



Underwriting Overview

**SOUTH CAROLINA SURE
ADMITTED BUSINESSOWNERS PROGRAM**

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SageSure Insurance Managers

Carrier:

SureChoice Underwriters Reciprocal Exchange (SURE)
Rated A, Exceptional, by Demotech

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I. OVERVIEW

Property and Liability insurance products will be provided for US businesses with no more than \$10,000,000 in sales, subject to \$5,000,000 sales per location.

1. Property

Capacity to write up to \$10,000,00 total insured values (TIV) at any one location, subject to any certain county level limitations as programmed into Agent Portal. This amount includes building and business personal property limits insured.

Locations with total insured values greater than \$3,000,000 require underwriting approval. Policies totaling over \$25,000,000 for all locations require underwriting approval.

2. Liability

Primary limits are available at per occurrence limits of \$300,000, \$500,000, \$1,000,000 and \$2,000,000. General Aggregate is two times the per occurrence limit. Products and/or Completed Operations, Personal & Advertising Injury, Damage to Premises Rented by Insured and Medical Payments are included.

II. CONSIDERATIONS

The following factors will be considered:

1. Ownership Management

- a. Risks in business less than 3 years require underwriting approval.
- b. Ownership information must be obtained for risks with multiple named insureds to determine combinability.
- c. When under the same ownership, building and business personal property must be included under the same policy.
- d. All entity types are eligible, except:
 - (1) If entity type is Trust and risk is not a Lessor's Risk, underwriting approval is required.
 - (2) Nonprofit organizations are ineligible.

2. Financials

The insured's financial strength will be evaluated through the business owner's personal TransUnion TrueRisksm Property score. Risks referred to underwriting may be evaluated through the business' financial records.

3. Risk Classification

Risks will be classified based on the insured's primary operations and this classification will be used to determine eligibility. Additional operations greater than 25% will be separately classified and rated.

4. Classifications Requiring Approval

The following classifications require underwriter approval:

- a. Not Otherwise Classified:
 - (1) Office 65121
 - (2) Lessors' Risk Only 65171
 - (3) Condominium Office 65231
 - (4) Condominium - Office - Lessors' Risk Only 65231

- b. Retail stores (Not Otherwise Classified) 59999
- c. Take out only restaurants 09251 and 09261
- d. Wood Products 50943
- e. All Wholesale classes
- f. All Motel classes

5. Loss Experience

Hard copy, currently valued loss runs for a minimum five years must be obtained and kept in the agent's underwriting file. A signed no-loss statement may be substituted for risks in business less than three years. Threshold for non-catastrophe losses is as follows, applicable to lesser of last five years or time in business:

- a. No losses is preferred.
- b. One claim is acceptable.
- c. Two or more claims require Underwriting referral.
- d. Any one claim greater than or equal to \$25,000 requires underwriter approval.
- e. Risks with prior sinkhole losses are ineligible.
- f. Risks with professional liability claims require underwriter approval.
- g. Risks with equipment breakdown claims require underwriter approval.
- h. Risks with cyber claims, first or third party, require underwriter approval.
- i. Risks with employment practices liability claims require underwriter approval.

6. Loss Control

Inspections will be conducted on all risks.

Each survey will be reviewed by underwriter by acceptability. Adjustments may be made for discrepancies, changes in exposures or classifications, etc. If a risk does not meet standards a notice of cancellation or rescission may be issued to the insured and their agent.

7. OFAC

We will comply with all requirements of the Office of Foreign Assets Control (OFAC). All prospective named insureds will be screened. OFAC Screening will also be done for Named Insureds added during the policy period and at each renewal.

8. Terrorism

The Terrorism Risk Insurance Act (TRIA) expiration date was amended to December 31, 2027. Signed Terrorism Acceptance/ Rejection form must be retained in the agency's underwriting file. A signed form is required at each renewal. We will only allow one change from rejection to acceptance during the policy period and only if the request is made within 30 days after policy inception date.

9. Eligible States

These guidelines apply only to locations in South Carolina.

III. PROPERTY

Maximum building and business personal property limits are described in the Overview Section I.1 All buildings must be insured-to-value.

