▪ 3 or more losses in the last 3 years or claim over $5,000
  o Renovations:
    ▪ In progress or planned, but cosmetic changes like carpet, countertops or paint do not require submit.

• Mandatory Guidelines
  o Building heights over 4 stories:
    ▪ Automatic sprinkler protection covering 100% of the structure
    ▪ Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    ▪ Smoke detectors required and must be hardwired
  o Occupancies:
• All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.

  o Electrical Wiring:
  • Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
  • Inspected regularly by licensed electrician
  • NFPA 70, National Electrical Code compliant

  o Fire Extinguishers:
  • Must be of the type and placed per all applicable building code requirements, inspected regularly and recharged with current service tags

  o Maintenance:
  • Equipment must be stored in a secured place
  • Flammable Liquids (i.e. gas, paint thinner, oily rags)
    • Must be stored in a fire-resistant container
    • All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code

  o Smoking:
  • Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
  • Signs – “No Smoking” signs must be posted where applicable

  o Limits – Authority (Total Insured Value)
  • Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
  • Authority:
    • Furniture and/or Home Improvement stores limited to $250,000 TIV, AND must be 100% sprinklered
    • Lumberyards limited to $250,000 TIV
    • Florida Property is not available unless specifically granted in your General Agency Agreement
    • $1,000,000 TIV Authority PER POLICY with the following exceptions:
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  - Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
    - ACV – Submit if under $25 per square foot
    - RC – Submit if under $50 per square foot

- **Replacement Cost:**
  - 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
  - Roofs – ACV applied for roofs 15 years or older

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  - All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating, and developing a quotation
  - Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  - Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

- **Rating**
  - No specific rating rules
  - Agent Credit Authority:
    - Additional credit authority is available but requires Company Underwriter approval
    - **Monoline:**
      - Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property, or Monoline Marine
        - Maximum of 10% Credit
    - **Package:**
      - Includes Commercial Packages
      - Package credits not available with Farm/Ranch policies
      - Maximum of 10% Credit + Maximum Package Credit – 20% Maximum Credit on Packages

- **State Exceptions**
  - Florida – Property is not available unless specifically granted in your General Agency Agreement

- **Inspections**
  - Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
  - Inspections must be sent to company, with re-inspection required every 3 years
  - **Inspection Report:**
    - Equifax or similar inspections are adequate.
    - Inspection must include:
      - Age and construction of building(s), including systems updates (if applicable)
Area verification to include other occupancies on the same premises, and immediately adjacent

Color photo of each location inspected

Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification

- **Recommendations:**
  - Recommendations (if any) must be forwarded to the insured
  - Recommendation responses from the Insured:
    - Copies must be forwarded to the Company once received
    - Compliance expected within 30 days, if not consult with Company
      - Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
    - Tenants must comply with recommendations that effect property or loss potential.
    - Waiving or modifying any recommendation requires Company approval

- **Applications**
  - Acord 125 – Commercial Insurance Application
  - Acord 140 – Property Section, or equivalent, signed

**Institutions (Church – Daycare – Schools)**

- **Eligible**
  - Occupancies:
    - Range from classrooms, commercial cooking/kitchens, offices, metal working, woodworking, and houses of assembly
      - If woodworking or metal working exposures present the maximum available TIV is $250,000
      - If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
        - Commercial tenants including retail are acceptable even if in the same structure
        - Tenants must be Contract eligible occupancy types, and separately underwritten and rated

- **Prohibit**
  - Property Coverage of any type is not available if any of the following exist:
    - Docks, piers, pilings, stilts, or wharves support or are part of the structure
    - Greenhouses
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitational structures that have Federal Pacific Stab-Lok electrical control panels
    - Height of structure exceeds 10 stories
    - Mobile homes
- Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards.
- Wood stoves used as heat source

- **Submit**
  - Cancelled or Non-Renewed:
    - Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    - Cancelled or non-renewed in the past 3 years for any reason
  - Height over 4 stories
  - Loss History:
    - 3 or more losses in the last 3 years or claim over $5,000
  - Renovations:
    - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

- **Mandatory Guidelines**
  - Occupancies:
    - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  - Building heights over 4 stories:
    - Automatic sprinkler protection covering 100% of the structure
    - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    - Smoke detectors required and must be hardwired
  - Cooking Exposures require these controls:
    - Automatic Suppression System present, serviced by a licensed contractor annually
    - Hoods and Ducts must be serviced by a licensed contractor at a minimum semi-annually
    - Filters must be cleaned at least monthly, or more frequently as needed
  - Electrical Wiring:
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
    - Federal Pacific Stab-Lok electrical control panels prohibited
    - Inspected regularly by licensed electrician
    - NFPA 70, National Electrical Code compliant
  - Fire Extinguishers:
    - Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags
  - Life Safety – Smoke Detectors:
    - Smoke Detectors required (battery or hardwire).
    - Batteries must be replaced at least once annually. If building codes required hard-wired then hardwired is mandatory
  - Maintenance:
    - Equipment must be stored in a secured place
- Flammable Liquids (i.e. gas, paint thinner, oily rags)
  - Must be stored in a fire-resistant container
  - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code

  - Metal Working:
    - Heating, bending, cutting is acceptable
    - All other hazards discuss with your assigned Underwriter

  - Smoking:
    - Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
    - Signs – “No Smoking” signs must be posted where applicable

  - Woodworking Exposures require the following:
    - Dust collection system mandatory, warranted by Protective Safeguards endorsement
    - If spraying/painting done, UL approved spray booth required

- **Limits – Authority (Total Insured Value)**
  - Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
  - Authority:
    - Florida Property is not available unless specifically granted in your General Agency Agreement
    - $1,000,000 TIV Authority PER POLICY with the following exceptions:
      - CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores, and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
    - POLICY TIV’s of up to $2,000,000 may be submitted for approval. Contract does not currently have capacity for POLICY TIV’s above this amount.

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- **Coinsurance:**
  - Buildings and/or Contents: Options are 100%, 90%, or 80%
  - Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%

- **Insurance to Value (ITV):**
  - Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
    - ACV – Submit if under $25 per square foot
    - RC – Submit if under $50 per square foot

- **Replacement Cost:**
• 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
• Roofs – ACV applied for roofs 15 years or older

• Mandatory Forms
  o All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating and developing a quotation
  o Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  o Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

• Rating
  o No specific rating rules
  o Agent Credit Authority:
    ▪ Additional credit authority is available but requires Company Underwriter approval

• Monoline:
  • Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property, or Monoline Marine
    o Maximum of 10% Credit

• Package:
  • Includes Commercial Packages
  • Package credits not available with Farm/Ranch policies
  • Maximum of 10% Credit + Maximum Package Credit – 20% Maximum Credit on Packages

• State Exceptions
  o Florida – Property is not available unless specifically granted in your General Agency Agreement

• Inspections
  o Inspections required on all risks with property exposures under this occupancy category, regardless of insured values
  o Inspections required on all risks with Wood/Metal working or Commercial cooking regardless of total insured property values
  o Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
  o Inspections must be sent to company, with re-inspection required every 3 years
  o Inspection Report:
    ▪ Equifax or similar inspections are adequate.
    ▪ Inspection must include:
      • Age and construction of building(s), including systems updates (if applicable)
      • Area verification to include other occupancies on the same premises, and immediately adjacent
      • Color photo of each location inspected
• Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification

○ Recommendations:
  ▪ Recommendations (if any) must be forwarded to the insured
  ▪ Recommendation responses from the Insured:
    • Copies must be forwarded to the Company once received
    • Compliance expected within 30 days, if not consult with Company
      o Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
    • Tenants must comply with recommendations that effect property or loss potential.
    • Waiving or modifying any recommendation requires Company approval

• Applications
  o Acord 125 – Commercial Insurance Application
  o Acord 140 – Property Section, or equivalent, signed

Vacant Buildings

• Eligible
  o Foreclosures acceptable IF:
    ▪ Prior owner no longer has ability to access property
    ▪ Third party management firm oversees property and provides A.I. status to our insured
  o Qualification for classifying Property exposures as “Vacant Building”:
    ▪ Total area of a structure classified as “Vacant Building” must be at least 51% unoccupied
    ▪ Vacancy period must be 4 years or less
  o Occupancies:
    ▪ The past, or intended future occupancy(s) must be eligible Contract exposures. Consult with your Underwriter when in doubt.

• Prohibit
  o Property Coverage of any type is not available if any of the following exist:
    ▪ Buildings planned for demolition, condemned, or in a deteriorating condition with unrepaired damage
    ▪ Docks, piers, pilings, stilts, or wharves support or are part of the structure
    ▪ Greenhouses
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube, or residential/habitational structures that have Federal Pacific Stab-Lok electrical control panels
    ▪ Habitational units that are vacant but still owned in the name of the original developer and/or in the name of the original builder, that are for sale or planned to be sold during the coming policy term. This prohibit
applies to: dwellings, condos, co-ops, and townhomes as well as tract homes

- Height of structure exceeds 6 stories
- Historic designated structures
- Mobile homes
- Owned by “Public Entities” be it Federal, State, City, or County
- Wood stoves as sources of heat

**Submit**

- Vacancy period is 4 years or more
- BPP coverage requests for “vacant buildings”
- Cancelled or Non-Renewed:
  - Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
  - Cancelled or non-renewed in the past 3 years for any reason
- Coverage Options requiring a submit:
  - Cause of Loss of either “Broad” or “Special” if the vacant structure was built more than 10 years ago
    - Sprinkler systems (wet) that are not drained may only have “Basic” cause of loss
  - Replacement cost for a vacant structure that is more than 10 years old
- Height over 4 stories, but no more than 6 stories
- Loss History:
  - 3 or more losses in the last 3 years or claim over $5,000
- Renovations:
  - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.
  - Even cosmetic changes require a submit if the project cost will exceed $250,000

**Mandatory Guidelines**

- Occupancies:
  - All Property risks must have had, or will have only eligible Contract liability class/occupancy exposure(s). If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
- Buildings Heights over 4 stories (and not more than six stories):
  - Automatic sprinkler protection covering 100% of the structure
  - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
  - Smoke detectors required and must be hardwired
- Buildings planned for demolition, condemned, or in a deteriorating condition with unrepaired damage
- Electrical Wiring:
  - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
  - Federal Pacific Stab-Lok electrical control panels prohibited
  - Inspected regularly by licensed electrician
  - NFPA 70, National Electrical Code compliant
o Fire Extinguishers:
  ▪ Must be of the type and placed per all applicable building code
    requirements, inspected regularly, and recharged with current service
    tags

o Glass (exterior) must be boarded up if structure is not actively up for sale or
  lease

o Inspections of premises (in person) required with a frequency of at least once
  every two weeks by either the insured or the insured’s property manager.

o Maintenance:
  ▪ Equipment must be stored in a secured place
  ▪ Flammable Liquids (i.e. gas, paint thinner, oily rags)
    • Must be stored in a fire-resistant container
    • All storage of these types of flammables should be in
      compliance with NFPA 30 – Flammable and Combustible
      Liquids Code

o Smoking:
  ▪ Receptacles – Self-closing fire-resistant receptacles must be provided
    and emptied regularly if smoking allowed in designated areas
  ▪ Signs – “No Smoking” signs must be posted where applicable

o Sprinkler systems (wet) that are not drained

o Limits – Authority (Total Insured Value)
  ▪ Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include
    values on Gold/Silver/Bronze Pak)
  ▪ Authority:
    • Florida Property is not available unless specifically granted in
      your General Agency Agreement
    • $1,000,000 TIV Authority PER POLICY with the following
      exceptions:
      o CA TIV Authority is $1,500,000 PER POLICY except
        for Clothing, Dry Goods, Surplus Stores, and Variety
        Stores which in those cases are subject to a TIV
        Authority of $250,000 PER POLICY
    • POLICY TIV’s of up to $2,000,000 may be submitted for
      approval. Contract does not currently have capacity for
      POLICY TIV’s above this amount.

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o Coinsurance:
  ▪ Buildings and/or Contents: Options are 100%, 90%, or 80%
  ▪ Business interruption with or without Extra Expense: Options are 100%,
    90%, 80%, 70%, 60%, 50%

o Insurance to Value (ITV):
  ▪ Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft =
    $66 Sq ft ITV
• ACV – Submit if under $25 per square foot
• RC – Submit if under $50 per square foot

○ Replacement Cost:
  ▪ 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
  ▪ Roofs – ACV applied for roofs 15 years or older

• Mandatory Forms
  ○ All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating and developing a quotation
  ○ Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  ○ Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

• Rating
  ○ Policy terms of 3, 6 or 12 months, Minimum Earned Premium (MEP) for 3 months – 100%, 6 months – 50%, 12 months – 25%
  ○ Agent Credit Authority:
    ▪ Additional credit authority than listed below is available but requires Company Underwriter approval
      • Monoline:
        ▪ Includes Commercial General Liability (including OCP and Farm Liability)
        ▪ Monoline Property or Monoline Marine
        ▪ Maximum of 10% Credit
      • Package:
        ▪ Includes Commercial Packages
        ▪ Package credits not available with Farm/Ranch policies
        ▪ Maximum of 10% Credit + Maximum Package Credit – 20% Maximum Credit on Packages

• State Exceptions
  ○ Vacant buildings in the cities of Detroit and Flint Michigan
  ○ All structures with construction exposures in the 5 Boroughs of New York City

• Inspections
  ○ Policies in force 6 months or less, inspection required if Total Insured Value over $250,000
  ○ Policies in force more than 6 months, inspection required on all Buildings regardless of Total Insured Values
  ○ Inspections must be sent to company, with re-inspection required every 3 years
  ○ Inspection Report:
    ▪ Equifax or similar inspections are adequate.
    ▪ Inspection must include:
    ▪ Age and construction of building(s), including systems updates (if applicable)
• Area verification to include other occupancies on the same premises, and immediately adjacent
• Color photo of each location inspected
• Smoke detectors, fire extinguishers (including confirmation of current service tags) and any other private fire protection control verification

  o **Recommendations:**
    ▪ Recommendations (if any) must be forwarded to the insured
    ▪ Recommendation responses from the Insured:
      • Copies must be forwarded to the Company once received
      • Compliance expected within 30 days, if not consult with Company
        ▪ Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
      • Tenants must comply with recommendations that effect property or loss potential.
      • **Waiving or modifying any recommendation requires Company approval**

• **Applications**
  o Acord 125 – Commercial Insurance Application
  o Acord 140 – Property Section, or equivalent, signed

**Retail**

• **Eligible**
  o Occupancies:
    ▪ Limited strictly to Retail
      • If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines.
        Examples might be the Occupancy guidelines for Manufacturing or Restaurant (Catering – Commercial Cooking – Food Service)
  o Mixed-use structures leased to third parties:
    ▪ Habitational exposures in a mixed-use structure acceptable (see Habitational Occupancy Guidelines for Property)
  o Space leased to third parties must be separately underwritten and rated using the most appropriate occupancy:
    ▪ Tenants must be Contract eligible occupancies (Tire warehousing or flammable storage tenant would not be eligible)

• **Prohibit**
  o Property Coverage of any type is not available if any of the following exist:
    ▪ Docks, piers, pilings, stilts, or wharves support or are part of the structure
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses or knob & tube
    ▪ Greenhouses
- Height of structure exceeds 10 stories
- Libraries
- Mobile homes
- Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards
- Wood stoves as a heat source
  - “BPP” only:
    - Art galleries
  - “BPP of Others” coverage is not available for the following exposures:
    - Antique Stores, Consignment Shops, and Secondhand Stores

**Submit**
- Cancelled or Non-Renewed:
  - Cancelled or non-renewed in the past year for failure to comply with inspection recommendations
  - Cancelled or non-renewed in the past 3 years for any reason
- Height over 4 stories
- Loss History:
  - 3 or more losses in the last 3 years or claim over $5,000
- Renovations:
  - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

**Mandatory Guidelines**
- Building heights over 4 stories:
  - Automatic sprinkler protection covering 100% of the structure
  - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (Class 4, 5, 6)
  - Smoke detectors are hardwired
- Occupancies:
  - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
- Electrical Wiring:
  - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
  - Inspected regularly by licensed electrician
  - NFPA 70, National Electrical Code compliant
- Fire Extinguishers:
  - Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags
- Flammable Liquids (i.e. gas, paint thinner, oily rags):
  - Must be stored in a fire-resistant container
  - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code
- Maintenance:
  - Equipment must be stored in a secured place
• Flammable Liquids (i.e. gas, paint thinner, oily rags)
  • Must be stored in a fire-resistant container
  • All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code

  o Smoking:
    • Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
    • Signs – “No Smoking” signs must be posted where applicable

  o Limits – Authority (Total Insured Value)
    • Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
    • Authority:
      • Florida Property is not available unless specifically granted in your General Agency Agreement
      • $1,000,000 TIV Authority PER POLICY with the following exceptions:
        o CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
      • POLICY TIV’s of up to $2,000,000 may be submitted for approval. Contract does not currently have capacity for POLICY TIV’s above this amount.

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  o Coinsurance:
    • Buildings and/or Contents: Options are 100%, 90%, or 80%
    • Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%

  o Insurance to Value (ITV):
    • Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
      • ACV – Submit if under $25 per square foot
      • RC – Submit if under $50 per square foot

  o Replacement Cost:
    • 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
    • Roofs – ACV applied for roofs 15 years or older

• Mandatory Forms
  o All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating, and developing a quotation
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Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

- **Rating**
  - No specific rating rules
  - Agent Credit Authority:
    - Additional credit authority is available but requires Company Underwriter approval
    - **Monoline**:
      - Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property, or Monoline Marine
        - Maximum of 10% Credit
    - **Package**:
      - Includes Commercial Packages
      - Package credits not available with Farm/Ranch policies
      - Maximum of 10% Credit + Maximum Package Credit – 20% Maximum Credit on Packages

- **State Exceptions**
  - California – Clothing, Dry Goods, Surplus, Variety stores, Maximum Property TIV $250,000
  - Florida – Property is not available unless specifically granted in your General Agency Agreement

- **Inspections**
  - Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
  - Inspections must be sent to company, with re-inspection required every 3 years
  - Inspection Report:
    - Equifax or similar inspections are adequate.
    - Inspection must include:
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      - Area verification to include other occupancies on the same premises, and immediately adjacent
      - Color photo of each location inspected
      - Smoke detectors, fire extinguishers (including confirmation of current service tags), and any other private fire protection control verification
  - Recommendations:
    - Recommendations (if any) must be forwarded to the insured
    - Recommendation responses from the Insured:
      - Copies must be forwarded to the Company once received
      - Compliance expected within 30 days, if not consult with Company
Cancellation may be requested by the Company if recommendations are not complied with or waived by the Company.

