Commercial Programs
and
Underwriting
Guide
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  Property Coverage Enhancement Endorsement Guide –IH117(05/05/08)
COMMERCIAL PROGRAMS

We offer:
- Property and Casualty Packages
- Businessowners
- Monoline Commercial Fire
- Monoline General Liability
- Monoline Inland Marine – contractors equipment, installation floaters, computers
- Automobile with supporting Property of General Liability
- Workers’ Compensation in Alaska
- Umbrella – not available for contractors

Underwriting
Our company is filed to use ISO rates, rules and coverage forms.
We specialize in small to mid-size rural and main street business for the average to above average risk.
- Restaurants
- Mercantile
- Auto Repair
- Specialty Contractors
- Lessor’s Risk Only
- And More
We often write business operated from the home; our Commercial and Personal Lines Departments work cooperatively.
Our underwriting staff welcomes phone calls, faxes or e-mails to discuss the eligibility of any risk.

Binding Authority
* Agents licensed with Umialik have binding authority.

<table>
<thead>
<tr>
<th>Property Value</th>
<th>Maximum per location</th>
<th>$1,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability</td>
<td>Per occurrence</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

Higher property values, questionable risks or classes of business must be referred to the company.

* No Binding Authority – Workers’ compensation and Habitational Risks.

Applications
ACORD applications are required with 5 year prior loss history.

Commissions
- 20% Package and Monoline Property Policies
  Protection Classes 1 – 8
- 15% Package and Monoline Property Policies
  Protection Classes 8B, 9 & 10 plus
  Restaurants, Garages, Contractors
- Businessowners
- Monoline General Liability
- Monoline Inland Marine
- Automobile (or applicable package commission if written on the package)
- 7% Workers’ Compensation
- 10% Umbrella

Commissions may vary for special risks or classes not shown.

Billing Method
Commercial Policies, other than Workers’ Compensation, are billed to the Agent on a monthly itemized statement prepared by Umialik Insurance Company.

Coverage Umialik Cannot Provide
Professional/E&O, Directors & Officers, Dump Trucks or Long Haul, Liability or Workers’ Compensation for Roofers, Excavators & other heavy contracting classes, Bars/Taverns, Day Cares, Schools.
Commercial Underwriting Guide

Umialik Insurance Company Seeks
‘Average to Above Average Risks’

The following information provides general underwriting information. The list of eligible and ineligible classes is not all inclusive; the underwriting staff welcomes phone calls, emails or faxes to discuss the eligibility of any risk.

BILLING METHOD:

Commercial Policies, other than Workers’ Compensation, are billed to the Agent on a monthly itemized statement prepared by Umialik Insurance Company.

TYPE OF POLICIES AVAILABLE:

Commercial Package (Property, GL, Auto, Inland Marine, PC+, Crime, Liquor Liability) Businessowners
Monoline Policies:
  Property
  Inland Marine – Primarily contractors’ equipment.
  General Liability
  Business Auto – Written only with adequate supporting business.
Workers Compensation – No Binding Authority. Must have WC coverage in place for at least one year. Risks with Debit mods are not eligible. Light classes only.
Umbrella-Not available for contractors.

COVERAGES NOT AVAILABLE:

Bailees
Boiler & Machinery
Cargo
Camera Floaters
Fine Arts Floaters
Guides & Outfitters
Jewelers Block
Ocean Marine
Professional Liability / E&O / D&O

CAPACITY:

Property
$10,000,000 Property Limit* (includes Bldg, BPP, BI, IM & Crime values). Value in excess of $10,000,000 may be considered for exceptional above average property.
*Note your binding authority is:
  PC 1 – 8  $1,500,000 max per location
  PC 8B, 9 & 10  $ 750,000 max per location

Liability
GL $1,000,000 Occurrence Limit (higher aggregate limits are available)
Umbrella-up to $5,000,000 occurrence.
GENERAL UNDERWRITING CRITERIA AND COMMENTS:

- **Fully completed and updated Acord applications are required.**
  Applications without adequate underwriting and rating information will be declined due to lack of information. **For Example:** The Schedule of Hazards for General Liability needs Classification, Class Code & Premium Basis. Specifics of the missing information may or may not be listed in the declination letter. **Supplemental information** is necessary for all risks that have exposures unusual to their classification of business and should be addressed in a cover memo.

- **5 year loss information is to be included with the application.**
  If loss runs have not yet been received, but have been requested, there must be notation to this effect with an approximate number of claims including year of loss, cause of loss and approximate amount paid.

- **New Business ventures:**
  Supplemental information is required detailing applicants related work and business management experience. **For example:** If the risk is a restaurant, how much experience has there been in employee management and record keeping, in addition to the length of time working in food service industry.