1. COPE

The likelihood and severity of a loss, especially fire losses, is directly related to a risk's construction, occupancy, protection, and external exposures (COPE). It is imperative these factors be closely evaluated when considering the property element of a multi-line risk:

a. Construction

The construction of a building is determined by three essential factors:

- (1) Materials used for load-bearing portions of exterior walls
- (2) Materials used in the roof and floors
- (3) The fire-resistance rating of materials used in the building's construction

Building construction is divided into six classifications based on these factors:

- (1) **Frame (ISO Class 1)** - Buildings with exterior walls of wood or other combustible materials including construction where combustible materials are combined with other materials (such as brick veneer, stone veneer, wood ironclad, stucco on wood).
- (2) **Joisted Masonry (ISO Class 2)** - Buildings with exterior walls of adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile, or similar materials with combustible (wood or metal) floors and roofs
- (3) **Noncombustible (ISO Class 3)** - Buildings with exterior walls, floors and roofs constructed of, and supported by, asbestos, gypsum, or other noncombustible materials.
- (4) **Masonry/Noncombustible (ISO class 4)** - Buildings with masonry, as described in Joisted Masonry construction, exterior walls and metal or noncombustible floors and roof. These buildings typically have masonry walls, concrete floors, and metal roofs.
- (5) **Modified Fire Resistive (ISO Class 5)** - Buildings where the exterior walls, floors and roof are constructed of masonry or other fire-resistive materials with a fire resistance rating between one and two hours.
- (6) **Fire Resistive (ISO Class 6)** - Buildings with exterior walls, floors and roof of masonry or other fire resistive materials.

Incorrectly classified building construction affects pricing, TIV limits and possibly eligibility.

b. Occupancy

Occupancy refers to the insured's business at a covered location as well as the businesses of other tenants if the insured owns a multi-tenant structure. Both eligible and ineligible occupancies are outlined separately in the guidelines. Two factors to consider when evaluating occupancies are, combustibility (the ability of something to burn) and susceptibility (the extent to which it will burn).

c. Protection

Protection is the element present at any location that will mitigate the risk of loss. Protection includes town water source, fire suppression systems, smoke & heat detection alarms, burglar alarms, moisture detectors and high quality locks.

d. External Exposures

External Exposures refer to the hazardous nature of occupancies near a building, e.g., a warehouse adjacent to a bulk oil or pyrotechnics storage facility. Underwriters must be aware of External Exposures and understand controls in place to reduce loss from that external exposure.

2. Additional Considerations

a. Building Age

- (1) The age of a building is an important consideration. While our preference is buildings of newer construction, we will consider buildings over 25 years old provided the electricity, HVAC, plumbing, and roof have all been updated within the past 25 years.
- (2) Historic buildings are ineligible.

b. Business Personal Property requirements

Risks with business personal property limit at one location greater than \$500,000 and no central station burglar alarm on the premises require underwriting approval.

c. Roof Limitations

Shingle roofs must be less than 15 years old for 3-tab asphalt or less than 25 years old for architectural.

3. Deductible

- a. Minimum all other perils (AOP) deductible is \$1,000 and the maximum deductible is \$10,000.
- b. Windstorm or Hail deductible must be greater than or equal to the Hurricane deductible.
- c. For hurricane deductible minimums, refer to Coastal Guidelines below.

4. Business Income and Extra Expense (time element/indirect damage)

- a. Business Income is provided on an Actual Loss Sustained basis up to 12 months and is not subject to a limit.
- b. Additional available options include 6, 9, and 18 months.
- c. A Business Income and Extra Expense Limit of Insurance is required for locations defined as a Very High Hazard Location (see Coastal Guidelines).

5. Protection Class

Locations in Public Protection Classes 9 or 10 are ineligible.

6. Coastal Guidelines

We will consider risks in coastal proximity as outlined in the guideline table below.