- Tenants must comply with recommendations that affect property or loss potential.
- Waiving or modifying any recommendation requires Company approval.

**Applications**
- Acord 125 – Commercial Insurance Application
- Acord 140 – Property Section, or equivalent

**Recreation (Arts – Clubs – Exercise – Entertainment – Special Event – Sport Camps)**

**Eligible**
- Occupancies:
  - Limited strictly to a variety of Recreation activities, ranging from Clubs, Exercise and Health facilities, Sport Camps, Theaters, and Special Event venues:
    - If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines. Examples might be the Occupancy guidelines for Manufacturing or Restaurant (Catering – Commercial Cooking – Food Service
  - Mixed-use structures leased to third parties:
    - Tenants must be Contract eligible occupancy types, and separately underwritten and rated
      - Example – Tenants who are tire warehousing or a flammable storage operation would not be eligible.
    - Habitational exposures acceptable (refer to Property Occupancy Guidelines for Habitational Occupancies)

**Prohibit**
- Property Coverage of any type is not available if any of the following exist:
  - Docks, piers, pilings, stilts, or wharves support or are part of the structure
  - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube
  - Height of structure exceeds 10 stories
  - Libraries
  - Mobile homes
  - Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards
  - Wood stoves as heat source
- “BPP” only:
  - Art galleries
  - Museums

**Submit**
- Cancelled or Non-Renewed:
- Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
- Cancelled or non-renewed in the past 3 years for any reason
  - Height over 4 stories
  - Loss History:
    - 3 or more losses in the last 3 years or claim over $5,000
  - Renovations:
    - In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

- **Mandatory Guidelines**
  - Building heights over 4 stories:
    - Automatic sprinkler protection covering 100% of the structure
    - Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    - Smoke detectors required and must be hardwired
  - Occupancies:
    - All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  - Electrical Wiring:
    - Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
    - Inspected regularly by licensed electrician
    - NFPA 70, National Electrical Code compliant
  - Fire Extinguishers:
    - Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags
  - Maintenance:
    - Equipment must be stored in a secured place
    - Flammable Liquids (i.e. gas, paint thinner, oily rags)
      - Must be stored in a fire-resistant container
      - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code
  - Smoking:
    - Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
    - Signs – “No Smoking” signs must be posted where applicable
  - **Limits – Authority (Total Insured Value)**
    - Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
    - Authority:
      - Florida Property is not available unless specifically granted in your General Agency Agreement
- $1,000,000 TIV Authority PER POLICY with the following exceptions:
  - CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores, and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
- POLICY TIV's of up to $2,000,000 may be submitted for approval. Contract does not currently have capacity for POLICY TIV's above this amount.

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<tr>
<th>Construction</th>
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<th>General Agency Authority-Policy Level</th>
</tr>
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<tbody>
<tr>
<td>All Const Types</td>
<td>1 thru 8</td>
<td>$1,000,000 (CA Only $1,500,000)</td>
</tr>
<tr>
<td>All Const Types</td>
<td>9 and 10</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

- **Coinsurance:**
  - Buildings and/or Contents: Options are 100%, 90%, or 80%
  - Business interruption with or without Extra Expense: Options are 100%, 90%, 80%, 70%, 60%, 50%

- **Insurance to Value (ITV):**
  - Example: Building $100,000 / 80% Coins. = $125,000 / 1,900 Sq ft = $66 Sq ft ITV
    - ACV – Submit if under $25 per square foot
    - RC – Submit if under $50 per square foot

- **Replacement Cost:**
  - 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating, and plumbing within the last 25 years.
  - Roofs – ACV applied for roofs 15 years or older

- **Mandatory Forms**
  - All Mandatory forms (including Exclusions and Limitations) can be found by selecting the Class Code above, rating and developing a quotation
  - Mandatory forms that are check-marked may not be de-selected unless approved by Underwriter
  - Specific information on forms can be found within the Contract Manual Home page under UW Guidelines (i.e. General Liability, Property, Crime, Inland Marine)

- **Rating**
  - No specific rating rules
  - Agent Credit Authority:
    - Additional credit authority is available but requires Company Underwriter approval
    - Monoline:
      - Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property, or Monoline Marine
        - Maximum of 10% Credit
    - Package:
      - Includes Commercial Packages
      - Package credits not available with Farm/Ranch policies
• Maximum of 10% Credit + Maximum Package Credit – 20%
Maximum Credit on Packages

• State Exceptions
  o Florida – Property is not available unless specifically granted in your General Agency Agreement

• Inspections
  o Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
  o Inspections must be sent to company, with re-inspection required every 3 years
  o Inspection Report:
     Equifax or similar inspections are adequate
     Inspection must include:
      • Age and construction of building(s), including systems updates (if applicable)
      • Area verification to include other occupancies on the same premises, and immediately adjacent
      • Color photo of each location inspected
      • Smoke detectors, fire extinguishers (including confirmation of current service tags) and any other private fire protection control verification
  o Recommendations:
     Recommendations (if any) must be forwarded to the insured
     Recommendation responses from the Insured:
      • Copies must be forwarded to the Company once received
      • Compliance expected within 30 days, if not consult with Company
        o Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
     Tenants must comply with recommendations that effect property or loss potential.
     Waiving or modifying any recommendation requires Company approval

• Applications
  o Acord 125 – Commercial Insurance Application
  o Acord 140 – Property Section, or equivalent

Office Including Contractor’s Office

• Eligible
  o Occupancies:
     Office type only:
      • If other types of operations are present, refer to the applicable type of Property Occupancy for underwriting guidelines. Examples might be the Occupancy guidelines for Manufacturing or Restaurant (Catering – Commercial Cooking – Food Service)
     Mixed-use structures leased to third parties:
• Tenants must be Contract eligible occupancy types, and separately underwritten and rated
  o Example – Tenants who are tire warehousing or a flammable storage operation would not be eligible.
• Habitational exposures acceptable (refer to Property Occupancy Guidelines for Habitational Occupancies)

• Prohibit
  o Property Coverage of any type is not available if any of the following exist:
    ▪ Docks, piers, pilings, stilts, or wharves support or are part of the structure
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses or knob & tube
    ▪ Height of structure exceeds 10 stories
    ▪ Libraries
    ▪ Mobile homes
    ▪ Occupancies that are high hazard – i.e. have a high fire load (flammables, combustibles) or significant special hazards
    ▪ Wood stoves as heat source
  o “BPP” only:
    ▪ Art galleries
    ▪ Medical equipment

• Submit
  o Cancelled or Non-Renewed:
    ▪ Cancelled or non-renewed in the past year for failure to comply with inspection recommendation(s)
    ▪ Cancelled or non-renewed in the past 3 years for any reason
  o Height over 4 stories
  o Loss History:
    ▪ 3 or more losses in the last 3 years or claim over $5,000
  o Renovations:
    ▪ In progress or planned, but cosmetic changes like carpet, countertops, or paint do not require submit.

• Mandatory Guidelines
  o Occupancies:
    ▪ All Property risks must have an eligible Contract liability class/occupancy. If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  o Building heights over 4 stories:
    ▪ Automatic sprinkler protection covering 100% of the structure
    ▪ Construction must be either Masonry Non-combustible, Modified fire resistive, or Fire resistive (i.e. Class 4, 5, 6)
    ▪ Smoke detectors required and must be hardwired
  o Electrical Wiring:
    ▪ Electrical in structure includes aluminum wiring, pig tail, fuses, or knob & tube are all prohibited
    ▪ Inspected regularly by licensed electrician
- NFPA 70, National Electrical Code compliant
  - Fire Extinguishers:
    - Must be of the type and placed per all applicable building code requirements, inspected regularly, and recharged with current service tags
  - Maintenance:
    - Equipment must be stored in a secured place
    - Flammable Liquids (i.e. gas, paint thinner, oily rags)
      - Must be stored in a fire-resistant container
      - All storage of these types of flammables should be in compliance with NFPA 30 – Flammable and Combustible Liquids Code
  - Smoking:
    - Receptacles – Self-closing fire-resistant receptacles must be provided and emptied regularly if smoking allowed in designated areas
    - Signs – “No Smoking” signs must be posted where applicable
- Limits – Authority (Total Insured Value)
  - Total Insured Values (TIV) = BLDG + BPP + BI + EE (Do not include values on Gold/Silver/Bronze Pak)
  - Authority:
    - Florida Property is not available unless specifically granted in your General Agency Agreement
    - $1,000,000 TIV Authority PER POLICY with the following exceptions:
      - CA TIV Authority is $1,500,000 PER POLICY except for Clothing, Dry Goods, Surplus Stores and Variety Stores which in those cases are subject to a TIV Authority of $250,000 PER POLICY
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- Replacement Cost:
• 35/25 Rule – Buildings must have been built within the last 35 years to offer RC. If older, complete updates must have been completed on air conditioning, electrical, heating and plumbing within the last 25 years.
• Roofs – ACV applied for roofs 15 years or older

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  o Agent Credit Authority:
    ▪ Additional credit authority is available but requires Company Underwriter approval
    ▪ Monoline:
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        o Maximum of 10% Credit
    ▪ Package:
      • Includes Commercial Packages
      • Package credits not available with Farm/Ranch policies
      • Maximum of 10% Credit + Maximum Package Credit – 20%
        Maximum Credit on Packages

• State Exceptions
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• Inspections
  o Inspection required on any location with Total Insured Value over $250,000 or any Building(s) over 30 years old
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  o Inspection Report:
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  o Cancellation may be requested by the Company if recommendations are not complied with, or waived by the Company
• Tenants must comply with recommendations that effect property or loss potential.
• Waiving or modifying any recommendation requires Company approval

• Applications
  o Acord 125 – Commercial Insurance Application
  o Acord 140 – Property Section, or equivalent, signed
Authority and Capacity for Property – Total Insured Values (TIV)

- **Eligible:**
  - All Property risks must be verified as eligible by referring to the GL Classification Lookup. If the related GL class code is not indicated as available in Contract then property coverage is not available.
  - Farm/Ranch is subject to separate TIV and Capacity Guidelines.
  - Florida Property is not available unless specifically granted in your General Agency Agreement.

- **Prohibited:**
  - Eligibility – If the liability class/occupancy is not eligible, the Property is not eligible either packaged or monoline.
  - Manufacturing risks (including LRO) with TIV exceeding $250,000
  - Multiple policies being issued with the same “named insured” to sidestep TIV Authority and/or Company TIV Capacity.

- **Mandatory:**
  - Coastal properties and tornado prone areas are subject to Windstorm and Hail Guidelines.

- **Maximum TIV Authority for General Agents:**
  - Total Insured Values (TIV) defined as the total of BLDG + BPP + BI + EE
    - Do not include values on Gold, Silver or Bronze Pak
  - Manufacturing exposures are subject to a maximum of $250,000 TIV per policy

<table>
<thead>
<tr>
<th>Constr. Type</th>
<th>Prot. Class</th>
<th>Policy Level TIV – All states except CA</th>
<th>Policy Level TIV – California Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Agent Authority</td>
<td>All</td>
<td>1 thru 8</td>
<td>Up to $1,000,000</td>
</tr>
<tr>
<td>Submit</td>
<td>All</td>
<td>1 thru 8</td>
<td>Up to $2,000,000</td>
</tr>
<tr>
<td>Decline</td>
<td>All</td>
<td>1 thru 8</td>
<td>Over $2,000,000</td>
</tr>
<tr>
<td>Within Agent Authority</td>
<td>All</td>
<td>9 and 10</td>
<td>Up to $500,000</td>
</tr>
<tr>
<td>Submit</td>
<td>All</td>
<td>9 and 10</td>
<td>Up to $1,000,000</td>
</tr>
<tr>
<td>Decline</td>
<td>All</td>
<td>9 and 10</td>
<td>Over $1,000,000</td>
</tr>
<tr>
<td>Clothing, Dry Goods, Surplus Stores, Variety Stores</td>
<td>See above for all states except California</td>
<td></td>
<td>$250,000</td>
</tr>
</tbody>
</table>
## Construction Types – Frame thru Fire Resistive

<table>
<thead>
<tr>
<th>CONSTRUCTION</th>
<th>ISO</th>
<th>IBC*</th>
<th>GUIDELINES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frame</strong></td>
<td>1</td>
<td>VA VB</td>
<td>• Structures that cannot be properly classified due to inadequate information are to be tentatively classified and rated as frame</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Characteristics</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Fire spreads rapidly, highly damageable, becomes unstable in a fire, often includes enclosed spaces where fire can spread undetected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Construction Features</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Exterior walls and roof are constructed of wood or other combustible materials.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o If walls are combined with other materials such as brick (i.e. brick veneer), masonry, metal or stone it is still considered Frame</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Foundation construction does not matter</td>
</tr>
<tr>
<td><strong>Joisted Masonry</strong></td>
<td>2</td>
<td>IIA IIB IV</td>
<td>• <strong>Characteristics</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Harder to ignite, consumed more slowly by fire than frame, more structural stability, greater salvage value, lack of concealed spaces in Heavy Timber construction means quicker detection, floors and roofs are still easily damaged by fire</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Construction Features</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Exterior walls are made of masonry materials such as brick, stone, or concrete, and these walls do not depend on wood or other combustible materials for support. Other supporting elements of the building, such as the joists and beams that support the roof and floors, are made of wood</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Mill or Heavy Timber construction is classed as Joisted Masonry</td>
</tr>
<tr>
<td><strong>Noncombustible</strong></td>
<td>3</td>
<td>IIB</td>
<td>• <strong>Characteristics</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Contains steel which can lose strength at high temperatures, highly damageable buildings overall, unstable buildings under fire conditions, uses slow-burning materials but they still can burn and thus add fuel to the fire</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• <strong>Construction Features</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Light steel construction. Exterior walls, floors, and roof are constructed of, and supported by, metal, gypsum, or other non-combustible materials</td>
</tr>
<tr>
<td><strong>Masonry Noncombustible</strong></td>
<td>4</td>
<td>IIA</td>
<td>• <strong>Characteristics</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>o Superior exterior load bearing members provide for stability and are less likely to collapse during a fire,</td>
</tr>
</tbody>
</table>
materials used don’t readily burn, unprotected steel for interior members of floors and roof will lose strength and be less stable and more damageable at high temperatures, use of slow-burning materials but they can still burn and add fuel to a fire

*Construction Features
  - Free standing masonry walls (not less than 4" thick) with non-combustible floors and roof

<table>
<thead>
<tr>
<th>Modified Fire Resistive</th>
<th>5</th>
<th>IB</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Characteristics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Uses noncombustible materials, uses load-bearing members or assemblies that resist damage from fire, expensive to repair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Construction Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Noncombustible structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Walls between fire divisions in structure have at least a 1 hour fire rating.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fire Resistive</th>
<th>6</th>
<th>IA</th>
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<tbody>
<tr>
<td>*Characteristics</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>*Construction Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Noncombustible structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Walls between fire divisions have at least a 2 hour fire rating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*IBC – International Building Code* is a model building code developed by the International Code Council (ICC). It has been adopted throughout most of the U.S.

- **IBC – “A” is protected**, meaning that all structural members of a building or structure have an additional fire rated coating or cover that will extend the fire resistance of the structural members by at least one hour.
- **IBC – “B” is unprotected**, meaning that all structure members of a building or structure have no additional fire rated coating or cover. Exposed members are only fire resistant according to their natural ability, characteristics, and fire rating.

**Layered Property**

- **Not available**

**Public Protection Classes**

- For insurance industry purposes, public fire protection in the United States is evaluated in most states by the Insurance Services Office (ISO) using the ISO Fire Suppression Rating Schedule. The resultant Public Protection Classifications are published for almost every community.
- The published PC may not reflect the true level of protection in a community if improvements have been made. It also may not capture deteriorations either. Evaluation of protection classes are often only done once every 10 years.
• Other complicating factors not reflected in PC are railroad crossings and traffic congestion that can affect response times.
• PC is particularly relevant for manufacturing, restaurants, and risks with special hazards such as plastics, welding, and woodworking or warehousing.
  o PC 1 thru 4:
    ▪ Achieving these public protection grades is difficult. Properties within these areas enjoy water systems considered to be strong and reliable, and fire department services which have substantial, reliable resources. Fire department personnel in these areas are usually very experienced in handling large fires and complex hazards.
  o PC 5 thru 7:
    ▪ These classes represent moderate levels of protection. Communities are reasonably well prepared to handle residential fires as well as those that occur at mercantile, small warehouse and light manufacturing operations. They would be challenged by fires at either a large warehouse or heavy manufacturing facility.
  o PC 8:
    ▪ A community with this classification may be lacking in either water resources, fire department resources, or both. The fire departments in these areas are usually geared to fighting mostly residential fires, usually buildings small in size with considerable compartmentalization. Their experience with large fires is infrequent and they often lack experience in dealing with fires in large commercial or industrial buildings.
  o PC 9:
    ▪ Class 9 is assigned to areas within 5 miles of a responding fire department, but properties are in excess of 1000 feet from a fire hydrant. Even if the fire department is very good, their effectiveness would be limited if there are no fire hydrants in the immediate vicinity. In a few states, Class 9 may also apply to areas in excess of 5 but less than 10 road miles from the responding fire station, if fire hydrants are provided.
  o PC 10:
    ▪ A community with a public fire protection classification of 10 is one where either no organized fire department has jurisdiction or where the fire department is believed to be extremely ineffective. The area might have fire hydrants, but without the response of a trained fire department, hydrants are of no value. In most states a classification of 10 is also assigned to areas that are in excess of 5 road miles from the responding fire station.

Year Built (i.e. Original Date of Construction) – Eligibility

• Structures built prior to 1880:
  o Prohibited for property coverage whether updated or not
  o The National Trust for Historic Preservations is a good resource to find insurance products for historic structures
• **Structures built between 1880 and the present** acceptable for property coverage but if the building is 35 years old or older all buildings systems (plumbing, heating, electrical, and roof) have been substantially updated or replaced within the last 25 years

• **Florida only:**
  o Structures built prior to 1986 are not eligible for property coverage

**Historic Structures**

• Property coverage prohibited for structures that are listed on the National Register of Historic Places (NRHP)

**Antiques**

• **Antiques** (defined as objects 100 years old or older) may be insured but the Purchase Price Endorsement – U283 is mandatory
# Classification Codes

## Classification Codes for Property

- Package policies with a liability LOB that are rated in our system will have the appropriate property class code automatically generated.
- Monoline Property policies will require the selection of one of the following property class codes at policy issuance (but not at the quote stage):
  - The primary property exposure should determine which class code is to be selected. Only one class code is to be applied per policy.