- **Additional Insured Endorsements**
  Requests for attaching **any** additional insured endorsement must include the specific insurable interest and business relationship with the insured.

  **CG 20 10** –Additional Insured- Owners, Lessees or Contractors – Scheduled Person or Organization includes the Location(s) of Covered Operations. To properly underwrite for the attachment of CG 20 10 the following information is necessary:
  1. Project/contract Name & Description
  2. Project/contract Number if applicable
  3. Project/contract dollar Amount for insured
  4. Project Location(s)
  5. If the contract is not for a single project then provide the estimated number of jobs to which it applies
  6. If a specific location does not apply provide the city, borough, county, community name and/or other geographical identification of where the Additional Insured will be working

  **Policies will not be endorsed if the necessary information is not provided.**

- **Certificates of Insurance**
  Certificates are informational only. Certificates do not confer rights to the certificate holder. They also do not amend, extend or alter the coverage afforded by the policy.
• **Insureds who use subcontractors**

Umialik is not a market for general contractors. However in situations where an Insured does contract out to a subcontractor we expect you to advise the insured to:

1. Obtain a certificate of insurance from the subcontractor.
2. Require the subcontractor maintain general liability limits equal to or greater than that of the Insured's policy.
3. Our insured be added as an Additional Insured to the subcontractor's policy.
ELIGIBLE CLASSES OF BUSINESS:

Note: BOP eligible classes are prefixed with an asterisk (*).

Antique Stores – BPP on an ACV basis Product liability is not available and is excluded.

Apartments – 5 or more units
1. Apartment buildings less than 20 years old may be bound on a regular package policy (SMP) or monoline property policy.
2. Apartment Buildings 20 to 35 years old require underwriter approval prior to binding. Note: Maximum age of building is 35 years.
3. Buildings 20 to 35 years old must include specific information regarding updates made to the roof, plumbing, wiring & heating.
4. Apartment Questionnaire, Form IH060 must be included with the application for all buildings of all ages. See Appendix for this form.
5. Current photos of all sides of each building and the surrounding yard are desired prior to binding however, they are mandatory within 30 days of binding.
6. Playground equipment facilities on the premise are not permitted.
7. Risks with exercise, recreational facilities or swimming pools are not permitted.
8. Expiring policies with apartment buildings 20 years and older will be underwritten and renewed/nonrenewed on a case by case basis.
9. On occasion an exception may be made however, Underwriter approval is required prior to binding.

*Apartments - 5 or more units-BOP is available for buildings in excellent condition less than 20 years old. Binding authority is granted however, the conditions of items 4-9 listed above must be met.

Appliance Repair
Auto Body Shop – Must have approved spray booth & paint cabinets.
Auto Repair or Services Shops – Private passenger & light trucks only.
Bed & Breakfasts – No travel or recreational activities provided or arranged.
*Beauty Salons – Primarily hair services. No piercing, tattoos, electrolysis, tanning, nail services or spa type services.

Car Wash
Charter Offices – If exclusively booking for their own operation & have P&I in place.
Churches – Pastoral Liability is available. See Appendix for application.
*Condominiums – Association & unit owner risks acceptable. Refer to Apartment for age guideline. Monoline GL not available for association risks.
Contractors – See Page 8, Underwriting Guidelines for Construction Contractors for GL eligibility. Most contractors are eligible for monoline property.

*Convenience Stores
*Delicatessens
Dwellings (LRO)
*Espresso Stands
*Florists – No auto
Gas Stations
*Gift Stores
*Grocery Stores
Home Inspectors – Proof of professional liability is required.
Hotel / Motels – No pools or beaches
*Ice Cream Shops
Janitorial Services – Commercial only, no residential.
Jewelry Stores – For property, furniture & fixtures only; Jewelers Block coverage is not available.

Landscape Gardening

Laundromats

Lodges – No GL if there are Guides & Outfitters exposures.

LRO Exposures – Tenants must have GL coverage & be of light to medium hazard. No bars, day care or recreational facilities.

Manufacturers’ Representatives

*Medical Offices – Private only, no clinics. Not to include Acupuncture, Chiropractor, Counselors, Massage, Physical Therapy or Psychotherapists. No more than 3 doctors for the BOP.

*Offices – If professional in nature, proof of professional liability is required.

Pawn Shops – BPP on an ACV basis. Products liability is not available and is excluded. Must have security measures in place.

*Printing – No publishing.

*Photographers – Studio only, no off premises. Camera floaters are not available.

Real Estate Agents – with no property management exposure.

Restaurants – Primarily food service, rather than alcoholic beverages. Liquor liability is available.

  Autos not eligible if used for delivery.

*Retail Stores – Products liability may not be available for certain classes.

Sign Manufacturers – With no installation exposure.