Definitions:

a. "Mainland Front Row":

- (1) .10 (one-tenth) of a mile or less from any "Primary Shoreline"
- (2) .04 (four-hundredths) of a mile or less from an "Inner Shoreline"

b. "Primary Shoreline":

- (1) The ocean shoreline
- (2) The shoreline for the larger open bays, sounds and marshlands between:
 - (a) Barrier islands, resort islands and the main coastline
 - (b) The main coastline and the open ocean

c. "Inner Shoreline": Shoreline for inlets, bays, river mouths, intercoastal waterways, etc. that extend from or are near the ocean

d. "Resort Islands": Sullivan's Island, Isle of Palm, Folly Beach, Kiawah Island, Seabrook Island, Edisto Beach and Hilton Head Island

Extreme Hazard Locations (EHL)	Very High Hazard Locations (VHHL)**	High Hazard Locations (HHL)	Moderate Hazard Locations (MHL)	Low Hazard Locations (LHL)
Any location: <ul style="list-style-type: none"> On a barrier island, other than "resort islands"; or Within 0.5 miles of a "primary shoreline", and frame construction or not 2007 SC building code approved On the "mainland front row"; or On the first or front row of a "primary shoreline" and subject to the full force of winds 	Any location not designated as EHL, and: <ul style="list-style-type: none"> On a "Resort Island"; or Within 0.5 miles of a "Primary Shoreline" 	Any location not designated as EHL or VHHL, and: <ul style="list-style-type: none"> Within 3 miles of a "Primary Shoreline" 	Any location not designated as EHL, VHHL, or HHL and: <ul style="list-style-type: none"> Within 10 miles of a "Primary Shoreline" 	Any location not designated as EHL, VHHL, HHL, or MHL
Minimum Hurricane Deductible				
Ineligible	5% or 2% if construction is MNC or better	5% Frame Construction, 2% JM or NC, 1%** all other construction	2% Frame Construction, 1%** all other construction	1%
<p>**If roof is shingles, it must be less than 15 years old for 3-tab asphalt or less than 25 years old for architectural, otherwise 2% deductible applies</p> <p>***Consult with Underwriting for questions on hazard location specifications. Note: Very High Hazard locations require a Business Income and Extra Expense limit</p>				

IV. LIABILITY

Primary general liability is available for all eligible classes listed in the South Carolina SURE BOP Class List. Liability and Medical Expense coverage is provided on an occurrence basis for operations, premises owned, operated or leased and products &/or completed operations. Coverage includes bodily injury, property damage, personal and advertising injury, medical expenses and damage to premises rented to the named insured.

1. Limits Available

- Liability & Medical Expenses limit starts at \$300,000 and includes Personal & Advertising Injury Liability. Optional limits of \$500,000, \$1,000,000, and \$2,000,000 are available.
- General Aggregate and Products and/or Completed Operations Aggregate are 2x the occurrence limit.
- Damage to Premises Rented by You limit is \$50,000 (higher limits are available).
- Medical Expenses limit is \$5,000 and applies per person.

2. Professional Liability (Errors & Omissions)

Professional liability coverage is designed to cover businesses in the event they are sued by third parties who claim loss due to professional negligence.

This coverage is only available for the following classifications:

- Barbers and Beauticians
- Funeral Directors
- Optical and Hearing Aid Establishments
- Pharmacists
- Printers
- Veterinarians

V. ELIGIBILITY

Following are eligible and ineligible occupancies/classes, coverages and restrictions

1. Eligible Occupancies

The following are eligible occupancy groups for the Business Owners Program subject to the criteria listed below. Specific classes within these groups are further defined and listed in the South Carolina SURE BOP Class List. BP 04 12 Limitation of Coverage to Designated Premises, Project, or Operation will be attached for all locations.

a. Habitational Risks including Apartments, Residential Condominium Associations and Townhouse or similar Associations

- (1) One- and two-family dwellings and duplexes are ineligible.
- (2) Swimming Pool exposure requires underwriting approval.
 - (a) Swimming Pools with diving boards or slides are ineligible.
- (3) Playground exposure requires underwriting approval.
- (4) Buildings with aluminum wiring are ineligible.
- (5) Vacation rentals including timeshares, short-term rentals, and Airbnb are ineligible.
- (6) An owner-occupancy rate greater than 85% is required for Condominium and Townhouse or similar Associations.
- (7) Lease agreements for a minimum of 6 months must be used.

b. Lessor's Risk only (LRO)