<table>
<thead>
<tr>
<th>Property – Occupancy Type</th>
<th>Descending Hazard Order</th>
<th>Class Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (All)</td>
<td>1</td>
<td>8653A</td>
</tr>
<tr>
<td>Restaurant (Catering – Commercial Cooking – Food Service)</td>
<td>2</td>
<td>0542A</td>
</tr>
<tr>
<td>Services, Recycle – Salvage – Secondhand – Waste</td>
<td>3</td>
<td>1400B</td>
</tr>
<tr>
<td>Habitation (Apartments – Dwellings – Condominiums – Townhomes)</td>
<td>4</td>
<td>0312A</td>
</tr>
<tr>
<td>Hotel, Motel</td>
<td>5</td>
<td>0743A</td>
</tr>
<tr>
<td>Distributor, Wholesaler, and Warehouse</td>
<td>6</td>
<td>0432A</td>
</tr>
<tr>
<td>Institutions (Church – Daycare – Schools)</td>
<td>7</td>
<td>1052A</td>
</tr>
<tr>
<td>Vacant Buildings</td>
<td>8</td>
<td>1180A</td>
</tr>
<tr>
<td>Retail</td>
<td>9</td>
<td>0582A</td>
</tr>
<tr>
<td>Recreation (Arts – Clubs – Exercise – Entertainment – Special Event – Sports Camps)</td>
<td>10</td>
<td>0757A</td>
</tr>
<tr>
<td>Office Incl. Contractor’s Office</td>
<td>11</td>
<td>0702A</td>
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## Class Codes for Property Coverages – Premium Bearing

<table>
<thead>
<tr>
<th>Class Code</th>
<th>Coverage</th>
<th>Coverage Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>1080</td>
<td>Building Ordinance or Law</td>
<td>U750</td>
</tr>
<tr>
<td>1005</td>
<td>Equipment Breakdown</td>
<td>U522 / U523</td>
</tr>
<tr>
<td>1010</td>
<td>Gasoline Pumps and Canopies</td>
<td>Building Coverage Forms Apply</td>
</tr>
<tr>
<td>1020</td>
<td>Massachusetts’ Tenant Relocation</td>
<td>IL0108</td>
</tr>
<tr>
<td>1030</td>
<td>Property - Gold Pak</td>
<td>U777A</td>
</tr>
<tr>
<td>1031</td>
<td>Property – Silver Pak</td>
<td>U777B</td>
</tr>
<tr>
<td>1032</td>
<td>Property – Bronze Pak</td>
<td>U777C</td>
</tr>
<tr>
<td>1040</td>
<td>Signs (Outdoor)</td>
<td>CP1440</td>
</tr>
<tr>
<td>1050</td>
<td>Spoilage</td>
<td>U248</td>
</tr>
<tr>
<td>1060</td>
<td>Water Back-Up and Sump Overflow</td>
<td>U548</td>
</tr>
</tbody>
</table>
CAUSE OF LOSS – DEDUCTIBLES – THEFT – VACANCY

Cause of Loss – Basic, Broad, Special, Special with Theft – CP1010, CP1020, CP1030

- The selected Cause of Loss applies at the building level. If Special Cause of Loss is selected it must be applied to all the coverage options at that building. For example if you have Building and BPP for a building they must both have the same cause of loss assigned. We do not allow mixed causes of loss at the same building. Two buildings at the same location could have different Causes of Loss though.
- Causes of Loss forms establish and define the causes of loss (or perils) for which coverage is provided.
- “35/25 Rule” meaning building(s) must have been built within the last 35 years. If older, complete updates and/or inspections must have been completed on air condition, electrical, heating, plumbing, and roof within the last 25 years. (Aluminum wiring, fuses, and/or knob & tube wiring exposures are prohibited). (See also “Replacement Cost and Actual Cash Value” where the “35/25” Rule also applies.) If not fully updated per these guidelines then building(s) must be valued ACV.
- BPP values may be offered ACV or Replacement Cost regardless of whether RC or ACV applies to the building.

- Basic Form – CP1010:
  - The Company recommends using Basic Cause of Loss when buildings are older and not fully updated.
  - This is a Named Peril form providing coverage for only the following causes of loss subject to all policy terms and conditions:
    - Aircraft or vehicles, explosion, fire, lightning, riot or civil commotion, sinkhole collapse, smoke, sprinkler leakage (may be excluded by using “Sprinkler Leakage Exclusion” – CP1056), windstorm or hail (may be excluded by using “Windstorm or Hail Exclusion” – CP1054), vandalism and malicious mischief (may be excluded by using “Vandalism Exclusion” – CP1055), and volcanic action

- Broad Form – CP1020:
  - This is a Named Peril form providing coverage for only the following causes of loss subject to all policy terms and conditions:
    - Aircraft or vehicles, explosion, fire, lightning, riot or civil commotion, sinkhole collapse, smoke, sprinkler leakage (may be excluded by using “Sprinkler Leakage Exclusion” – CP1056), windstorm and hail (may be excluded by using “Windstorm or Hail Exclusion” – CP1054), vandalism and malicious mischief (may be excluded by using “Vandalism Exclusion” – CP1055), and volcanic action
    - Breakage of glass that is part of the building, collapse, falling objects, weight of snow, ice or sleet, and water damage

- Special Form – CP1030:
  - This is an “All Risks” coverage for loss from any cause of loss except those that are specifically excluded. See additional guidelines below regarding Theft and Vandalism.
Burglary and Robbery Protective Safeguards:

- Form:
  - Burglary and Robbery Protective Safeguards – U171A

- Mandatory:
  - Where indicated as mandatory within the table for Target Theft Guidelines
  - If Theft Exclusion – CP1033 is being applied then U171A is not mandatory.

- Processing Required to Complete Endorsement:
  - You must specify BR-2 under the Schedule of Protective Safeguards Symbols on U171A

Theft – Vacancy – Vandalism

- Causes of Loss – Special Form – CP1030 includes theft
  - To exclude Theft you must attach Theft Exclusion – CP1033
  - (In the EDGE Rater you select either “Special Including Theft” or “Special Excluding Theft”)

Burglary and Robbery Protective Safeguards – U171A

- Form:
  - Burglary and Robbery Protective Safeguards – U171A

- Mandatory:
  - Where indicated as mandatory within the table for Target Theft Guidelines
  - If Theft Exclusion – CP1033 is being applied then U171A is not mandatory.

- Processing Required to Complete Endorsement:
  - You must specify BR-2 under the Schedule of Protective Safeguards Symbols on U171A

Theft or Vandalism Limitation – Copper or Aluminum – U558

- Mandatory:
  - All states – Vacant Buildings property class code 1500
  - States East of the Mississippi River (not including IL or WI) – All property risks with Special Cause of Loss
    - Optional use in all other states
  - Aggregate Limit of Insurance: $25,000
  - Deductible: $10,000
  - Do not attach Theft Exclusion CP1033 when using U558

Vandalism Exclusion – CP1055

- Optional:
  - All risks with property coverage, most commonly used with risks that have vacant building exposures

Theft Limitation Endorsements – U120 or U120A

- Coverage Summary:
  - U120
• Creates a theft sublimit for all Covered Property
• Requires that you have both BPP coverage, and then “Special Including Theft” as your “Cause of Loss”
  o U120A:
    • Creates a BPP theft sublimit for items inside of a scheduled building, but items outside of the building are not covered for theft
    • Requires that you have both BPP coverage, and then “Special Including Theft” as your “Cause of Loss”
• Both forms are available for all risks with Building and/or Business Personal Property with the exception of risks assigned to the Marijuana Occupancy Property Code
  o Risks assigned to the Marijuana Property Class Code that have BPP and “Special Including Theft” as the “Cause of Loss” must be issued with U120A
  o Some class codes have a requirement for a theft sublimit, see individual class code guidelines for details
• See table below for rules related to mandatory or optional use
  o Available sub-limit options (occurrence / aggregate) for theft are:
    • $5,000 / $5,000
    • $5,000 / $10,000
    • $10,000 / $10,000
    • $10,000 / $25,000
    • $25,000 / $25,000
    • $25,000 / $50,000
    • See Marijuana Occupancy Guidelines for additional sublimit options for those types of risks

**Target Theft Guidelines**

<table>
<thead>
<tr>
<th>Contents Exposure within a Single Structure</th>
<th>Theft Exclusion</th>
<th>Theft Limitation Endorsement</th>
<th>Robbery &amp; Burglary Protective Safeguards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CP1033</td>
<td>U120A or U120</td>
<td>U171A</td>
</tr>
<tr>
<td>Beverage Stores</td>
<td>Mandatory</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>• Liquor and Wine</td>
<td></td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>10145</td>
<td></td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Beverage Stores</td>
<td>Mandatory</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>• Soft Drinks and Beer</td>
<td></td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>10146</td>
<td></td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Camera &amp; Photo Equipment Stores</td>
<td>Optional</td>
<td>$10,000</td>
<td>Mandatory if providing Sublimit</td>
</tr>
<tr>
<td>10309</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing or Wearing Apparel Distributors</td>
<td>Optional</td>
<td>$10,000</td>
<td>Mandatory if providing Sublimit</td>
</tr>
<tr>
<td>11126</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing or Wearing Apparel Stores</td>
<td>Optional</td>
<td>$10,000</td>
<td>Mandatory if providing Sublimit</td>
</tr>
<tr>
<td>11127 or 11128</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Stores</td>
<td>Optional</td>
<td>$10,000</td>
<td>Mandatory if providing Sublimit</td>
</tr>
<tr>
<td>NAIC Code</td>
<td>Description</td>
<td>Sublimit Type</td>
<td>Sublimit Amount</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>11160</td>
<td>Convenience Stores</td>
<td>Optional</td>
<td>$10,000</td>
</tr>
<tr>
<td>13673</td>
<td>• Rated as Grocery Stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18501</td>
<td>Convenience Stores</td>
<td>Optional</td>
<td>$10,000</td>
</tr>
<tr>
<td>18501</td>
<td>• Rated as Supermarket</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12374 or 12375</td>
<td>Drugstores ❍</td>
<td>Mandatory</td>
<td>NA</td>
</tr>
<tr>
<td>12375</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12393</td>
<td>Electronics Stores</td>
<td>Optional</td>
<td>$10,000</td>
</tr>
<tr>
<td>13314</td>
<td>Fur Garment &amp; Pelts Distributors</td>
<td>Mandatory</td>
<td>NA</td>
</tr>
<tr>
<td>16881</td>
<td>Secondhand or Salvage Dealer/Distributor</td>
<td>Optional</td>
<td>$10,000</td>
</tr>
<tr>
<td>18205 or 18206</td>
<td>Sporting Goods or Athletic Equipment Stores and Distributors</td>
<td>Optional</td>
<td>$10,000</td>
</tr>
<tr>
<td>18708</td>
<td>Tobacco Products Stores</td>
<td>Mandatory</td>
<td>NA</td>
</tr>
</tbody>
</table>

Vacancy Permit – CP0450

- **Vacancy Permit** – CP0450 is mandatory for class code 1500
  - The vacancy provisions found in building and personal property coverage form restricts coverage applicable to buildings once they are vacant more than 60 days.
  - CP0450 waives the application of the vacancy clause coverage restrictions after 60 days of vacancy.
  - **Form Completion:**
    - **Non-EDGE users:**
      - Under "Permit Period" indicate dates in the "From" and "To" areas using this format: mm/dd/yyyy. This date range will usually start on the policy effective date unless being endorsed mid-term. Backdating is prohibited.
      - To exclude coverage for vandalism and/or sprinkler leakage, place an "X" under one or both. If you don't place an "X" under these items, then the form will not exclude coverage.
    - **EDGE users:**
      - CP0450 will fill itself out automatically based on your entries in the EDGE rater.
Deductibles:

- Always refer to wind/hail guidelines if you have exposures in coastal states or higher risk tornado zones

AOP Options

- Deductible factors, Year Build Factors, Occupancy Code Factors, Protection Class Factors, Cause of Loss Factors, and Sprinkler System Factors are automatically applied when rating within the EDGE system

<table>
<thead>
<tr>
<th>Deductible</th>
<th>AOP Rate Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>1.20</td>
</tr>
<tr>
<td>$1,000</td>
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<tr>
<td>$2,500</td>
<td>0.95</td>
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<tr>
<td>$5,000</td>
<td>0.90</td>
</tr>
<tr>
<td>$10,000</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Windstorm and Hail

- See Windstorm and Hail Guidelines

Weight of Ice, Snow and Sleet – Cause of Loss Limitation – U198

- Form:
  - Weight of Ice, Snow and Sleet – Cause of Loss Limitation – U198
- Mandatory when providing property coverage and one or more locations has a Cause of Loss that is: Broad, Special Excluding Theft, Special Including Theft
  - Not applicable to risks with Basic Cause of Loss
- Creates some limitations to coverage in event of loss ties to weight of snow, ice, or sleet
COINSURANCE – ITV – VALUATION

Actual Cash Value (ACV)

- See "Replacement Cost and Actual Cash Value" guidelines below

Actual Loss Sustained (ALS)

- Not available
- Not available
- Agreed value in essence suspends a policy’s coinsurance condition. As a result the Insured is no longer faced with a coinsurance penalty.

Agreed Value

- Not available
- Agreed value in essence suspends a policy’s coinsurance condition. As a result the Insured is no longer faced with a coinsurance penalty.

Blanket

- Not available

Coinsurance for Building and Contents

- 80% is the minimum coinsurance percentage for Buildings and Business Personal Property written on a replacement cost or actual cash value basis.
- Agreed Value, No Coinsurance, and/or waiving coinsurance are options that are not available
- See also Business Income and Extra Expense

Functional Replacement Cost (FRC)

- Coverage not available
- What is functional replacement cost?
  - Old or obsolete buildings and personal property might be replaced with functional equivalents at values that are below ACV. Functional replacement cost endorsements allow the replacement of damaged property with similar property that will perform the same function but may not be identical to the damaged property.

Inflation Guard

- Not available

Insurance to Value (ITV) – Valuation

- Valuations are entirely the insured’s responsibility to establish. The Company does not advise if a valuation will be adequate enough to avoid a coinsurance penalty and/or provide adequate limits to cover a loss.
  - Insurance to Value is the ratio of the amount of insurance to the value of the property. Insurance to Value is determined in order to determine how closely the requested property limits reflect the true insurable value of the covered property.
Maintaining a close relationship between limits, insurable values and exposure is critical to maintaining adequate premium for expected losses.

- **ACV** – Submit if under $25 per square foot. If approved at lower valuation and coverage is bound the insured must provide documentation to support the low valuation either via a building cost estimator and/or a building inspection containing a property valuation.

- **RC** – Submit if under $50 per square foot. If approved at lower valuation and coverage is bound the insured must provide documentation to support the low valuation either via a building cost estimator and/or a building inspection containing a property valuation.

**Market Value**

- **Not available**

**No Coinsurance / Waiving Coinsurance**

- **Not available**

**Peak Season**

- **Not available**

**Purchase Price for Buildings / Purchase Price for Contents – U283**

- Purchase Price Endorsement – U283
- Prohibited as a valuation for buildings
- Mandatory as a valuation for contents for risks with exposures to secondhand/salvage goods. Examples:
  - Antique Stores – 10026
  - Appliance Distributors – Household Type – 10040
  - Appliance Stores – Household Type – 10042
  - Automobile Dismantling (i.e. used auto parts) – 91190
  - Building Material Dealers – Secondhand Material – 10256
  - Clothing or Wearing Apparel Stores – 11127 and 11128
  - Furniture Stores – 13351 and 13352
  - Internet Retailers – 16750
  - Paper, Rag or Rubber Stock Dealers and Distributors – Secondhand – 16009
  - Secondhand or Salvage Dealers or Distributors – 16881
  - Sporting Goods or Athletic Equipment Stores, but only if they handle used equipment – 18206

**Replacement Cost and Actual Cash Value**

- Buildings and Contents may be written ACV or Replacement Cost subject to these guidelines:
- **Functional Replacement Cost** guidelines are found above
- **Replacement Cost option for building values is subject to the following:**
  - “35/25 Rule” meaning building(s) must have been built within the last 35 years.
    - If older, complete updates and/or inspections must have been completed on air condition, electrical, heating, plumbing, and roof within
the last 25 years. (Aluminum wiring, fuses, and/or knob & tube wiring exposures are prohibited.) (See also “Cause of Loss” where the “35/25” Rule also applies.) If not fully updated per these guidelines then building(s) must be valued ACV.

- BPP values may be offered ACV or Replacement Cost regardless of whether RC or ACV applies to the building.
  - Replacement Cost not available for used items that are for sale. Examples include antique and collectible stores, flea markets, pawn shops, thrift stores, and similar.
- Stock:
  - If you have elected to insure your “stock” at a particular location, you may provide Replacement Cost coverage for that Stock. At the location level in the EDGE Rater there is a Valuation dropdown box. There are three selections: ACV, RC or RC-Including Stock. Select “RC-Including Stock.” When the policy is issued in EDGE the appropriate selections will automatically be made on the policy declarations indicating Stock is to be valued at RC for that location.

**Roof – Actual Cash Value Limitation – U284**

- Roof:
  - For building coverage on Frame, JM or NC construction, Actual Cash Value Limitation – Roofs and Roof Surfacing – U284 is mandatory. This form converts the roof to an ACV basis even if the remainder of the building is RC.

**Reporting Forms**

- Not available

**Storage or Repairs Limited Liability – CP9942**

- Optional and available for all risks where Personal Property of Others is hold for storage or repair
- Adjusts the valuation basis of Personal Property of Others

**Valued Policy Laws / Statutes**

- Valued Policy Laws, also known as Total Loss Statutes, apply to real property. These laws and statutes essentially negate the coinsurance clause in the event of a total loss. The insurance company may have to pay the face value of the policy if there is a total loss to the property due to a peril as specified in these laws or statutes. Perils vary by state but may include fire, lightning, windstorm, tornado, or hurricane. Therefore in the states listed below Insurance to Value (ITV) needs to be carefully monitored.