*Taxidermy

Thrift Stores - BPP on an ACV basis & we exclude products liability.

Veterinarians – Proof of professional liability is required.

*Video Rental & Sales
INELIGIBLE CLASSES OF BUSINESS:

Note: The majority of these classes ARE ELIGIBLE FOR MONOLINE PROPERTY

Advertising Agencies
Aircraft Related Exposures
Alarm Systems – sales, installation, service, repair or monitoring.
Assisted Living – to classify for property, coverage – must know if there is 24 hr. skilled nursing care provided.
Auto Rental or Sales
Banks or Financial Institutions
Bars or Taverns
Boat Sales, Repair or Rental
Caterers – Unless incidental to a restaurant operation.
Day Care
Document Shredding
Equipment Rental or Repair
Fuel Delivery or Storage
Internet Cafes
Internet Service Providers
Liquor Stores
Locksmiths
Mini Storage Operations
Mining
Oilfield or Gas related work
Recreation Facilities
RV parks – Unless very incidental to another exposure such as hotel/motel or B & B. Also can’t be located adjacent to a lake or river.
Schools
Seafood Processors
Security Agencies
Taxi Companies
Tour Companies
Travel Agencies
Warehouses - used for personal use only
Welders-requires prior approval for property coverage. **Do Not Bind**
UMIALIK INSURANCE COMPANY
Underwriting Guidelines for
Construction Contractors Liability Coverage

General Contractors – Ineligible
Umialik Insurance Company is not a market for General Contractors.

Artisan and Trade-type Contractors who primarily work on small residential and light commercial projects are generally eligible. They must however, meet the following criteria:

**Underwriting Criteria**
- Minimum 3 years in business
- Insured and Loss free for 3 years
- Licensed and bonded
- Subcontracted costs **may not exceed 30% of the employee payroll**
  Insured must require Certificates of Insurance displaying Premises and Products/Completed Operation Liability Limits equal to or greater than the limits of the Umialik policy.
- May not construct or do exterior work on buildings exceeding three stories in height
- May not construct residential properties in excess of 8 units per building

**Eligible Classifications:**
- Carpentry
- Dry Wall or Wallboard Installation
- Electrical Work-within buildings (no installation of alarm systems)
- Masonry
- Painting-interior buildings or structures
- Plumbing
- Siding Installation
- Tile, Stone, Marble, Mosaic or Terrazzo Work-interior construction

**Ineligible Classifications:**
- Roofing
- Excavation
- Plastering or Stucco Work

The contracting classifications shown above are those most frequently submitted. Other contracting classes may be eligible however they must meet the Underwriting Criteria and in general be considered as “light in exposure” to meet our conservative underwriting approach.
1. **Maximum Policy Limits**
   - $5,000,000 each occurrence/aggregate

2. **Underlying Coverage:**
   - Must be written with Umialik Insurance Co.

3. **Required Underlying Limits Attachment Point**
   **General Liability**
   - $1,000,000 per occurrence
   - $2,000,000 per aggregate
   - $2,000,000 Products/Completed Operations aggregate

   **Automobile Liability**
   - $1,000,000 Combined Single Limit

   **Employers Liability**
   - $500,000 Bodily Injury by Accident each accident
   - $500,000 Bodily Injury by Disease policy limit
   - $500,000 Bodily Injury by Disease each employee

   **Liquor Liability**
   - $1,000,000 each common cause
   - $1,000,000 aggregate

4. **Required Retained Limit**
   - $10,000 Self-Insured Retention

5. **Minimum premium**
   - $500.00

6. **Ineligible:**
   - Risks operating outside of Alaska
   - Each risk will be reviewed individually for eligibility

7. **Bind Authority**
   - Agents do not have binding authority
Umialik Insurance Company offers Liquor Liability coverage for restaurant risks with alcohol sales that are 30% or less than the gross receipts.

- Supporting general liability coverage is required. *(No stand-alone policies.)*
- Agents do not have binding authority.
- Maximum available limits: $1,000,000/$2,000,000
- Liquor Liability limits may not be more than the general liability limits.
- There is no deductible.
- Experience: Must have had a liquor license for a minimum of three (3) years.
- Alcohol sales may not exceed 30% of the gross receipts.
- Risks with prior liquor liability losses/claims within the past 5 years are not eligible.
- A completed and signed Umialik Liquor Liability Application/Questionnaire is required.

Coverage is added to our package policy by adding ISO’s Liquor Liability Coverage Form, CG 00 33 and the Limitation of Coverage to Insured Premises endorsement, Form CG 2806.
Appendix

Apartment Questionnaire – IH060(Ed.07/28/08)

Liquor Liability Application-IH110(12/01/07)

Pastoral Professional Liability Guide: Questionnaire – IH038(02/06/01)

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