- (1) Written leases or agreements must be used that require limits at least equal to the insured's, contain hold harmless language in favor of the insured and require Additional Insured status for the named insured.
- (2) Lease agreements for a minimum of 6 months must be used.
- (3) All occupancy classes that occupy 25% or more of the building must be listed separately and a separate liability premium charge will apply. Incidental occupancies are included with the largest occupancy class.
- (4) BP 04 12 Limitation of Coverage to Designated Premises, Project or Operation will be attached for all locations.
- (5) Governmental agency occupancies are ineligible.

c. Condominium Commercial Unit-Owners

Business personal property of owners of condominium units that are used for eligible mercantile, wholesaler, processing, service, or office occupancies are permitted.

d. Artisan Contractors

- (1) Only contractors listed in the South Carolina SURE BOP Class List are eligible for the Business Owners Program.
- (2) Any contractor listed in the South Carolina SURE BOP Class List is ineligible if they engage in any activities or operations described under the Contractors section of the Ineligible Occupancies segment.
- (3) Contractors are subject to the following additional eligibility requirements:
 - (a) No more than \$500,000 of annual payroll.
 - (b) No exterior work at a height of over three stories.
 - (c) The total cost of subcontracted work cannot exceed more than 25% of the contractor's total annual gross sales.
 - (d) No renting or leasing of equipment to others.
 - (e) If subcontractors are used, written agreements must be used that include hold harmless wording in favor of the insured, require liability insurance with limits at least equal to the insured's and includes requirement of Additional Insured status for the named insured.

e. Convenience Food Stores, Grocery Stores and Supermarkets

(1) Definitions

- (a) A convenience food store is an establishment where the primary activity is the retail sale in limited amounts of a variety of canned goods, dairy products, prepackaged meats, and other incidental grocery items. (Newspapers, magazines, refreshment items, cigarettes, beer, wine, and novelties may also be sold.)
- (b) A grocery store or supermarket is an establishment where the primary activity is the retail sale of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. (Items typically sold in a convenience food store may also be sold.)

(2) Eligibility - Convenience Food Stores

Eligible convenience food store risks, with or without eligible limited cooking or fast food restaurants (see South Carolina SURE BOP Class List), are eligible for the Business Owners PBusinrogram subject to the following additional requirements:

- (a) No sale of gasoline
- (b) No automobile service or repair operations
- (c) No car wash operations
- (d) No propane or kerosene tank filling operations
- (e) No sale of e-cigarettes or vaping products

(3) Eligibility - Grocery Stores/Supermarkets

Eligible grocery store or supermarket risks are eligible for the Business Owners Program subject to the following additional requirements:

- (a) No sale of gasoline
- (b) No automobile service or repair operations
- (c) No car wash operations
- (d) No propane or kerosene tank filling operations
- (e) No sale of e-cigarettes or vaping products

f. Mercantile Risks

Building and business personal property for mercantile risks are eligible for coverage under the Business Owners Program as listed in the South Carolina SURE BOP Class List.

- (1) No more than 25% of sales derived from internet sales.
- (2) Underwriting approval is required if Business Personal Property limit is greater than \$500,000, and the location is not protected with a central station burglar alarm.

g. Motels

Building and business personal property for motel risks are eligible for coverage under the Business Owners Program subject to the following additional eligibility requirement

- (1) Buildings cannot exceed three stories.
- (2) No limitation applies to floor area.
- (3) Motels with eligible restaurant occupancies are permitted.

- (4) No seasonal operations (locations that are closed 30 consecutive days, or more, throughout the year.
- (5) No hourly rentals.
- (6) Motels with eligible restaurant occupancies are permitted.

h. Offices (Including Office and Commercial Condominium Associations)

- (1) The only other eligible occupancies are ones that would be eligible if written on their own. Office NOC (Not Otherwise Classified) classes of business will be reviewed by underwriting for case-by-case eligibility.
- (2) Financial Services Exclusion will be attached to all financial advising risks.

i. Processing and Service Risks

Building and business personal property for processing and service risks listed in the South Carolina SURE BOP Class List are the only types of processing and servicing risks eligible under the Business Owners Program. No more than 25% of annual gross sales may be derived from off-premises operations.

j. Restaurants

Building and business personal property for the following types of restaurants and those listed in the South Carolina SURE BOP Class List are the only restaurants eligible for coverage under the Businessowners Program.