- **States with Valued Policy Laws/Statutes** that apply to at least some types of Commercial and/or Homeowner structures include the following:
  - California
  - Florida
  - Georgia
  - Kansas
  - Louisiana
  - Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- New Hampshire
- North Dakota
- Ohio
- South Carolina
- Tennessee
- Texas
- West Virginia
- Wisconsin

- **States without Valued Policy Law/Statutes:**
  - Alabama
  - Alaska
  - Arizona
  - Colorado
  - Connecticut
  - Delaware
  - District of Columbia
  - Hawaii
  - Idaho
  - Illinois
  - Indiana
  - Kentucky
  - Maine
  - Maryland
  - Michigan
  - Nevada
  - New Mexico
  - New York
  - Oklahoma
  - Oregon
  - Pennsylvania
  - Rhode Island
  - Utah
  - Washington
COVERAGE and FORMS

BUILDING

Alterations, New Building, and Newly Acquired Locations – Extra Expense Exclusion – U210

• Optional use and available for all risks with property coverage

Broken or Cracked Glass Exclusion – CP1052

• Optional use and available for all risks with property coverage
• Allows you to exclude specific glass already damaged

Builders Risk

• Not available

Building Ordinance or Law – U750

• Increased Cost of Construction Coverage Limitation – U205 is mandatory whenever providing property coverage. This endorsement eliminates the limited ICOC coverage found in the Commercial Property Coverage Part. Only by purchasing the Ordinance or Law Coverage – U750 can you obtain coverage.
• Class code 1080

Coverage Parts – Ordinance or Law Coverage – U750:

  o A – Coverage for Loss to Undamaged Portion of Building:
    ▪ Covers the undamaged portion of a building that becomes constructively “totaled” by ordinance or law
    ▪ This is a sublimit and the most that will be paid for direct and indirect loss is the building limit shown on the policy

  o B – Cost of Demolition:
    ▪ Provided for undamaged portion of building, up to a limit that equals 10% of the Coverage A limit
    ▪ This is a sublimit and the most that will be paid for direct and indirect loss is the building limit shown on the policy

  o C – Increased Cost of Construction:
    ▪ This is where local ordinances/codes come into play. Examples include ADA compliance (i.e. access doors, ramps, larger entrances/exits), earthquake resistant supports, sprinklers, wind resistant glass, and/or sprinklers
    ▪ Limit of Coverage equals 20% of the Coverage A limit
    ▪ This is a sublimit and the most that will be paid for direct and indirect loss is the building limit shown on the policy

B and C – Combined Single Limit of Insurance: Option not available

• Eligibility:

<table>
<thead>
<tr>
<th>ACV or RC Acceptable</th>
<th>All States Except Coastal*</th>
<th>Coastal States Only*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age: Up to 10 years</td>
<td>Eligible up to $1,000,000 TIV</td>
<td>Eligible up to $1,000,000 TIV</td>
</tr>
<tr>
<td>Age: 11 to 50 years</td>
<td>Submit (Max $1.5MM TIV)</td>
<td>Not Eligible</td>
</tr>
</tbody>
</table>
• Coastal States are defined as: AL, CT, DE, FL, GA, LA, MA, MD, ME, MS, NC, NH, NJ, NY, RI, SC, TX, and VA

• Pricing:
  o The Final Building Rate (All Perils) excluding all credits and surcharges has a 15% debit applied to it, and is subject to a $350 Minimum Premium Pricing
  o Pricing contemplates Coverage A, B and C

• Processing:
  o Property code is 1080
  o You must specify on Form U750 which location(s) have this coverage option

• Prohibited:
  o As stand-alone or monoline coverage
  o Farm and Ranch Owners Policies

• Required Underwriting / File Documentation:
  o Confirmation of:
    ▪ Compliance with existing building codes and laws for which the property has not been granted an exception, or has not been grandfathered in
    ▪ History of updates to electrical, hearing, plumbing, roof
BUSINESS PERSONAL PROPERTY

Business Personal Property – Contents, Equipment, Inventory, Machinery, Stock, Tenant Improvements, and Betterments – CP0010

- Business Personal Property is to be declared as a single limit at the location level subject to the following:
  o Blanketing of values between locations/premises/buildings not available
  o Sub-limits are noted where applicable. If an item is sub-limited the options to increase the sub-limit are available as they are noted below.
  o In EDGE you will be presented with a dropdown box with the following selections at the Premises-Building level:
    ▪ Building
    ▪ Business Personal Property Excluding Stock (see guidelines below for BPP)
    ▪ Business Personal Property Including Stock (see guidelines below for BPP)
    ▪ Time Element
    ▪ Ordinance or Law
    ▪ Pumps and Canopies
  o Business Personal Property is defined to include:
    ▪ All personal property owned by insured and used in their business
    ▪ Borrowed, Leased, or Rented items if on described premises
      • If “off premises” coverage is required please underwrite and quote per guidelines for CIM – Contractors Equipment – Borrowed, Leased or Rented
    ▪ Contents
    ▪ Dies, Forms, Molds, and Patterns (for processing and manufacturing operations) are sub-limited by Building and Personal Property Coverage Form – CP0010.
    ▪ Equipment
    ▪ Fixtures
    ▪ Furniture
    ▪ Household Personal Property
      ▪ Blanket Sub-Limited Household Personal Property Coverage – U811 creates a sublimit but does not increase the overall BPP limit
    ▪ Inventory
    ▪ Machinery
    ▪ Property of Others is sub-limited by CP0010.
      • These options are available to accommodate higher limits for “Property of Others”:
        o $5,000 limit provided by Bronze Pak – U777C, or
        Silver Pak – U777B
        o $10,000 limit provided by Gold Pak – U777A
Higher limits available for a limited number of exposures per guidelines, rates, and forms found for CIM – Bailees

- **Stock**
  - BPP at the Premises-Building level must be specified to either include or exclude stock
  - If Stock is to be included in the BPP limit, then you must also indicate if stock is to be valued ACV or Replacement Cost at the applicable Premises-Building level.

- **Tenant Improvements and Betterments (TIB):**
  - TIB is to be declared as Business Personal Property, not as Building values
  - When rating within the Company’s system you must select “ Tenant Improvements” if the exposure exists and add the values into the BPP limit
    - Improvements and betterments are defined as additions, alterations, fixtures, or installations that make up a part of the building or structure the insured occupies, but does not own. They may have been acquired or made at the insured’s expense but cannot be legally moved.

- **“Yard Property” including “Property in the Open”** that is on insured premises
  - If any of the Property Enhancement Endorsements is selected, premises is extended to 1000 feet (see Bronze, Silver, and/or Gold Pak Guidelines)

- Uninsurable Property includes:
  - Accounts, bills, currency, deeds, evidences of debt, money, notes, or securities;
  - Animals
  - Contraband, or property in the course of illegal transportation or trade;
  - Grain, hay, straw, or other crops while outside of buildings;
  - Growing crops or lawns;
  - Personal property while airborne or waterborne; and
  - Property that is covered under another coverage form in which it is more specifically described, except for the excess of the amount due from that other insurance.

**Employee Clothing, Equipment, Tools**

- Coverage Not available unless the optional property enhancement endorsement, Gold Pak – U777A is attached for a flat premium charge of $500. This endorsement provides many enhancements including “Personal Effects” with a limit of $10,000 that can be used to cover items like employee clothing, equipment, or tools. A higher limit is not available.
Household and Personal Property – U811

- Extends the definition of “Business Personal Property” to include “Household and Personal Property” at the living quarters of the Insured to be covered per terms and conditions of U811. A limit of coverage must be specified on the form. The limit specified in the U811 is a part of, not an addition to, the applicable Limits of Insurance shown in the Declarations for Business Personal Property. The Cause of Loss selected for BPP will apply, as will the deductible.

Property of Others – CP0010

- Property of Others is sub-limited by CP0010 to $2,500. These options are available to accommodate higher limits:
  - $5,000 limit provided by Bronze Pak – U777C, or Silver Pak – U777B
  - $10,000 limit provided by Gold Pak – U777A
  - Higher limits available for a limited number of exposures per guidelines, rates and forms found for CIM – Bailees

Spoilage as provided within these forms:

- Spoilage Coverage is available various ways, depending on the coverage form:

  Equipment Breakdown – U522

- Class code 1005
- Extends business income, extra expense and spoilage coverage resulting from a breakdown of equipment owned by a supplier with whom the insured has a contract to supply a service. Covered contract services include air conditioning, communications, compressed air, electrical power, heating, refrigeration, steam, waste disposal, or water.
- Spoilage – Covers the spoilage of food, manufactured goods, or other perishables following a covered accident. Also pays for loss of perishables due to ammonia contamination and for perishable goods damaged by a service interruption.
- Off-premises-power-failure is not covered by U522 – Equipment Breakdown Coverage

Power Outage Caused by Hurricane or Tropical Storm – U248

- Class code 1050
- Deductible: $500
- Limits are:
  - $2,500 occurrence with a $5,000 annual aggregate – $500 per location
  - $5,000 per occurrence with a $5,000 annual aggregate – $1,000 per location
- Off-premises-power-failure is provided only for outages caused by “hurricane or tropical storm”


- Bronze Pak – U777C provides a limit of $5,000
- Silver Pak – U777B provides a limit of $5,000
- Gold Pak – U777A provides a limit of $10,000
- Provides food spoilage but only when the proximate cause is either equipment breakdown or contamination by refrigerant
Off-premises-power-failure is not provided by Bronze Pak, Silver Pak, or Gold Pak

**Tenant Glass – CP1470**

- **EDGE:**
  - Be sure to check the “Tenant Glass” checkbox when rating up Tenant Glass. This triggers form attachment and completion rules in the background for CP1470

- **Two methods to provide:**
  - **Declare a limit under Property as “Building” coverage:**
    - Attach Building Glass – Tenant’s Policy – CP1470
    - **Premium** – There is no premium for this form per se as you rate the “tenant glass” exposure as “Building” when rating property exposures.
      The building rate at the applicable location will apply for rating purposes.
      This form is required to trigger coverage.
    - **Form completion:**
      - “Location of Building” – enter location(s) where “tenant glass” is to be covered
      - “Description of Building Glass” – enter “Tenant Glass,” for those issuing policies out of the EDGE system “Tenant Glass” will automatically print on the form at policy issue.
  - **Property Enhancement Endorsement:**
    - Coverage is excess over the limits provided under these optional property enhancement endorsements.
      If you are offering one of these optional coverage enhancements please make the necessary modifications in the limit you rate for under CP1470 (this will only apply if your tenant glass limit is over and above the limits stated below).
    - Gold Pak – U777A provides a $10,000 limit
    - Silver Pak – U777B provides a $5,000 limit
    - Bronze Pak does not include Tenant Glass
BUSINESS INCOME / EXTRA EXPENSE

Additional Exclusions and Provisions – Property Insurance – U1203

- Mandatory on all policies
- Excludes exposures for asbestos and lead
- Adds additional provisions for Actual Cash Value

Alterations, New Building, and Newly Acquired Locations – Extra Expense Exclusion – U210

- Optional use and available for all risks with property coverage

Business Income and Extra Expense / Business Interruption / Time Element – CP0030, CP0032, CP0050, U211

- Overview of Time Element Coverage:
  - There are three different sources of business income that you may elect to insure:
    - Business Income (BI) including Rental Value (RV)
    - Business Income Other Than Rental Value
    - Rental Value Only
      - Rental Value Overview:
        - Rental Value may include any of the following:
          - Amount of all charges which are the legal obligation of the tenant which would otherwise by the Insured’s obligations
          - Fair rental value of any portion of the described premises occupied by the Insured
          - Total anticipated rental income from a tenant occupied premises described in the policy
        - If “Rental Value Only” is the option selected then the recovery options are limited to “Monthly Indemnity Limitations” of either 1/6, 1/4, or 1/3
  - These are the coverage forms available to cover sources of business income listed above:
    - Business Income With Extra Expense – CP0030
    - Business Income Without Extra Expense – CP0032
    - Extra Expense Coverage Only – CP0050
    - Cancellation or Loss of Contract – Period of Restoration Limitation – U211
  - Types of recovery for a covered loss vary by coverage form:
    - BI with EE – CP0030, or BI without EE – CP0032:
      - Coinsurance basis
        - Options are 100%, 90%, 80%, 70%, 60%, 50%
      - Non-coinsurance basis referred to as “Monthly Limitation”:
        - Options are 1/6, 1/4, or 1/3
        - This option has no coinsurance penalty, but the negative aspect of this option is that it limits the loss
period to the time frame chosen, and the amounts are not cumulative. In other words, use it or lose it. So if (for example) you choose the 1/3 monthly indemnity limitation and the actual income loss extends to 5 months, there is no protection for the last 2 months.

- Extra Expense Coverage Only – CP0050
  - The only available option is 40% – 80% – 100%
  - The first percentage is the amount of the limit of insurance that is available for the first 30 days after a loss. The second percentage is the amount of insurance available for the second 30 day period, and the third is the amount available in excess of 60 days after the loss.

- Prohibited:
  - Actual Loss Sustained (ALS)
  - Agree Value
  - BI/EE limits higher than total annual sales
  - Extended Period of Indemnity
  - Off Premises Overhead Transmission Lines – Direct Damage
    - This refers to off-premises power failure that results in suspension of operations and a resulting business income loss
  - Valued Business Income Forms
    - This refers to forms that pay the insured a fixed amount for each day, week, or month that the business must close because of a covered loss

- Establishing an Estimate of the Business Income / Extra Expense Exposure:
  - Business Income worksheets help to establish a rough estimate of business income exposures. While the worksheet can't guarantee you'll have adequate limits in the event of loss the worksheet is one of the better tools available. The worksheet is just one part of the process to address business continuity strategies and recovery plans. Additional BI/EE tips are indicated below but insureds should seek assistance from their accountant in deciding whether to go with monthly limitation or a coinsurance basis as well as determining their limits of coverage.
    - Time to rebuild:
      - Use these as rough benchmarks only as every business has unique characteristics to consider:
        - 1 – 2 months – Cause and originals investigations and debris removal
        - 2 – 3 months – Securing permits, even longer in some settings
        - 6 – 12 months – Reconstruction
        - 2 – 18 months – Replacement of machine (including troubleshooting and testing)
        - Government regulatory agencies can create further delays
  - Typical limits for various business types as a percentage of annual receipts:
- Use these as rough benchmarks only as every business has unique characteristics to consider:

<table>
<thead>
<tr>
<th>Manufacturing</th>
<th>Non-Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverages – Non-alcoholic</td>
<td>Architects &amp; Engineers</td>
</tr>
<tr>
<td>Clothing</td>
<td>Arts, Entertainment, Rec, Casinos</td>
</tr>
<tr>
<td>Textiles and Textile Goods</td>
<td>Book, Hobby, and Misc Retail</td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>Building Materials / Garden Supply</td>
</tr>
<tr>
<td>Food Processing</td>
<td>Building Services Contractors</td>
</tr>
<tr>
<td>Furniture &amp; Related Products</td>
<td>Educational Institutions</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>Furniture &amp; Home Furnishings</td>
</tr>
<tr>
<td>Metals and Metalworking</td>
<td>Health &amp; Personal Care Stores</td>
</tr>
<tr>
<td>Not Otherwise Classified</td>
<td>Hotels and Motels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manufacturing</th>
<th>Non-Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wineries &amp; Distilleries</td>
<td>Not Otherwise Classified</td>
</tr>
<tr>
<td>Paper and Paper Products</td>
<td>Publishing</td>
</tr>
<tr>
<td>Printers</td>
<td>Restaurants</td>
</tr>
<tr>
<td>Plastic and Rubber Goods</td>
<td>Retail Goods</td>
</tr>
<tr>
<td>Technology – Advanced</td>
<td>Sporting Goods</td>
</tr>
<tr>
<td>Wood and Wood Products</td>
<td>--</td>
</tr>
</tbody>
</table>

- **Forms:**
  - If Business Income and/or Extra Expense is provided then the following form is mandatory:
    - Amendatory “Fungus” Business Income and/or Extra Expense Endorsement – U496
  - Business Income (and Extra Expense) Coverage Form – CP0030
  - Extra Expense Coverage Form – CP0050
  - Business Income (Without Extra Expense) Coverage Form – CP0032
  - Cancellation or Loss of Contract – Period of Restoration Limitation – U211

- **Rating:**
  - The rate developed for Building and/or BPP will also apply to BI/EE
ENHANCEMENTS

Fences – Additional Coverage Property – CP1410

- The outdoor property sub-limit of $1,000 is available to cover fence exposures
- If the exposure for fences exceeds that sub-limit you must:
  1) Add the fence values to the “Building Limit” at the location where you have fence exposures
  2) Issue form CP1410 – Additional Covered Property
     - Enter the Premise and Building number(s)
     - Under the “Description” field enter: Fences
     - Under the “Type of Property” field enter: Building

Gasoline Station Canopies and/or Pumps

- Class Code 1010
- Coverage:
  - Equipment breakdown is an optional coverage that if selected does not provide coverage for machinery or equipment (including pumps) that are located below ground.
- Eligible:
  - Risks with one or more of the following liability class codes, or if monoline property risks that fall into one or more of these categories:
    - 13453 – Gasoline Stations – Full Service
    - 13454 – Gasoline Stations – Self Service
    - 13455 – Gasoline Stations – Self and Full Service Combined
    - 44009 – Gasoline or Oil Supply Stations – Retail (LRO)
- Prohibited:
  - Florida Pump and Canopy coverage, unless wind/hail is excluded
- Submit:
  - Exposures in one or more of the 5 boroughs of New York City
- Rates:
  - States east of the Mississippi River (including Hawaii but excluding Illinois and Wisconsin):
    - Wind/Hail Excluded: $0.49 per $100 in insured values
    - Wind/Hail Included: $1.50 per $100 in insured values
  - States west of the Mississippi River (excluding Hawaii but including Illinois and Wisconsin):
    - Wind/Hail Excluded or Included: $1.50 per $100 in insured values

Identity Recovery (IDR)

- See underwriting guidelines under the General Liability Guideline section
- Coverage is at a policy level
- Premium Charge: $19 flat fully earned is a policy level charge
  - If monoline property the premium and coverage is indicated on the property line-of-business
If a package with liability the premium and coverage is indicated on the general liability line-of-business

**Pollution Endorsements for Property**

- Total Pollution Exclusion – U738P
- Exclusion – Benzene – U742
- Exclusion – Lead – U746
- Silica or Silica-Related Dust Exclusion – U748

**Property Enhancement Endorsements: Bronze Pak, Silver Pak, Gold Pak – U777C, U777B, U777A**

- **Forms:**
  - Bronze Pak – U777C (Replaces the Mercantile Property Endorsement)
  - Silver Pak – U777B (Replaces the MAC PAC endorsement)
  - Gold Pak – U777A (New property enhancement endorsement)

- **Gold Pack** increases coverage limits to $10,000 and adds:
  - Arson Reward
  - Fine Arts
  - Fire Extinguisher Recharge
  - Inventory/Loss Adjustment Expense
  - Lock and Key Replacement
  - Personal Effects
  - Robbery and Safe Burglary
  - Sewer and Water Backup

- **Class Codes:**
  - 1030 – Gold Pak
  - 1031 – Silver Pack
  - 1032 – Bronze Pak

- **Coverage Details – Bronze, Silver, and Gold Paks:**
  - Authority – Total Insured Values:
    - The property values provided within these optional property enhancement endorsements are not added into the total property values used to determine a General Agent’s TIV Authority.
  - Cause of Loss:
    - The Cause of Loss selected for the supporting building and/or contents coverage will also apply to the Pak endorsement
  - Coinsurance:
    - Coinsurance does not apply
  - Conditions:
    - Policy conditions apply
  - Coverage Limits:
    - Separate from the “Limits of Insurance” shown in the Property Declarations
    - The most we will pay for loss or damage in any one occurrence is limited to the amounts specified in the Pak endorsement that is selected
  - Deductible:
• Deductible amount selected for the supporting building and/or contents applies
  • Food Spoilage:
    • Does not include off-premises power failure
  • Pricing:
    • Flat
    • Per policy basis, not per location
  • Stand Alone Coverage:
    • Not available, you must have building and/or contents coverage to support the addition of the Pak endorsement
    • Commercial Inland Marine in and of itself is not enough to support a Pak endorsement, you must have building and/or contents
  • Wind and Hail:
    • Whatever wind and hail guidelines apply to the supporting building and/or contents coverage also apply to the coverage provided by the Pak endorsement
    • Refer to [Windstorm and Hail Guidelines](#)

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Bronze Pak U777C</th>
<th>Silver Pak U777B</th>
<th>Gold Pak U777A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>None</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Arson Reward</td>
<td>None</td>
<td>None</td>
<td>$10,000</td>
</tr>
<tr>
<td>Electronic Data</td>
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<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Employee Dishonesty</td>
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<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Fine Arts</td>
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<td>None</td>
<td>$10,000</td>
</tr>
<tr>
<td>Fire Department Service Charge</td>
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</tr>
<tr>
<td>Fire Extinguisher Recharge</td>
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<td>None</td>
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</tr>
<tr>
<td>Fire Suppression System</td>
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<td>$10,000</td>
</tr>
<tr>
<td>Food Spoilage</td>
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<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Inventory / Loss Adjustment Expense</td>
<td>None</td>
<td>None</td>
<td>$10,000</td>
</tr>
<tr>
<td>Lock and Key Replacement</td>
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<tr>
<td>Money and Securities</td>
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<tr>
<td>Outdoor Property</td>
<td>None</td>
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<tr>
<td>Personal Effects</td>
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<tr>
<td>Property of Others</td>
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<tr>
<td>Robbery and Safe Burglary</td>
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<tr>
<td>Security Guard Expense</td>
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<tr>
<td>Sewer and Water Backup</td>
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<tr>
<td>Sign Coverage</td>
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<tr>
<td>Tenant Glass</td>
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<td>$5,000</td>
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</tr>
<tr>
<td>Valuable Papers</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
</tbody>
</table>
Signs – Outside – CP1440

- Class Code 1040
- Deductible:
  - If the sign’s total limit is large enough to be covered by the Outdoor Signs Endorsement – CP1440, and either Bronze, Silver, or Gold Pak, then only one deductible will be applied to the sign
  - The deductible that applies to Outdoor Signs Endorsement – CP1440 and the deductible that applies to the Bronze, Silver, or Gold Pak are the same. That deductible is whatever has been selected for the building and/or contents coverage.
- Eligibility:
  - If the risk meets our guidelines for building and/or contents coverage the risk is automatically eligible for sign coverage
  - Submit if an individual sign is valued over $25,000
- Limits of Insurance
  - Coverage is excess over the limits provided under these optional property enhancement endorsements:
    - U777A – Gold Pak – $10,000
    - U777B – Silver Pak – $5,000
    - U777C – Bronze Pak – $5,000
- Prohibited:
  - Stand-alone coverage, sign coverage requires the support of either building and/or contents coverage
- State Exception for Florida:
  - See Windstorm and Hail Guidelines for Florida
    - Minimum rate for FL is $2.50 per $100 in insured Outdoor Sign Values with a maximum limit of $25,000. Coverage only available if the remainder of the property meets eligibility guidelines.
- Rating and Minimum Premium
  - Minimum premium – $250
  - Rate is 3% of the total sign limit
    - Examples of premium calculations without Gold, Silver, or Bronze Pak
      - $5,000 sign limit x .03 = $150. Since the Minimum Premium for signs is $250 the premium is $250.
      - $35,000 sign limit x .03 = $1,050. Since this is higher than the $250 MP the premium is $1,050.
    - Examples of premium calculations with one of the optional property enhancement endorsements: Gold, Silver or Bronze Paks
      - $10,000 sign limit on a policy that has Gold Pak:
        - Premium Charge – None, Gold Pak provides a $10,000 limit
        - Premium already included in the $500 flat charge for Gold Pak
• $35,000 sign limit on a policy that has Gold Pak:
  o $35,000 sign limit minus $10,000 sign limit provided by Gold Pak = $25,000 x .03 = $750
  o Premium charge – $750
• $35,000 sign limit on a policy that has Silver or Bronze Pak:
  o $35,000 sign limit minus $5,000 sign limit provided by Gold Pak = $30,000 x .03 = $900
  o Premium charge – $900

Water Backup (Sewer) – As provided in Gold Pak

• Sewer and Water Backup is provided in these optional Property Enhancement Endorsements:
  o Gold Pak U777A provides a $10,000 limit
  o Silver Pak and Bronze Pak do not provide any coverage

Water Backup and Sump Overflow – U548

• Form:
  o Water Backup and Sump Overflow – U548
• Class code 1060
• Water Back-Up and Sump Overflow – Limit Options are all on a blanket basis:
  o $15,000 limit – $150 flat
  o $20,000 limit – $200 flat
  o $25,000 limit – $250 flat
EXCLUSIONS and LIMITATIONS

Greenhouse and BPP – Exclusion – U945
- Optional use
- Excludes property coverage for greenhouses, as well as property stored inside greenhouses

Pollution Endorsements for Property
- Total Pollution Exclusion – U738P
- Exclusion – Benzene – U742
- Exclusion – Lead – U746
- Silica or Silica-Related Dust Exclusion – U748

Total Pollution Exclusion – U738P

Total Pollution Exclusion – With Limited Pesticide or Herbicide Applicator Coverage – U726

Total Pollution Exclusion – With Swimming Pool Jobsite Exception – U736SPM

Sprinkler Leakage Exclusion – CP1056
- Optional and available for all risks with property coverage. Highly recommended for the following exposures:
  - LRO
  - Manufacturing risks making paper or paper products
  - Vacant properties, especially if heat is not maintained in colder climates and the sprinkler system has not been drained
- Excludes sprinkler leakage as a covered cause of loss
- May be applied to Basic, Broad or Special Cause of Loss

Storage or Repairs Limited Liability – CP9942
- Optional and available for all risks where Personal Property of Others is hold for storage or repair
- Adjusts the valuation basis of Personal Property of Others

Total or Constructive Loss Earned Premium Condition – U011
- Optional and available for all risks with property coverage
- Changes the earned premium conditions of the policy

Water Exclusion Endorsement – CP1032
- Excludes flood, surface water, waves, tides, tidal water, overflow of any body of water, and similar exposures
- Mandatory if providing property coverage of any type under the Property Line of Business
STATE SPECIFIC

Massachusetts Tenant Relation Expense – IL0108

- Class Code 1020
- Mandatory for risks with property exposures in MA
- Massachusetts Tenant Relocation Expense form – IL0108 is mandatory when covering property in Massachusetts for any non-transient rental living quarters. Rates are as follows:
  - 1-4 units $10 flat charge
  - 5-10 units $50 flat charge
  - over 10 units $100 flat charge
WARRANTY ENDORSEMENTS

Warranty Endorsements – Burglary and Fire – U171A and U171B

- Burglary and Robbery Protective Safeguards:
  - Form:
    - Burglary and Robbery Protective Safeguards – U171A
  - Mandatory:
    - Where indicated as mandatory within the table for Target Theft Guidelines
    - If Theft Exclusion – CP1033 is being applied then U171A is not mandatory.
  - Processing Required to Complete Endorsement:
    - You must specify BR-2 under the Schedule of Protective Safeguards Symbols on U171A

- Fire Protective Safeguards – U171B:
  - Form:
    - Fire Protective Safeguards – U171B is used instead of ISO's form
  - Mandatory:
    - All risks with commercial cooking equipment exposures that generate grease vapors.
    - All risks with woodworking Exposures
  - Processing Required to Complete Endorsement:
    - Commercial Cooking Exposures:
      - You must specify the following on U171B under “Describe any P-9”:
        - Automatic Sprinkler System above all commercial cooking equipment that generate grease vapors
        - Maintenance and inspection of the system indicated above at least annually by a third party that specializes in this type of work
        - Hood and Duct cleaning on a semi-annual basis by a third-party hood and duct cleaning service that specializes in such work
    - Woodworking Exposures:
      - You must specify the following on U171B under “Describe any P-9”:
        - Dust collection system
HAZARDS AND CONTROLS

Above Ground Storage Tanks (AST’s)

- Submit:
  - Above ground tank holding more than 100 gallons of flammables
  - LGP bulk liquor storage tank holding more than 2000 gallons

- Mandatory:
  - All Federal, State and Locally required precautions/controls must be in place in relation to dikes to control spills, vehicle barriers and warning signage
  - All required inspection must have been completed
  - Any outstanding recommendations must have been complied
  - All required permits must be in place and current

Brush and Vegetation Controls for Wildfire Mitigation

- Areas prone to wildfires or are within a severe drought area should have a fire-mitigation program for brush, grass, hedges, plants, shrubs, and/or trees within 150 feet of all insured structures. If an inspection is done it should document whether this control is being practiced or not.

Commercial Cooking Exposures

- Risks with commercial cooking exposures must be inspected regardless of total insured property values and/or property premium size.
- Cooking equipment that can generate grease vapors must be completely protected by an automatic fire suppression extinguishing system. The automatic fire suppression extinguishing system must be warranted via mandatory Company form “Fire Protective Safeguards” – U171B. The following controls must be specified on the U171B:
  - Automatic fire suppression extinguishing systems must be inspected at least annually by a qualified third party. Any deficiencies noted in the inspection must be promptly addressed.
  - Hood and Duct systems must be cleaned at least semi-annually by a qualified third party service that specializes in this type of cleaning.

Electrical Wiring

- Prohibited:
  - Aluminum wiring, fuses, knob & tube, and/or pigtail wiring exposures.
  - Federal Pacific Stab-Lok electrical control panels used in residential homes.

Painting and Finishing

- Painting and finishing are often hazardous exposures. Hazards involve the application process as well as the storage and handling of the coatings and any thinner which may be used. Since many paints, solvents, lacquers and thinners are highly flammable they require proper handling, application and storage.
- Curtain Coating / Flow Coating:
  - Submit
A process of flowing liquid paint with a low pressure stream onto objects to be painted. Excess liquid is collected in a sump and recycled into the painting process. Hazards and controls similar to dipping tanks.

- **Dipping:**
  - Submit
  - Basement dipping operations prohibited.
  - This process involves dipping materials, either by hand or conveyor system, into tanks containing flammable or combustible finishing materials.
  - Operation should be located in a sprinklered area cut off from the main processing facilities.
  - Area must be clear of combustibles.
  - Tanks over 150 gallons require an overflow pipe draining to a vented salvage tank at a safe location outside of the building.
  - Ventilation – Active system required.

- **Drying with Gas or Electric Dryers:**
  - Submit
  - Sometimes paint is dried in a gas fired or electric heated dryer. This type of equipment can present significant fire/explosion hazards and so requires Company approval.

- **Hand Painting:**
  - Acceptable
  - Principle hazards to be controlled are spontaneous ignition of oily rags and the presence of open containers containing flammable and combustible liquids. Good housekeeping, property disposal of used rags and waste material, and the prohibiting of smoking are essential controls.
  - If thinner supplies are purchased in containers larger than a gallon, bench supplies should be kept in and used from U.L. listed safety containers. All flammable and combustible liquids not being used at the immediate time should be stored in standard flammable liquids cabinets.

- **Painting in Open Areas:**
  - Acceptable
  - In some operations, equipment is so large or heavy it cannot be moved to a spray room or spray booth and thus must be painted in place. Spraying painting in such an area is only acceptable when adequate precautions have been taken to prevent the ignition of combustible overspray and/or flammable vapors before the painting begins.
  - Ignition sources must be at least 20 feet from the spray painting area. This may require shutting off power to ordinary electrical equipment in the same area.
  - Low level ventilation is required to remove flammable vapors and keep overspray from coming in contact with hot objects.
  - Ordinary ceiling light fixtures above this type of operation may be acceptable if sufficiently high above the vapor and overspray hazard area. Generally this means at least 10 feet or more. Ordinary wall mounted light switches for these lights must be more than 20 feet horizontally away from the painting operation.

- **Powder Coating:**
  - Prohibited
In an effort to eliminate the problems of solvent vapors in paints, some manufacturers now apply dry powders to their product(s), which when heated fuse the powdered coating into a hard, smooth protective coating. This process eliminates the hazards of solvent vapors, but has hazards of electrostatic shorts and dust explosion of the powder. Because of these high hazards risks with power coating exposures must be declined.

- **Roll Coating:**
  - Submit
  - A process using a roller to transfer the liquid coating to an object. Hazards and controls are similar to dipping tanks.

- **Spray Painting:**
  - Submit
  - Spray painting is usually more hazardous than hand applications because of the volume of flammable and combustible materials used, method of application, material drying, and combustible residue formation which is subject to spontaneous heating. Dried paint, being a resin, is combustible. In the form of overspray (a fine particle of dried paint that doesn’t stick to the painted part and merely accumulates in the spray area) the dried paint is extremely combustible, even if the liquid form of the paint is latex or water-based.
  - Ideally spray painting is done in a separate building but sometimes this isn’t possible. If not, a cut-off room or special booth would be acceptable. The booth or room must be constructed of metal or other non-combustible material that can easily be cleansed of residue.
  - Ventilation must be a non-sparking exhaust fan as part of a special steel exhaust duct vented by the shortest route to the outside of the building. The motor for the exhaust fan must be arranged so that vapors and overspray particulate from the spraying operation do not come in contact with the motor. Thus, a direct-drive fan/motor assembly such as a typical “window fan” is not acceptable for exhaust ventilation for a spray paint area. Safety controls that will automatically shut down the spraying operation if the ventilation system fails are desirable but not mandatory.

**Welding – Incidental**

- Incidental welding and cutting operations common to construction, demolition, manufacturing, salvaging, repair work, or wrecking require Company approval. Otherwise decline for property.

**Woodworking Exposures**

- Risks with woodworking exposures include but are not limited for the following:
  - 51576 – Boxes or Containers Manufacturing – Wood
  - 52315 – Door or Window Manufacturing – Wood
  - 53733 – Furniture Manufacturing or Assembling – Wood
  - 53734 – Furniture or Woodwork Stripping, Refinishing or Repairing – Shop Only
  - 58301 – Plywood, Veneer or Veneer Products Manufacturing – NOC
  - 58302 – Plywood, Veneer or Veneer Products Manufacturing – without Log Processing
- 58873 – Saw Mills or Planning Mills
- 59985 – Wood Products Manufacturing
- 59986 – Wood Turned Products Manufacturing

Risks with any of the above exposures are subject to the following property guidelines:

- If property is insured then the risk is subject to mandatory inspection regardless of property TIV
- Dust collection system must be present if woodworking exposures are present
- Finishing that requires a spray booth must be in a UL-approved spray booth and warranted by indicating “UL-approved spray booth” on warranty endorsement

U171B
MONOLINE PROPERTY

Monoline Commercial Property

- General Agents have authority to quote monoline property unless advised otherwise in the Company’s guidelines for Property.
- Monoline property is not available in the Farm/Ranch Product Set.
- Monoline farm equipment not available in the Farm/Ranch PRODUCT SET and also not available under monoline inland marine.
RATING

Account Premium Size

- Submit if Account Premium Exceeds $25,000

General Agent Credit Authority

- Additional credit authority is available but requires Company Underwriter approval:
  - Monoline:
    - Includes Commercial General Liability (including OCP and Farm Liability), Monoline Property or Monoline Marine
    - Maximum of 10% Credit
  - Package:
    - Includes Commercial Packages
    - Package credits not available with Farm/Ranch Policies
    - Maximum of 10% Credit + Maximum of 10% Package Credit = 20% Maximum Credit on Packages

Property Minimum Premiums

- Minimum Premiums are applied when rating a specific risk in EDGE.

Types of Minimum Premium Rules:

- Class code level,
- Line-Of-Business (LOB)
- Policy Level Minimum Premiums are no longer used.