(1) Limited Cooking Restaurants

(a) Definition

Limited cooking restaurants are those where foods are prepared cold or cooked using appliances which do not emit smoke or grease-laden vapors that require an exhaust system (for example, electric sandwich grills, toasters, warming ovens, roller warmers, infrared snack warmers, microwave ovens, domestic ranges, domestic ovens, and pizza ovens).

No grilling, open broiling, deep fat frying, roasting, barbecuing, solid fuel cooking (for example, mesquite, charcoal, or hardwood) or other processes capable of producing grease-laden vapors requiring an exhaust system are permitted.

(b) Additional Eligibility Requirements

Limited cooking restaurants are subject to the following additional eligibility requirements:

- (i) No more than 7,500 square feet in total floor area
- (ii) Seating capacity no greater than 75
- (iii) No liquor sales other than beer or wine; Sales of beer and wine not greater than 25% of total sales
- (iv) No bar or cocktail lounge
- (v) Catering service (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales
- (vi) No seasonal operations (risks that are closed for more than 30 consecutive days).

(2) Fast Food Restaurants

(a) Definition

Fast food restaurants may include limited cooking type appliances and only the following cooking processes capable of producing grease-laden vapors requiring an exhaust system: grilling, enclosed broiling, deep fat frying, roasting or barbecuing. Open broiling and solid fuel cooking (for example, mesquite, charcoal, or hardwood) are not permitted.

(b) Additional Eligibility Requirements

Fast food restaurants are subject to the following additional eligibility requirements:

- (i) No more than 7,500 square feet in total floor area
- (ii) Seating capacity no greater than 150
- (iii) No table service
- (iv) No liquor sales other than beer or wine. Sales of beer and wine not greater than 25% of total sales.
- (v) No bar or cocktail lounge
- (vi) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales.
- (vii) No seasonal operations (risks that are closed for more than 30 consecutive days)
- (viii) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96

(c) National Fire Protection Association Standard For Ventilation Control And Fire Protection Of Commercial Cooking Operations (NFPA Standard #96)

NFPA Standard #96 includes the following:

- (i) An automatic extinguishing system covering hoods, ducts and all surfaces of grills, ranges, deep fat fryers and broilers.
- (ii) A contract for semi-annual inspection and maintenance for the extinguishing system, hood, and ducts.
- (iii) A manual release in the path of exit from the cooking area.
- (iv) Temperature settings of systems with detectors above the filters or temperature settings of systems with detectors below the filters set at specified levels.
- (vi) Portable fire extinguishers of the type described in NFPA Standard #96, and compatible with the extinguishing agent of the hood and duct fire protection system, must be available in the kitchen.
- (vi) All deep fat fryers must be equipped with separate high limit controls to shut off fuel when the temperature reaches the level described in NFPA Standard #96.
- (vii) A minimum clearance of 18 inches between the hood and duct and combustible construction as described in NFPA Standard #96.

(3) Casual or Family-Style Dining Restaurants

(a) Definition

Casual or Family-Style dining restaurants serve moderately priced food in a casual atmosphere to patrons who generally order and are served while seated and pay after eating. Take-out service and the use of a buffet may also be available. These restaurants may serve no alcoholic beverages; serve beer and wine only; or serve beer, wine, and liquor.

(b) Additional Eligibility Requirements

Casual dining restaurants are subject to the following additional eligibility requirements:

- (i) Sales of beer, wine or liquor is not greater than 50% of total sales.
- (ii) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales.
- (iii) No seasonal operations (risks that are closed for more than 30 consecutive days)
- (iv) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96, as described in Paragraph 2(c)(i) above

- (v) No dancing permitted
- (vi) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment
- (vii) No bar operations during hours when full table service is not also available. Bar operations for the sole purpose of consuming alcoholic beverages are not permitted.

(4) Fine Dining Restaurants

(a) Definition

Fine dining restaurants provide quality food and alcoholic beverages prepared by highly trained chefs and served with a great deal of attention to customers by waitstaff. These restaurants typically have valuable business personal property consisting of furniture, tableware, lighting, art, and other items of décor.