How Minimum Premium Rules are applied:

- Only the single highest Minimum Premium rule is to be applied within the LOB, no matter how many Minimum Premium rules are triggered within an LOB
- Rules for Minimum Premium are not applied if the “basis” is any of the following, but if premium is developed via endorsement or premium audit, then any applicable minimum premium rules will apply
  - If Any
  - Included
  - “0”
- When the actual developed premium is under the applicable LOB Minimum Premium only the following coverage options are added over and above that Minimum Premium. All other coverage options are included in the gap between the actual Developed Premium and the applicable LOB Minimum Premium.
  - EPLI
  - EPLI SERP endorsement
  - HLGL or HL OCP
  - IDR
  - Liquor Liability

Premium Audit considerations:

- Do not adjust the “base rate” to back into a Minimum Premium figure, this could cause premium audit problems later on if the exposure basis increases

Waiving Minimum Premiums requires Company approval
## Property Rating Factors

- **Deductible factors, Year Build Factors, Occupancy Code Factors, Protection Class Factors, Cause of Loss Factors, and Sprinkler System Factors are automatically applied when rating within the EDGE system**

<table>
<thead>
<tr>
<th>AOP Deductible Rating Factors</th>
<th>Year Built Rating Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>1.20</td>
</tr>
<tr>
<td>$1,000</td>
<td>1.00</td>
</tr>
<tr>
<td>$2,500</td>
<td>0.95</td>
</tr>
<tr>
<td>$5,000</td>
<td>0.90</td>
</tr>
<tr>
<td>$10,000</td>
<td>0.85</td>
</tr>
</tbody>
</table>

- **Deductible factors, Year Build Factors, Occupancy Code Factors, Protection Class Factors, Cause of Loss Factors, and Sprinkler System Factors are automatically applied when rating within the EDGE system**

<table>
<thead>
<tr>
<th>Property Occupancy Rating Factor</th>
<th>Occupancy Type – (In decreasing hazard order)</th>
<th>Property Occupancy Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.25</td>
<td>Manufacturing (All)</td>
<td>8653A</td>
</tr>
<tr>
<td>1.25</td>
<td>Restaurant (Catering – Commercial Cooking – Food Service)</td>
<td>0542A</td>
</tr>
<tr>
<td>1.15</td>
<td>Services, Recycle – Salvage – Secondhand – Waste</td>
<td>1400B</td>
</tr>
<tr>
<td>1.05</td>
<td>Habitacional (Apartments – Dwellings – Condominiums – Townhomes)</td>
<td>0312A</td>
</tr>
<tr>
<td>1.10</td>
<td>Hotel, Motel</td>
<td>0743A</td>
</tr>
<tr>
<td>1.15</td>
<td>Distributor, Wholesaler, and Warehouse</td>
<td>0432A</td>
</tr>
<tr>
<td>1.00</td>
<td>Institutions (Church – Daycare – Schools)</td>
<td>1052A</td>
</tr>
<tr>
<td>1.10</td>
<td>Vacant Buildings</td>
<td>1180A</td>
</tr>
<tr>
<td>1.00</td>
<td>Retail</td>
<td>0582A</td>
</tr>
<tr>
<td>1.00</td>
<td>Recreation (Arts – Clubs – Exercise – Entertainment – Special Event – Sports Camps)</td>
<td>0757A</td>
</tr>
<tr>
<td>0.95</td>
<td>Office incl. Contractor’s Office</td>
<td>0702A</td>
</tr>
</tbody>
</table>

- **Deductible factors, Year Build Factors, Occupancy Code Factors, Protection Class Factors, Cause of Loss Factors, and Sprinkler System Factors are automatically applied when rating within the EDGE system**

<table>
<thead>
<tr>
<th>Protection Class Rating Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC - 1</td>
</tr>
<tr>
<td>PC - 2</td>
</tr>
<tr>
<td>PC - 3</td>
</tr>
<tr>
<td>PC - 4</td>
</tr>
<tr>
<td>PC - 5</td>
</tr>
<tr>
<td>PC - 6</td>
</tr>
<tr>
<td>PC - 7</td>
</tr>
<tr>
<td>PC - 8</td>
</tr>
<tr>
<td>PC - 9</td>
</tr>
<tr>
<td>PC - 10</td>
</tr>
<tr>
<td>Cause of Loss Rating Factors</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Vary by state and property class code</td>
</tr>
<tr>
<td>100% in place</td>
</tr>
<tr>
<td>100% no system in place</td>
</tr>
</tbody>
</table>
VALUATION

Coverage Options Not Available

- Actual Loss Sustained (ALS)
- Agreed Value
- Blanket
- Coinsurance Waiver, or no coinsurance
- Functional Replacement Cost
- Inflation Guard
- Market Value
- Peak Season

Actual Cash Value (ACV)

See “Replacement Cost and Actual Cash Value” guidelines below

Actual Loss Sustained

- Not available

Agreed Value

- Not available
- Agree value in essence suspends a policy’s coinsurance condition. As a result the Insured is no longer faced with a coinsurance penalty.

Blanket

- Not available

Coinsurance for Building and Contents

No Coinsurance / Waiving Coinsurance

- 80% is the minimum coinsurance percentage for Buildings and Business Personal Property written on a replacement cost or actual cash value basis.
- Agreed Value, No Coinsurance, and/or waiving coinsurance are options that are not available
- See also Business Income and Extra Expense

Functional Replacement Cost

- Coverage not available
- What is functional replacement cost?
  - Old or obsolete buildings and personal property might be replaced with functional equivalents at values that are below ACV. Functional replacement cost endorsements allow the replacement of damaged property with similar property that will perform the same function but may not be identical to the damaged property.

Inflation Guard

- Not available
Insurance to Value (ITV) – Valuation

- Valuations are entirely the insured’s responsibility to establish. The Company does not advise if a valuation will be adequate enough to avoid a coinsurance penalty and/or provide adequate limits to cover a loss.
  - Insurance to Value is the ratio of the amount of insurance to the value of the property. Insurance to Value is determined in order to determine how closely the requested property limits reflect the true insurable value of the covered property. Maintaining a close relationship between limits, insurable values and exposure is critical to maintaining adequate premium for expected losses.
    - **ACV** – Submit if under $25 per square foot. If approved at lower valuation and coverage is bound the insured must provide documentation to support the low valuation either via a building cost estimator and/or a building inspection containing a property valuation.
    - **RC** – Submit if under $50 per square foot. If approved at lower valuation and coverage is bound the insured must provide documentation to support the low valuation either via a building cost estimator.

Market Value

- **Not available**

Peak Season

- **Not available**

Purchase Price for Buildings / Purchase Price for Contents – U283

- Purchase Price Endorsement – U283
- Prohibited as a valuation for buildings
- Mandatory as a valuation for contents for risks with exposures to secondhand/salvage goods. Examples:
  - Antique Stores – 10026
  - Appliance Distributors – Household Type – 10040
  - Appliance Stores – Household Type – 10042
  - Automobile Dismantling (i.e. used auto parts) – 91190
  - Building Material Dealers – Secondhand Material – 10256
  - Clothing or Wearing Apparel Stores – 11127 and 11128
  - Furniture Stores – 13351 and 13352
  - Internet Retailers – 16750
  - Paper, Rag or Rubber Stock Dealers and Distributors – Secondhand – 16009
  - Secondhand or Salvage Dealers or Distributors – 16881
  - Sporting Goods or Athletic Equipment Stores, but only if they handle used equipment – 18206

Replacement Cost and Actual Cash Value

- Buildings and Contents may be written ACV or Replacement Cost subject to these guidelines:
- **Functional Replacement Cost** guidelines are found above
- **Replacement Cost option for building values is subject to the following:**
"35/25 Rule" meaning building(s) must have been built within the last 35 years.

- If older, complete updates and/or inspections must have been completed on air condition, electrical, heating, plumbing, and roof within the last 25 years. (Aluminum wiring, fuses, and/or knob & tube wiring exposures are prohibited.) (See also "Cause of Loss" where the "35/25" Rule also applies.) If not fully updated per these guidelines then building(s) must be valued ACV.
- BPP values may be offered ACV or Replacement Cost regardless of whether RC or ACV applies to the building.

- Replacement Cost not available for used items that are for sale. Examples include antique and collectible stores, flea markets, pawn shops, thrift stores, and similar.

**Stock:**

- If you have elected to insure your "stock" at a particular location, you may provide Replacement Cost coverage for that Stock. At the location level in the EDGE Rater there is a Valuation dropdown box. There are three selections: ACV, RC or RC-Including Stock. Select "RC-Including Stock." When the policy is issued in EDGE the appropriate selections will automatically be made on the policy declarations indicating Stock is to be valued at RC for that location.

**Roof – Actual Cash Value Limitation – U284**

- Roof:
  - For building coverage on Frame, JM or NC construction, Actual Cash Value Limitation – Roofs and Roof Surfacing – U284 is mandatory. This form converts the roof to an ACV basis even if the remainder of the building is RC.

**Reporting Forms**

- Not available

**Valued Policy Laws / Statutes**

- Valued Policy Laws, also known as Total Loss Statutes, apply to real property. These laws and statutes essentially negate the coinsurance clause in the event of a total loss. The insurance company may have to pay the face value of the policy if there is a total loss to the property due to a peril as specified in these laws or statutes. Perils vary by state but may include fire, lightning, windstorm, tornado or hurricane. Therefore in the states listed below Insurance to Value (ITV) needs to be carefully monitored.

**States with Valued Policy Laws/Statutes** that apply to at least some types of Commercial and/or Homeowner structures include the following:

- California
- Florida
- Georgia
- Kansas
- Louisiana
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- New Hampshire
- North Dakota
- Ohio
- South Carolina
- Tennessee
- Texas
- West Virginia
- Wisconsin

- States without Valued Policy Law/Statutes:
  - Alabama
  - Alaska
  - Arizona
  - Colorado
  - Connecticut
  - Delaware
  - District of Columbia
  - Hawaii
  - Idaho
  - Illinois
  - Indiana
  - Kentucky
  - Maine
  - Maryland
  - Michigan
  - Nevada
  - New Mexico
  - New York
  - Oklahoma
  - Oregon
  - Pennsylvania
  - Rhode Island
  - Utah
  - Washington
WINDSTORM AND HAIL GUIDELINES

Definitions

- **Tropical Storm** – Rotary circulation with wind speed ranging from 39 – 73 miles per hour
- **Hurricane** – Pronounced rotary circulation with wind speed of 74 miles per hour or greater and dangerously high tides.

Windstorm and Hail – Applicable to All State with Windstorm/Hail Limitations or Restrictions

- See Guidelines to determine eligibility for the following forms.
- Windstorm and Hail deductibles apply at the location level, so a single policy may have more than one of the following wind/hail deductible forms.
- The same wind/hail deductible applies to all property values at that location (Building, BPP, BI, EE)

Forms:

**Multiple Deductible Form – Fixed Dollar Per Building – U776**

- See CP0320 for a “fixed dollar per occurrence” multiple deductible option
- Optional use, available in all states but you must apply at least the minimum deductible indicated in the [Countrywide – State Specific Wind / Hail Guidelines](#)
- **Deductible basis is “fixed dollar per building”**:  
  - Allows application of separate deductibles on a “per building” basis  
  - Deductible applies per building regardless of the number of buildings damaged
- Does not need to be specific to just wind and hail deductibles
- Fixed dollar type deductible with the following options:
  - $500
  - $1,000
  - $2,500
  - $5,000
  - $10,000
  - $15,000
  - $20,000
  - $25,000
  - $50,000
- Separate deductibles may be applied for different causes of loss. The Cause of Loss options are limited to:
  - All Covered Causes of Loss
  - All Covered Causes of Loss except Windstorm or Hail
  - All Covered Causes of Loss except Theft
  - All Covered Causes of Loss except Windstorm or Hail and Theft
  - Windstorm or Hail
  - Theft

**Multiple Deductible Form – Fixed Dollar Per Occurrence – CP0320**

- See U776 for a “fixed dollar per building” multiple deductible option
Optional use, available in all states but you must apply at least the minimum deductible indicated in the Countrywide – State Specific Wind / Hail Guidelines

- **Deductible type is “fixed dollar per occurrence”:**
  - Deductible only applies once regardless of the number of insured buildings that are damaged
  - Schedule of locations that are subject to a single occurrence will have only one Wind and Hail Deductible applied per Cause of Loss
- Does not need to be specific to just wind and hail deductibles
- Fixed dollar type deductible with the following options:
  - $1,000
  - $2,500
  - $5,000
  - $10,000
  - $15,000
  - $20,000
  - $25,000
  - $50,000
- Separate deductibles may be applied for different causes of loss. The Cause of Loss options are limited to:
  - All Covered Causes of Loss
  - All Covered Causes of Loss except Windstorm or Hail
  - All Covered Causes of Loss except Theft
  - All Covered Causes of Loss except Windstorm or Hail and Theft
  - Windstorm or Hail
  - Theft

**Windstorm or Hail Deductible (including Business Income) – U121 and U121A**

- No longer available for use

**Windstorm or Hail Exclusion – CP1054**

- See state specific guidelines for windstorm and hail to determine when an exclusion is mandatory
- The form allows you to schedule locations, including individual buildings at a specific location to which the exclusion is to apply

**Windstorm or Hail Percentage Deductible – U847**

- Mandatory where indicated in Countrywide – State Specific Wind / Hail Guidelines
- Replaces CP0321 which is no longer in use
- Available deductible options include the following. Availability depends on the applicable state specific guidelines:
  - 1%
  - 1% subject to $1,000 minimum
  - 1% subject to $2,500 minimum
  - 2%
  - 2% subject to $1,000 minimum
  - 2% subject to $2,500 minimum
Notice:

Louisiana Notices – Windstorm and Hail

- Effective November 24, 2014 the following apply to all risks with Louisiana property exposures:
  - LANoticeNOWD (i.e. the Louisiana No Wind Deductible Notice)
    - Discontinue use in Contract
    - Contract does not write property exposures without a windstorm/hail deductible being applied. Even if there is not a separate windstorm/hail deductible endorsement the AOP deductible is still applied to these perils, not just in Louisiana, but in all states
  - LANoticeWE – edition date 11.14 (i.e. the Louisiana Windstorm/Hail Exclusion Notice)
    - Mandatory if windstorm/hail excluded on any Louisiana property exposures
    - This is a new notice for use in Contract. The Louisiana Dept. of Insurance has confirmed we do not need to provide a notice when windstorm/hail is excluded for part or all of the Louisiana property exposures on a policy. Contract has decided that this courtesy notice must be sent when windstorm/hail are excluded for any Louisiana exposure on a policy.
    - This revised notice is not subject to any statutory requirements but is redesigned to put the insured on notice windstorm/hail has been excluded on Louisiana property exposures.
  - LANoticeWD – edition date 11.14 (i.e. the Louisiana Windstorm Hail Deductible Notice)
    - Mandatory if windstorm/hail is provided for any Louisiana property exposures
    - The Louisiana Dept. of Insurance has advised it is acceptable to indicate just the Line of Business for which premium has been paid so the drop down selections in the DocuCorp version has changed to: Commercial Property, Farm and Ranch Property, and Commercial
Inland Marine. In our new EDGE (RQBI) system this notice is completed automatically without user involvement.

- The options are the same as the DocuCorp form, EDGE just makes the selections for you.
- It is possible that more than one notice has to go out on the same policy since some Louisiana exposures might have a windstorm/hail exclusion and others may not.

**Tornado Risk Map**

- Based on data provided by the National Oceanic and Atmospheric Administration

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**State Specific Guidelines**

<table>
<thead>
<tr>
<th>ALABAMA</th>
<th>MAINE</th>
<th>NEW YORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARKANSAS</td>
<td>MARYLAND</td>
<td>NORTH CAROLINA</td>
</tr>
<tr>
<td>COLORADO</td>
<td>MASSACHUSETTS</td>
<td>NORTH DAKOTA</td>
</tr>
<tr>
<td>CONNECTICUT</td>
<td>MINNESOTA</td>
<td>OKLAHOMA</td>
</tr>
<tr>
<td>DELAWARE</td>
<td>MISSISSIPPI</td>
<td>RHODE ISLAND</td>
</tr>
<tr>
<td>FLORIDA</td>
<td>MISSOURI</td>
<td>SOUTH CAROLINA</td>
</tr>
<tr>
<td>GEORGIA</td>
<td>MONTANA</td>
<td>SOUTH DAKOTA</td>
</tr>
<tr>
<td>HAWAII</td>
<td>NEBRASKA</td>
<td>TEXAS</td>
</tr>
<tr>
<td>ILLINOIS</td>
<td>NEW HAMPSHIRE</td>
<td>VIRGINIA</td>
</tr>
<tr>
<td>IOWA</td>
<td>NEW JERSEY</td>
<td>WISCONSIN</td>
</tr>
<tr>
<td>KANSAS</td>
<td>NEW MEXICO</td>
<td>WYOMING</td>
</tr>
<tr>
<td>LOUISIANA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **WIND AND HAIL TO BE EXCLUDED**
  - All risks located on all barrier islands located off the Eastern United States Coast, Gulf Coasts, and Gulf States.
  - As indicated in the state specific guidelines. This applies to all properties along the Eastern United States and Gulf of Mexico coastline.
• Refer to state specific Windstorm and Hail Guidelines

**X-WIND REQUIREMENTS**
- You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail. Writing property business on an X-Wind basis is subject to the following criteria:
  - Risk must meet all property requirements
  - Building, Contents and Business Income coverage are eligible
  - Use CP1054 – Windstorm or Hail Exclusion

**HURRICANE SEASON UNDERWRITING GUIDELINES**
- No new business or increased amount of insurance shall be bound or written when a hurricane or tropical storm is within the coordinates of 20 degrees north latitude and 70 degrees west longitude and for the Gulf States when a hurricane is in the Gulf of Mexico or if a hurricane is within 200 miles of land for any location.

**DEFINITIONS**
- Tropical Storm – rotary circulation with wind speed ranging from 39 - 73 miles per hour
- Hurricane – pronounced rotary circulation with wind speed of 74 miles per hour or greater and dangerously high tides

**OTHER CONDITIONS**
- Maximum total insured value on any policy shall not exceed agent's authority – subject to Colony underwriting line guide construction and public protection parameters and specific authority to bind property in the state of Florida.
- Wind and hail deductibles shall be clarified by completion and attachment of endorsement U847 – Windstorm or Hail Percentage Deductible
- Wind and hail deductible must be equal to or greater than the all other property deductible.
- Distance to “coastal shoreline” must be measured from the insured property location via the closest diagonal line to the coast or as defined in the individual state wind guidelines.

**ACCUMULATIONS**
- Colony manages its coastal property value accumulations on a continuous basis and may, as needed, restrict writings in specific coastal geographical areas.

**Alabama**

**NO COVERAGE FOR WINDSTORM AND HAIL ON THESE RISKS**
- Risks located within 10 miles from the Gulf and within 3 miles to Mobile Bay
- Any risk located on all Barrier Islands located off the Gulf Coast

**NO NEW COVERAGE FOR WINDSTORM AND HAIL ON THESE RISKS**
- Risks in the following Counties:
  - Baldwin
  - Mobile

**FOR RENEWAL BUSINESS**
- Baldwin County and Mobile County risks that are located MORE than 10 miles from the Gulf and MORE than 10 miles from Mobile Bay do not require a separate Wind and Hail Deductible.
Baldwin County and Mobile County for risks located between 3 and 10 miles from Mobile Bay, apply the following separate Wind and Hail Deductible:

<table>
<thead>
<tr>
<th>CONSTRUCTION</th>
<th>WIND AND HAIL DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frame</td>
<td>5% or $5,000 Minimum</td>
</tr>
<tr>
<td>NC and JM</td>
<td>3% or $5,000 Minimum</td>
</tr>
<tr>
<td>MNC, MFR, and FR</td>
<td>2% or $2,500 Minimum</td>
</tr>
</tbody>
</table>

- Mobile and Baldwin County risks that are located MORE than 10 miles from the Gulf and MORE than 10 miles from Mobile Bay do not require a separate Wind and Hail Deductible.
- Refer to the Rating Calculator for Rates.

Arkansas

- Important Notice to Agents Regarding Arkansas Property
  - In All Counties
    - New and Renewal business including Wind & Hail coverage may not be written Monoline.
      - It may be written if Packaged.
    - New and Renewal business excluding Wind & Hail coverage may be written Monoline or Packaged.

<table>
<thead>
<tr>
<th>STATE OF ARKANSAS</th>
<th>DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Counties</td>
<td></td>
</tr>
<tr>
<td>• Total Insured Value (Building, Business Personal Property, and Business Income)</td>
<td></td>
</tr>
<tr>
<td>- If less than $500,000, no separate Wind and Hail Deductible will apply</td>
<td></td>
</tr>
<tr>
<td>- If greater than $500,000, a separate 1% Wind and Hail Deductible will apply</td>
<td></td>
</tr>
<tr>
<td>- If BPP only, no separate Wind and Hail Deductible will apply</td>
<td></td>
</tr>
</tbody>
</table>

- DEDUCTIBLE ENDORSEMENT
  - U847 – Windstorm or Hail Percentage Deductible

Colorado

<table>
<thead>
<tr>
<th>STATE OF COLORADO</th>
<th>DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Counties</td>
<td></td>
</tr>
<tr>
<td>• Total Insured Value (Building, Business Personal Property, and Business Income)</td>
<td></td>
</tr>
<tr>
<td>- If less than $500,000, no separate Wind and Hail Deductible will apply</td>
<td></td>
</tr>
<tr>
<td>- If greater than $500,000, a separate 1% Wind and Hail Deductible will apply</td>
<td></td>
</tr>
<tr>
<td>- If BPP only, no separate Wind and Hail Deductible will apply</td>
<td></td>
</tr>
</tbody>
</table>

- DEDUCTIBLE ENDORSEMENT
  - U847 – Windstorm or Hail Percentage Deductible
Connecticut

- **Exclude Wind** on the following:
  - Risks within 1,000 feet of Long Island Sound or Block Island Sound
  - Building Coverage, Monoline Property, or Habitational Occupancies from 1,000 feet to 1 mile of Long Island Sound or Block Island Sound

- **Coverage for Wind** may be included on the following, subject to the above:
  - 1,000 feet to 1 mile from Long Island Sound or Block Island Sound
    - Package risks only (both Property AND General Liability must be written)
    - Maximum TIV of $250,000 per location
    - $1,000 minimum AOP perils deductible
    - Contents and Business Income only – No building coverage
    - No habitational occupancies
  - 1 mile – 3 miles from Long Island Sound or Block Island Sound
    - All eligible Contract occupancies, including Package, Monoline Property and Habitational
    - Maximum TIV of $350,000 per location
    - $1,000 minimum AOP perils deductible
    - Building, Contents, and Business Income
  - 3 miles – 10 miles from Long Island Sound or Block Island Sound
    - All eligible Contract occupancies, including Package, Monoline Property and Habitational
    - Maximum TIV of $500,000 per location
    - $1,000 minimum AOP perils deductible
    - Building, Contents, and Business Income

- **WIND AND HAIL DEDUCTIBLE APPLIES**
  - Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
  - All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

<table>
<thead>
<tr>
<th>CONSTRUCTION</th>
<th>WIND AND HAIL DEDUCTIBLE</th>
<th>1-5 Miles</th>
<th>5-10 Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frame, BV (1)</td>
<td>X-W&amp;H</td>
<td>5% or $1,000 Minimum</td>
<td>2% or $1,000 Minimum</td>
</tr>
<tr>
<td>JM, CBS (2), NC (3)</td>
<td>X-W&amp;H</td>
<td>3% or $1,000 Minimum</td>
<td>1% or $1,000 Minimum</td>
</tr>
<tr>
<td>MNC (4)</td>
<td>X-W&amp;H</td>
<td>2% or $1,000 Minimum</td>
<td>1% or $1,000 Minimum</td>
</tr>
<tr>
<td>MFR (5), FR (6)</td>
<td>X-W&amp;H</td>
<td>2% or $1,000 Minimum</td>
<td>1% or $1,000 Minimum</td>
</tr>
</tbody>
</table>

- **X-WIND REQUIREMENTS**
You may write property that is ordinarily not eligible because of its proximity to
the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.

Writing property business on an X-Wind basis is subject to the following criteria:

- Risk must meet all property requirements
- Building, Contents and Business Income coverage are eligible
- CP1054 – Windstorm or Hail Exclusion is required

Delaware

- **WIND AND HAIL TO BE EXCLUDED**
  - All risks located on all the barrier islands located off the Eastern United States Coast
  - All frame risks located 0 – 10 miles off the Eastern United States Coast

- **WIND AND HAIL DEDUCTIBLE APPLIES**
  - A minimum wind and hail deductible of $2,500 applies within 2 – 5 miles of the salt-water mark
  - A minimum wind and hail deductible of $1,000 applies within 5 – 10 miles of the salt-water mark
  - All other construction located within 2 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

<table>
<thead>
<tr>
<th>CONSTRUCTION</th>
<th>WIND AND HAIL DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If Eligible for Wind Pool and/or 0-2 Miles</td>
</tr>
<tr>
<td>Frame, BV (1)</td>
<td>X-W&amp;H</td>
</tr>
<tr>
<td>JM, CBS (2), NC (3)</td>
<td>X-W&amp;H</td>
</tr>
<tr>
<td>MNC (4)</td>
<td>X-W&amp;H</td>
</tr>
<tr>
<td>MFR (5), FR (6)</td>
<td>X-W&amp;H</td>
</tr>
</tbody>
</table>

- **X-WIND REQUIREMENTS**
  - You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.
  - Writing property business on an X-Wind basis is subject to the following criteria:
    - Risk must meet all property requirements
    - Building, Contents and Business Income coverage are eligible
    - CP1054 – Windstorm or Hail Exclusion is required

Florida

- **NO NEW COVERAGE FOR WINDSTORM AND HAIL ON THESE RISKS**
  - New property located in Broward, Dade, Hillsborough, Manatee, Monroe, Palm Beach, Pinellas, and Sarasota Counties – closed for new business with wind
coverage until further notice. This is subject to change when we reach our maximum wind aggregate in a specific county.

- See the definition of "coastal shoreline" below
- Property located on any off shore or barrier island
- Any risk with business income coverage on properties located within areas eligible for wind and hail coverage through the wind pool i.e., no "DIC wraparound" coverage for business income on properties insured in the wind pool. Business income cannot exceed 50% of the total TIV.
- No new outdoor property may be written with wind. This includes but is not limited to pools, walls, fences, playground equipment, lights, tanks, pumps, canopies and tennis courts.

**OTHER CONDITIONS**

- Sign coverage may be written with wind for a minimum rate of $2.50 per hundred of value up to $25,000 TIV if the remainder of the property meets eligibility and mileage guidelines. For all other property rates refer to the rate calculator or rates in specific PDQs.
- Wind and hail deductible is subject to a minimum dollar deductible amount of $2,500 for the entire state. Higher wind and hail deductibles may be used.
- U284 – Actual Cash Value Limitation Roofs and Roof Surfacing is mandatory for Frame, JM and NC building coverage. Coverage reverts to ACV if building is not newer or has not been fully updated within 15 years.
- All wind deductible percentages should be shown on form U847 – Windstorm or Hail Percentage Deductible. If not eligible for wind and hail coverage, coverage may be written excluding wind and hail using form CP1054 – Windstorm or Hail Exclusion.

**HURRICANE SEASON UNDERWRITING GUIDELINES**

- No new business or increased amount of insurance shall be bound or written when a hurricane or tropical storm is within the coordinates of 20 degrees north latitude and 70 degrees west longitude and for the Gulf States when a hurricane is in the Gulf of Mexico or if a hurricane is within 200 miles of land for any location.

**DEFINITIONS**

- **Tropical Storm** – Rotary circulation with wind speed ranging from 39 – 73 miles per hour
- **Hurricane** – Pronounced rotary circulation with wind speed of 74 miles per hour or greater and dangerously high tides
- **Coastal Shoreline** – Distance from the "coastal shoreline" shall be measured beachfront inland from the Atlantic Ocean or Gulf of Mexico
  - South of Miami Beach, the west shore of Biscayne Bay shall be considered the "coastal shoreline"
  - For Tampa / St. Petersburg area, the Gulf of Mexico and the Skyway Bridge shall be considered the "coastal shoreline"
  - Panhandle counties will be measured from the Gulf of Mexico
  - In addition, property must be over one-quarter mile from the mean high saltwater mark of any bay or river including the Intracoastal Waterway for wind or ex-wind coverage.
• ELIGIBILITY AND TERMS

<table>
<thead>
<tr>
<th>CONSTRUCTION</th>
<th>WIND AND HAIL DEDUCTIBLE</th>
<th>TRI-COUNTIES MINIMUM MILEAGE TO COAST</th>
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</tr>
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<tbody>
<tr>
<td>Frame and NC</td>
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<td>Ex-Wind</td>
<td>5 Miles</td>
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</tr>
<tr>
<td>MNC, MFR, FR</td>
<td>3% if Non-Coastal County</td>
<td>Ex-Wind</td>
<td>5 Miles</td>
<td>2 Miles</td>
</tr>
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<td></td>
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</table>

Note: Authority to write property in Florida is restricted to Florida agents and by specific letter of authority as granted by the company. Unless otherwise granted, maximum TIV is $1,000,000 per policy for any risk in Florida. Refer to the countrywide portion of the Property Guidelines for additional eligibility rules for all property, prohibited types of property and mandatory forms. The company reserves the right to make exceptions to these guidelines.

Georgia

• WIND AND HAIL TO BE EXCLUDED
  o All risks located on all the barrier islands located off the eastern United States coast
  o All frame risks located 0 – 10 miles off the eastern United States coast

• WIND AND HAIL DEDUCTIBLE APPLIES
  o A minimum wind and hail deductible of $2,500 applies within 2 – 5 miles of the salt-water mark
  o A minimum wind and hail deductible of $1,000 applies within 5 – 10 miles of the salt-water mark
  o All other construction located within 2 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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- You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.
  - Writing property business on an X-Wind basis is subject to the following criteria:
    - Risk must meet all property requirements
    - Building, Contents and Business Income coverage are eligible
    - CP1054 – Windstorm or Hail Exclusion is required

**Hawaii**
- Wind and Hail to be excluded per CP1054 – Windstorm or Hail Exclusion
  - Required in ALL Areas on ALL Islands
- COMMERCIAL PROPERTY – MAXIMUM TIV = $1,000,000
  - NO COVERAGE ON THE ISLANDS OF KAHOOLawe, LANAI, MOLOKAI AND NIIHAU
- Unprotected Property PCs 8, 9, and 10
  - $2,500 Minimum Deductible
  - $500,000 Maximum Limit
- Prohibited – Property Located in Lava Zones One and Two

**Illinois**

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<th>STATE OF ILLINOIS</th>
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<td>- Total Insured Value (Building, Business Personal Property, and Business Income)</td>
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If less than $500,000, no separate Wind and Hail Deductible will apply
If greater than $500,000, a separate 1% Wind and Hail Deductible will apply
If BPP only, no separate Wind and Hail Deductible will apply

**DEDUCTIBLE ENDORSEMENT**
- U847 – Windstorm or Hail Percentage Deductible

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**DEDUCTIBLE ENDORSEMENT**
- U847 – Windstorm or Hail Percentage Deductible

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**DEDUCTIBLE ENDORSEMENT**
- U847 – Windstorm or Hail Percentage Deductible

### Louisiana

**Important Notice to Agents Regarding Louisiana Property**
- Authority to Write Property in Louisiana is Restricted to Louisiana Agents
- Please refer to the State of Louisiana Wind and Hail Deductible Chart on the next page concerning specific Parishes identified with mandatory guidelines
- Property coverage may be written in all Parishes, either Monoline or Package excluding Wind & Hail

**STATE FORMS**
LA Notice WD (Louisiana Notice) is applied to policies which have wind coverage and have a deductible

LA Notice NOWD (Louisiana Notice) is applied to policies which exclude wind coverage

- **WIND AND HAIL TO BE EXCLUDED**
  - All risks located within 10 miles of the Gulf of Mexico
  - All risks located within 10 miles of any bay or intercoastal water
  - All risks located on any off shore or Barrier Island
  - All risks located in Zone 1

- **X-WIND REQUIREMENTS**
  - You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico, by excluding windstorm and hail. Writing property business on an X-Wind basis is subject to the following criteria; refer to property rating factors for credit to exclude windstorm and hail perils:
    - Risk must meet all property requirements
    - Wind & Hail coverage must be written elsewhere
    - Building, Contents and Business Income coverages are eligible
    - Use CP1054 – Windstorm or Hail Exclusion

- **MAXIMUM LIMITS**
  - Follow Property Guidelines for TIV Authority or specific Agency Authority Grant where applicable.
  - Property coverage includes Building, Business Personal Property, and Business Income.

- **HURRICANE SEASON UNDERWRITING GUIDELINES**
  - No new business or increased amount of insurance shall be bound or written when a hurricane or tropical storm is within the coordinates of 20 Degrees North Latitude and 70 Degrees West Longitude and for the Gulf States when a hurricane is in the Gulf of Mexico or if a hurricane is within 200 miles of land for any location.

### STATE OF LOUISIANA

#### ZONE 1
- **Parishes:**
  - Assumption, Cameron, Iberia, Lafourche, Plaquemines, St. Bernard, St. Mary, Terrebonne, Vermilion

#### ZONE 2
- **Parishes:**
  - Calcasieu, Jefferson, Jefferson Davis, Lafayette, Orleans, St. Charles, St. John, St. Tammany

### DEDUCTIBLE

#### NEW BUSINESS AND RENEWALS
- Windstorm and Hail Coverage is prohibited

#### NEW BUSINESS
- Windstorm and Hail Coverage is prohibited

#### RENEWALS
- Frame and Non-Combustible Construction:
  - Must be replaced effective 9/15/2014 and beyond
- All Other Construction Types:
Deductible:
- 2% Subject to a $2,500 Minimum
- No monoline property coverage including wind and hail is permitted

ZONE 3
- Remainder of Parishes

DEDUCTIBLE
- Total Insured Value (Building, Business Personal Property, and Business Income)
  - If less than $500,000, no separate Wind and Hail Deductible applies other than AOP.
  - If greater than $500,000, a separate 1% Wind & Hail Deductible will apply
  - If BPP only, no separate W&H Deductible

DEDUCTIBLE ENDORSEMENTS
- CP0320 – Multiple Deductible Form (Fixed Dollar Deductibles)
- U847 – Windstorm or Hail Percentage Deductible

Maine

Exclude Wind on the following:
- Risks located on any islands
- Risks within 1,000 feet of the open ocean
- Building coverage from 1,000 feet to 1 mile of the open ocean

Coverage for Wind may be included on the following, subject to the above:
- 1,000 feet to 1 mile from the open ocean
  - Maximum TIV of $500,000 per location
  - $1,000 minimum AOP perils deductible
  - Contents and Business Income only – No building coverage
- 1 mile – 5 miles from the open ocean
  - Maximum TIV of $500,000 per location
  - $1,000 minimum AOP perils deductible
  - Building, Contents, and Business Income

WIND AND HAIL DEDUCTIBLE APPLIES
- Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
- All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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1.15.2016 Page 112 of 130
### X-WIND REQUIREMENTS
- You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.

Writing property business on an X-Wind basis is subject to the following criteria:
- Risk must meet all property requirements
- Building, Contents and Business Income coverage are eligible
- CP1054 – Windstorm or Hail Exclusion is required

### Maryland

#### WIND AND HAIL TO BE EXCLUDED
- All risks located on all the barrier islands located off the eastern United States coast
- All frame risks located 0 – 10 miles off the eastern United States coast

#### WIND AND HAIL DEDUCTIBLE APPLIES
- A minimum wind and hail deductible of $2,500 applies within 2 – 5 miles of the salt-water mark
- A minimum wind and hail deductible of $1,000 applies within 5 – 10 miles of the salt-water mark
- All other construction located within 2 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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### X-WIND REQUIREMENTS
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Writing property business on an X-Wind basis is subject to the following criteria:
• Risk must meet all property requirements
• Building, Contents and Business Income coverage are eligible
• CP1054 – Windstorm or Hail Exclusion is required

Massachusetts

- **Exclude Wind** on the following:
  - Risks located on any islands, including Nantucket and Martha’s Vineyard
  - Risks within 1,000 feet of the Atlantic Ocean, Massachusetts Bay, Vineyard Sound, Nantucket Sounds, Buzzards Bay, or Cape Cod Bay
  - Building coverage from 1,000 feet to 2 miles of the Atlantic Ocean, Massachusetts Bay, Vineyard Sound, Nantucket Sound, Buzzards Bay, or Cape Cod Bay
  - Building coverage, Business Income coverage or Monoline Property on risks located east/south of Cape Cod Canal and on Cape Cod

- **Coverage for Wind** may be included on the following, subject to the above:
  - East/South of Cape Cod Canal and on Cape Cod
    - Located over 1000 feet from the Atlantic Ocean, Vineyard Sound, Nantucket Sound, Buzzards Bay, or Cape Cod Bay
    - Package Business only (Property AND General Liability must be written)
    - No habitational occupancies
    - Contents coverage only – No Building or Business Income coverage
    - Maximum TIV $250K
    - AOP Deductible subject to $2500 minimum if Frame construction.
    - $1,000 minimum all other constructions
  - West/North of Cape Cod Canal and not on Cape Code
    - 1,000 feet to 2 miles from the Atlantic Ocean, Massachusetts Bay, Buzzards Bay, or Cape Cod Bay
    - Maximum TIV of $500,000 per location
    - $1,000 minimum AOP deductible
    - Contents and Business Income only – No building coverage
    - No habitational occupancies
  - 2 miles – 5 miles from the Atlantic Ocean, Massachusetts Bay, Buzzards Bay, or Cape Cod Bay
    - Maximum TIV of $500,000 per location
    - $1,000 minimum AOP deductible
    - Building, Contents, and Business Income acceptable
    - All eligible Contract occupancies

- **WIND AND HAIL DEDUCTIBLE APPLIES**
  - Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
  - All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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</tbody>
</table>

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### Wind Pool and/or 0-1 Miles

| Frame, BV (1) | X-W&H | 5% or $1,000 Minimum | 2% or $1,000 Minimum |
| JM, CBS (2), NC (3) | X-W&H | 3% or $1,000 Minimum | 1% or $1,000 Minimum |
| MNC (4) | X-W&H | 2% or $1,000 Minimum | 1% or $1,000 Minimum |
| MFR (5), FR (6) | X-W&H | 2% or $1,000 Minimum | 1% or $1,000 Minimum |

### X-Wind Requirements
- You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.
- Writing property business on an X-Wind basis is subject to the following criteria:
  - Risk must meet all property requirements
  - Building, Contents and Business Income coverage are eligible
  - CP1054 – Windstorm or Hail Exclusion is required

### Deductible

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### Deductible Endorsement
- U847 – Windstorm or Hail Percentage Deductible

### Mississippi

- **No Coverage for Windstorm and Hail on These Risks**
  - Any risk located on all Barrier Islands located off the Gulf Coast
  - Risks in the following Counties:
    - Hancock
    - Harrison
    - Jackson

- **No New Coverage for Windstorm and Hail on These Risks**
  - Risks in the following Counties:
    - George
    - Pearl River
    - Stone

### For Renewal Business in the Following Counties
- George
- Pearl River
- Stone

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**Missouri**

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- **DEDUCTIBLE ENDORSEMENT**
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Property, and Business Income)
  o If less than $500,000, no separate Wind and Hail Deductible will apply
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  o If BPP only, no separate Wind and Hail Deductible will apply

• DEDUCTIBLE ENDORSEMENT
  o U847 – Windstorm or Hail Percentage Deductible

New Hampshire

• Exclude Wind on the following:
  o Risks located on any islands
  o Risks within 1,000 feet of the open ocean
  o Building coverage from 1,000 feet to 1 mile of the open ocean

• Coverage for Wind may be included on the following, subject to the above:
  o 1,000 feet to 1 mile from the open ocean
    ▪ Maximum TIV of $500,000 per location
    ▪ $1,000 minimum AOP perils deductible
    ▪ Contents and Business Income only – No building coverage
  o 1 mile – 5 miles from the open ocean
    ▪ Maximum TIV of $500,000 per location
    ▪ $1,000 minimum AOP perils deductible
    ▪ Building, Contents, and Business Income

• WIND AND HAIL DEDUCTIBLE APPLIES
  o Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
  o All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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Writing property business on an X-Wind basis is subject to the following criteria:
- Risk must meet all property requirements
- Building, Contents and Business Income coverage are eligible
- CP1054 – Windstorm or Hail Exclusion is required

**New Jersey**

- **Exclude Wind on the following:**
  - Risks within 1,000 feet of the open Atlantic Ocean
  - Building coverage, Monoline Property, or Habitational occupancies from 1,000 feet to 1 mile of the open Atlantic Ocean
  - Frame construction on all Barrier Islands from Pt. Pleasant Beach South to Mystic Islands, regardless of distance from the ocean.