(b) Additional Eligibility Requirements

Fine dining restaurants are subject to the following additional eligibility requirements:

- (i) Sales of beer, wine or liquor no greater than 50% of total sales
- (ii) Catering (that is, service involving serving of food and alcoholic beverages away from the insured's premises) must not exceed 15% of total sales.
- (iii) No seasonal operations (risks that are closed for more than 30 consecutive days)
- (iv) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96, as described in Paragraph 2(c)(i) above
- (v) No dancing permitted
- (vi) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment
- (vii) Bar operations for customers who are seated, or waiting to be seated, in the restaurant only

k. Self-Storage Facilities

Building and business personal property for self-storage facilities are eligible under the Business Owners Program. The following additional eligibility requirements apply:

- (1) Buildings cannot exceed two stories
- (2) No limitation applies to floor area
- (3) No cold storage or storage of industrial materials, chemicals, pollutants, and waste
- (4) No storage of any type of motorized vehicles, including campers, boats, motorcycles, and recreational vehicles

l. Wholesale Risks

Building and business personal property for wholesale businesses listed in the South Carolina SURE BOP Class List are the only types of wholesale risks eligible for the Business Owners Program. Eligible classifications do not include the operations of manufacturers' representatives or contractors.

- (1) Repackaging or relabeling of products is ineligible.
- (2) Internet sales greater than 25% are ineligible.
- (3) Risks that import products are ineligible.
- (4) Underwriting approval is required if Business Personal Property limit is greater than \$500,000, and the location is not protected with a central station burglar alarm.

2. Ineligible Occupancies

a. General

Any risk type not listed in the South Carolina SURE BOP Class List is ineligible. As further clarification, the following operations are also ineligible:

- (1) Vehicle sales, repair, service, or parking operations including gasoline stations, car washes, and tire re-treading.
- (2) Bars, pubs, taverns, dancing, or live entertainment (solo instrument player who plays music in the background is permitted) including karaoke and axe throwing.
- (3) The following types of restaurants are ineligible:
 - (a) Sushi or raw food
 - (b) Hibachi or Teppanyaki
 - (c) Buffets
 - (d) Flaming drinks or meals
 - (e) Tableside or at-table cooking
 - (f) Outdoor cooking (grills, smokers, etc.)
- (4) Beauty parlors, barbershops or hair salons that offer the following services, unless incidental (less than 10% of sales):
 - (a) Nail services (manicure, pedicure, nail extensions, etc.)
 - (b) Spa services (tanning, massage, facial, skin treatments, etc.)
 - (c) Tattoos or permanent makeup
- (5) Buildings occupied in whole or in part by any manufacturing operations not listed in the South Carolina SURE BOP Class List
- (6) Household/Residential personal property
- (7) One- or two-family dwellings and duplexes
- (8) Places of amusement
- (9) Banks, building and loan associations, savings and loan associations, credit unions, stockbrokers and similar financial institutions
- (10) Software and Application Developers
- (11) Seasonal operations (businesses closed for 30 or more consecutive days per year)
- (12) Vacation rentals, Timeshares, Airbnb, or similar rentals
- (13) Any equipment rental operations
- (14) 24-hour operations
- (15) Vacant buildings
- (16) House of worship, including churches, temples and mosques
- (17) Any governmental agency office, office buildings or Lessor's Risk Only buildings occupied by any governmental agency

b. Contractors

The following types of contractors and/or contracting activities are ineligible, even if the contractor has eligible activities:

- (1) Any contractor not listed in the South Carolina SURE BOP Class List
- (2) Any work on buildings over three stories
- (3) Subcontracted work costs greater than 25% of total annual gross sales