- **Coverage for Wind** may be included on the following, subject to the above:
  - 1,000 feet to 1 mile from the open Atlantic Ocean
    - Package risks only (both Property AND General Liability must be written)
    - Maximum TIV of $250,000 per location
    - $1,000 minimum AOP perils deductible
    - Contents and Business Income only – No building coverage
    - No habitational occupancies
  - 1 mile – 3 miles from the open Atlantic Ocean
    - All eligible Contract occupancies, including Package, Monoline Property and Habitational
    - Maximum TIV of $350,000 per location
    - $1,000 minimum AOP perils deductible
    - Building, Contents, and Business Income

- **Coverage for Wind** may be included on the following, subject to the above (continued):
  - 3 miles – 10 miles from the open Atlantic Ocean
    - All eligible Contract occupancies, including Package, Monoline Property and Habitational
    - Maximum TIV of $500,000 per location
    - $1,000 minimum AOP perils deductible
    - Building, Contents, and Business Income

- **WIND AND HAIL DEDUCTIBLE APPLIES**
  - Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
  - All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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**X-WIND REQUIREMENTS**

- You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.

Writing property business on an X-Wind basis is subject to the following criteria:

- Risk must meet all property requirements
- Building, Contents and Business Income coverage are eligible
- CP1054 – Windstorm or Hail Exclusion is required

**New Mexico**

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<tr>
<th>STATE OF NEBRASKA</th>
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<tbody>
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<td>o If BPP only, no separate Wind and Hail Deductible will apply</td>
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**DEDUCTIBLE ENDORSEMENT**

- U847 – Windstorm or Hail Percentage Deductible

**New York**

- **Exclude Wind** on the following:
  - Risks within 1,000 feet of the salt water mark, except:
    - If measured from Long Island Sound (see specific guideline below), or
    - If located within the 5 Boroughs of New York City
  - Risks located on any outlying islands or barrier islands along Long Island’s South Shore – including, but not limited to, communities or islands of Breezy Point Park, Rockaway Point, Rockaway Park, Atlantic Beach, Long Beach, Lido Beach, Jones Beach, Gilgo Beach, Oak Beach, Kismet, Saltaire, Cherry Grove, Water Island, and Fire Island
  - Risks located in Eastern Suffolk County, east of Route 46 – William Floyd Parkway

- **Coverage for Wind** may be included on the following, subject to the above:
  - In the 5 Boroughs of New York City, including Staten Island
    - No wind restrictions
Subject to Colony’s overall Property Guidelines
- 100 feet or more from Long Island Sound
  - No restrictions, except as stated above
  - Subject to Colony’s overall Property Guidelines
- 1,000 feet to 1 mile of the salt water mark on Long Island’s Southern Shore (other than the 5 Boroughs of New York City)
  - Package risks only (both Property AND General Liability must be written)
  - Maximum TIV of $250,000 per location
  - $1,000 minimum AOP perils deductible
  - Contents and Business Income only – No building coverage
  - No habitational occupancies
- **Coverage for Wind** may be included on the following, subject to the above (continued):
  - 1 mile – 3 miles from the salt water mark on Long Island’s Southern Shore (other than the 5 Boroughs of New York City)
    - All eligible Contract occupancies, including Package, Monoline Property and Habitational
    - Maximum TIV of $500,000 per location
    - $1,000 minimum AOP perils deductible
    - Building, Contents, and Business Income
  - 3 miles – 10 miles from the salt water mark on Long Island’s Southern Shore (other than the 5 Boroughs of New York City)
    - All eligible Contract occupancies, including Package, Monoline Property and Habitational
    - TIV’s as per Contract’s overall Property Guidelines
    - $1,000 minimum AOP perils deductible
    - Building, Contents, and Business Income

**WIND AND HAIL DEDUCTIBLE APPLIES**
- Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
- All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the Eastern United States coastline.

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  - You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico or the Atlantic Ocean, by excluding windstorm and hail.

  Writing property business on an X-Wind basis is subject to the following criteria:
  - Risk must meet all property requirements
  - Building, Contents and Business Income coverage are eligible
  - CP1054 – Windstorm or Hail Exclusion is required

**North Carolina**

• **STATE FORMS**
  - NC PROP NOTICE (North Carolina Property Notice) is applied to policies which include wind coverage
  - NC PROP NOTICE1 (North Carolina Property Notice) is applied to policies which exclude wind coverage

• **WIND AND HAIL TO BE EXCLUDED**
  - All risks located on all the barrier islands located off the Eastern United States Coast
  - All frame risks located 0 – 10 miles off the Eastern United States Coast

• **WIND AND HAIL DEDUCTIBLE APPLIES**
  - A minimum wind and hail deductible of $2,500 applies within 2 – 5 miles of the salt-water mark
  - A minimum wind and hail deductible of $1,000 applies within 5 – 10 miles of the salt-water mark
  - All other construction located within 2 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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<th>CONSTRUCTION</th>
<th>WIND AND HAIL DEDUCTIBLE</th>
<th>2-5 Miles</th>
<th>5-10 Miles</th>
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<tbody>
<tr>
<td>Frame, BV (1)</td>
<td>X-W&amp;H</td>
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<tr>
<td>JM, CBS (2), NC (3)</td>
<td>X-W&amp;H</td>
<td>5% or $2,500 Minimum</td>
<td>1% or $1,000 Minimum</td>
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<tr>
<td>MNC (4)</td>
<td>X-W&amp;H</td>
<td>2% or $2,500 Minimum</td>
<td>1% or $1,000 Minimum</td>
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<td>MFR (5), FR (6)</td>
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  Writing property business on an X-Wind basis is subject to the following criteria:
  - Risk must meet all property requirements
  - Building, Contents and Business Income coverage are eligible
CP1054 – Windstorm or Hail Exclusion is required

North Dakota

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<thead>
<tr>
<th>STATE OF NORTH DAKOTA</th>
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</table>
| All Counties          | • Total Insured Value (Building, Business Personal Property, and Business Income)  
  o If less than $500,000, no separate Wind and Hail Deductible will apply  
  o If greater than $500,000, a separate 1% Wind and Hail Deductible will apply  
  o If BPP only, no separate Wind and Hail Deductible will apply |

• DEDUCTIBLE ENDORSEMENT  
  o U847 – Windstorm or Hail Percentage Deductible

Oklahoma

• Important Notice to Agents Regarding Oklahoma Property  
  o In All Counties  
    • New and Renewal business including Wind & Hail coverage may not be written Monoline. It may be written if Packaged.  
    • New and Renewal business excluding Wind & Hail coverage may be written Monoline or Packaged.

<table>
<thead>
<tr>
<th>STATE OF OKLAHOMA</th>
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</table>
| All Counties      | • Total Insured Value (Building, Business Personal Property, and Business Income)  
  o If less than $500,000, no separate Wind and Hail Deductible will apply  
  o If greater than $500,000, a separate 1% Wind and Hail Deductible will apply  
  o If BPP only, no separate Wind and Hail Deductible will apply |

• DEDUCTIBLE ENDORSEMENT  
  o U847 – Windstorm or Hail Percentage Deductible

Rhode Island

• Exclude Wind on the following:  
  o Risks located on any islands  
  o Risks within 1,000 feet of the Atlantic Ocean, Rhode Island Sound or Block Island Sound  
  o Building coverage, Monoline Property, or Habitational occupancies from 1,000 feet to 2 miles of Rhode Island Sound or Block Island Sound

• Coverage for Wind may be included on the following, subject to the above:  
  o 1,000 feet to 2 miles from the Atlantic Ocean, Rhode Island Sound or Block Island Sound
• Package risks only (both Property AND General Liability must be written)
• Maximum TIV of $250,000 per location
• $1,000 minimum AOP perils deductible
• Contents and Business Income only – No building coverage
• No habitational occupancies
  o 2 miles – 5 miles from Long Island Sound or Block Island Sound
    ▪ All eligible Contract occupancies, including Package, Monoline Property and Habitational
    ▪ Maximum TIV or $500,000 per location
    ▪ $1,000 minimum AOP perils deductible
    ▪ Building, Contents, and Business Income acceptable

• WIND AND HAIL DEDUCTIBLE APPLIES
  o Frame construction within 1 to 10 miles of the salt water mark, subject to the wind and hail deductibles below
  o All other construction located within 1 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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    ▪ Risk must meet all property requirements
    ▪ Building, Contents and Business Income coverage are eligible
    ▪ CP1054 – Windstorm or Hail Exclusion is required

South Carolina

• WIND AND HAIL TO BE EXCLUDED
  o All risks located on all the barrier islands located off the eastern United States Coast
  o All frame risks located 0 – 10 miles off the eastern United States coast
• WIND AND HAIL DEDUCTIBLE APPLIES
A minimum wind and hail deductible of $2,500 applies within 2 – 5 miles of the salt-water mark
A minimum wind and hail deductible of $1,000 applies within 5 – 10 miles of the salt-water mark
All other construction located within 2 to 10 miles of salt-water mark, subject to the wind and hail deductibles below. This applies to all properties along the eastern United States coastline.

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**South Dakota**

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<tbody>
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<td>All Counties</td>
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- **Total Insured Value (Building, Business Personal Property, and Business Income)**
  - If less than $500,000, no separate Wind and Hail Deductible will apply
  - If greater than $500,000, a separate 1% Wind and Hail Deductible will apply
  - If BPP only, no separate Wind and Hail Deductible will apply

- **DEDUCTIBLE ENDORSEMENT**
  - U847 – Windstorm or Hail Percentage Deductible

**Texas**

- **Important Notice to Agents Regarding Texas Property – Harris County:**
  - Authority to Write Property in Harris County is Restricted to Texas Agents
  - Effective 8/17/2012 – There is a “New Business” Moratorium in Harris County
  - No Monoline Property Coverage, unless Excluding Wind and Hail
• "Renewal Policies" – Use the current guidelines and on-line rate calculator
• The Minimum Final Rate for Frame Construction Must Be at Least $1.00 per 100 of TIV

- WIND AND HAIL TO BE EXCLUDED
  - All risks located within 10 miles of the Gulf of Mexico
  - All risks located within 10 miles of any bay or intercoastal water
  - All risks located on any off shore or Barrier Island
  - All risks located in Zone 1

- X-WIND REQUIREMENTS
  - You may write property that is ordinarily not eligible because of its proximity to the Gulf of Mexico, by excluding windstorm and hail. Writing property business on an X-Wind basis is subject to the following criteria – refer to Property Rating factors for credit to exclude Windstorm and Hail perils:
    - Risk must meet all property requirements
    - Building, Contents and Business Income coverage are eligible
    - CP1054 – Windstorm or Hail Exclusion

- MAXIMUM LIMITS
  - Follow Property Guidelines for TIV Authority or specific Agency Authority Grant where applicable. Property coverage includes Building, Business Personal Property and Business Income.

- DEDUCTIBLE ENDORESEMENTS
  - CP0320 – Multiple Deductible Form (Fixed Dollar Deductibles)
  - U847 – Windstorm or Hail Percentage Deductible

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<thead>
<tr>
<th>ZONE 1</th>
<th>DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>The area of Harris County outside Beltway 8, South of I-10 and East of I-45</td>
<td>WINDSTORM AND HAIL PROHIBITED</td>
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<table>
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<tr>
<th>ZONE 2</th>
<th>DEDUCTIBLE</th>
</tr>
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</table>
| The area of Harris County inside Beltway 8, South of I-10 and East of I-45 | Frame:  
  - 5% Subject to a $2,500 Minimum |
• All Other Construction Types:
  o 3% Subject to a $2,500 Minimum

ZONE 3
• The remainder of Harris County not listed in Zone 1 or 2

DEDUCTIBLE
• Frame:
  o 3% Subject to a $2,500 Minimum
• All Other Construction Types:
  o 2% Subject to a $2,500 Minimum

TEXAS WIND AND HAIL DEDUCTIBLES BY ZONE AND COUNTY (HARRIS COUNTY – SEE ABOVE)

ZONE 1
• Counties:
  o Aransas
  o Brazoria
  o Calhoun
  o Cameron
  o Chambers
  o Galveston
  o Jefferson
  o Kennedy
  o Kleberg
  o Matagorda
  o Nueces
  o Refugio
  o San Patricio
  o Willacy

WINDSTORM AND HAIL PROHIBITED

ZONE 2
• Counties:
  o Bee
  o Brooks

DEDUCTIBLES:
• Frame:
  o 5% Subject to a $2,500 Minimum
- All Other Construction Types:
  - 3% Subject to a $2,500 Minimum

### ZONE 3

**DEDUCTIBLES:**
- Total Insured Value = Building + Business
  - Personal Property + Business Income
  - If less than $500,000 no separate Wind & Hail Deductible will apply
  - If greater than $500,000 a separate 1% Wind & Hail Deductible will apply
  - If BPP only, no separate Wind & Hail Deductible

**Virginia**

- **WIND AND HAIL TO BE EXCLUDED**
  - All risks located on all the barrier islands located off the Eastern United States Coast
  - All frame risks located 0 – 10 miles off the Eastern United States Coast

- **WIND AND HAIL DEDUCTIBLE APPLIES**
  - A minimum wind and hail deductible of $2,500 applies within 2 – 5 miles of the salt-water mark
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### STATE OF WISCONSIN

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- **DEDUCTIBLE ENDORSEMENT**
  - U847 – Windstorm or Hail Percentage Deductible

### STATE OF WYOMING

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- **DEDUCTIBLE ENDORSEMENT**
  - U847 – Windstorm or Hail Percentage Deductible
CRIME GUIDELINES

- Applicable to General Agents who have access to Contract Binding Authority – P&C

Eligible:

- Any risks that meets Company guidelines for building and/or contents coverage is eligible for Crime coverage
- Crime coverage must be supported by building, contents or inland marine coverage. Standalone crime coverage is not available.

Options:

- Do not issue “Theft, Disappearance, & Destruction Coverage” – CR0004 and “Robbery & Safe Burglary Coverage Form – Money and Securities” – CR0018 on the same policy
  - “Robbery and Safe Burglary Coverage Form – Money and Securities” – CR0018 is not as broad as “Theft, Disappearance, and Destruction Coverage” – CR0004

- Robbery and Safe Burglary Coverage Form – Money & Securities:
  - Class Codes:
    - 5810 – Inside
    - 5811 – Outside
  - Coverage:
    - Robbery and Safe Burglary, Money, and Securities inside the premises
    - Robbery and Safe Burglary, Money, and Securities outside the premises
  - Deductible:
    - Minimum is $250
  - Mandatory Forms:
    - Robbery and Safe Burglary Coverage Form – Money & Securities – CR0018
    - Crime General Provisions – CR1000
    - Commercial Crime Coverage Part Declarations – U026
    - Maximum limits are $5,000 inside and $5,000 outside
    - Minimum Premium is $250 inside and $250 outside for CR0018

- Theft, Disappearance, and Destruction Coverage:
  - Class Codes:
    - 5812 – Inside
    - 5813 – Outside
  - Coverage:
    - Theft of Money and Securities inside the premises
    - Theft of Money and Securities outside the premises
  - Deductible:
    - Minimum is $250
  - Mandatory Forms:
    - Theft, Disappearance, and Destruction Coverage Form – CR0004
    - Crime General Provisions – CR1000
Commercial Crime Coverage Part Declarations – U026
- Maximum limits are $5,000 inside and $5,000 outside
- Minimum premium is $250 inside and $250 outside for CR0004

  Optional Property Enhancement Endorsements that Provide Crime Coverage:
  - Coverage provided by the optional property enhancement endorsements
  - **Gold Pak Endorsement** – U777A provides:
    - Employee Dishonesty – $10,000
    - Lock and Key Replacement – $10,000
    - Money and Securities – $10,000
    - Robbery and Safe Burglary – $10,000
  - **Silver Pak Endorsement** – U777B provides:
    - Employee Dishonesty – $5,000
    - Money and Securities – $5,000
  - **Bronze Pak Endorsement** – U777C:
    - No crime related coverage provided

Limits provided by these Pak endorsements are excess of any limits provided on CR0004 and CR0018
- Property deductible selected for building and/or contents will apply

CRIME FORMS
- Only the following Coverage Forms and approved Colony Forms may be used to issue policies.

**THEFT, DISAPPEARANCE, AND DESTRUCTION COVERAGE**

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>U026 (09-13)</td>
<td>COMMERCIAL CRIME COVERAGE PART DECLARATIONS</td>
</tr>
<tr>
<td>CR1000 (10-90)</td>
<td>CRIME GENERAL PROVISIONS</td>
</tr>
<tr>
<td>CR0004 (10-90)</td>
<td>THEFT, DISAPPEARANCE, AND DESTRUCTION COVERAGE FORM</td>
</tr>
</tbody>
</table>

**Robbery and Safe Burglary Coverage**

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