- (4) General Contractors
- (5) Contractors who use cranes in their operations
- (6) Contractors who install, repair or service or previously installed, repaired, or serviced:
 - (a) Boilers
 - (b) Burglar or fire alarm systems
 - (c) Automatic fire extinguishing systems
 - (d) Elevators or escalators
 - (e) Computers
- (7) Contractors with products manufactured or sold under their own name
- (8) Contractors who lease or rent equipment to others
- (9) Contractors who engage in or have previously engaged in:
 - (a) Demolition, blasting, wrecking, high pressure boiler work or liquid petroleum gas (LPG) work
 - (b) Insulation work
 - (c) Lawn chemical spraying operations, except with respect to the operations of a landscape gardener
- (10) Contractors who engage in or have previously engaged in hazardous material or pollution abatement or remediation operations, including but not limited to:
 - (a) Asbestos, Mold, and/or Lead
 - (b) Mold
 - (c) Lead
 - (d) Radon mitigation and testing
- (11) Sales, service, or installation of any kind of automatic opening doors or garage doors
- (12) Residential Home Building
- (13) Installing, repairing, or servicing hot tubs, spas or jacuzzis
- (14) Ship repair or painting work
- (15) "Shop-only" carpentry or sheet metal work
- (16) Waterproofing contracting operations
- (17) Installing, servicing, or repairing swimming pools
- (18) Tree service or removal contracting work
- (19) Installing wood and coal stoves
- (20) Heavy construction, including but not limited to:
 - (a) Bridge or elevated highway, caisson, cofferdam, dam, dike, dry dock, jetty, levee, or pier construction
 - (b) Cable laying and cable installation
 - (c) Crane or derrick installation or rigging
 - (d) Dredging
 - (e) Drilling
 - (f) Excavation
 - (g) Grading of land

- (h) Iron or steel erection
- (i) Pipeline construction
- (j) Sandblasting
- (k) Scaffolding, hoists, or tower erection
- (l) Structural work
- (m) Subway construction
- (n) Tunneling

VI. APPENDIX

1. Premium Audit

Policies may be subject to premium audit.

2. Computation Of Floor Areas

Do not include basement areas not open to the public in computing floor areas.

3. Endorsements

Endorsements will be issued in accordance with the current, in-force policy rates, terms & conditions and are calculated on a pro-rata basis based on effective date.

- a. New locations are subject to all underwriting guidelines.
- b. Additional Named Insureds are subject to OFAC screening.

4. Cancellations

Policies may be cancelled by the insured at any time. A signed, written request is required. If a policy is cancelled by us, a notice, stating reasons, will be issued in accordance with state regulations. The notice will be sent to the insured and the agent.

- a. Pro-rata cancellation will apply when the policy is cancelled by us.
- b. Short-rate cancellation may apply when the policy is cancelled at the request of the insured or their designated representative.
- c. Policies cancelled for nonpayment of premium may be reinstated up to five (5) days after the cancellation effective date, by customer service representatives in the policy services area, provided full payment is received & verified and a signed statement of no losses from the insured is submitted. Underwriting will have authority to reinstate policies up to 15 days after cancellation effective date.

5. Renewals

Renewal processing is automatic unless non-renewal is requested by us or the insured.

- a. Renewal Process will start 120 days prior to expiration date.
- b. Any renewal notices will be issued in accordance with state regulations.
- c. Property limits may be increased based on the inflation guard percentage listed on the declaration page.
- d. OFAC screening is required at each renewal.

6. Non-Renewals

Policies may be non-renewed at the request of the insured or by us. The insured or their designated representative must submit a written request to non-renew policy. If a policy is selected for non-renewal by us a notice, stating reasons, will be issued in accordance with the respective state regulations and sent to the insured and the agent. EasyPay (ACH) is required if the monthly plan is selected.

Installment plans are not available on policies with premium less than \$1,000 and short-term policies issued for less than one year.

7. Short-Term Policies And Backdating Coverage

Policies are issued for 12 months. Short-term policies may be issued with underwriting approval.

Requests to backdate coverage may only be granted on an exception basis. All requests to backdate coverage must be referred to underwriting and must include the reason for backdating of coverage and a signed statement of no losses.

8. Cancel/Rewrite and Cancel Reissue

Policies may be cancelled and rewritten as needed by underwriting

9. Installment Plans

Installment Plans payable monthly, quarterly, and semi-annually are available.

- a. Monthly: 25% down payment and 9 installments of 8.3%
- b. Quarterly: 40% down payment and 2 installments of 30%
- c. Semi-annual: 50% down payment and 1 installment of 50%

EasyPay (ACH) is required if the monthly plan is selected.

Installment plans are not available on policies with premium less than \$1,000 and short-term policies issued for less than one year.



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