

**COMMERCIAL GENERAL LIABILITY  
POLICY PROGRAM  
UNDERWRITING GUIDELINES**



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**AN INSURED MUST BE SAFETY CONSCIOUS AND HAVE A GOOD ATTITUDE TOWARDS LOSS PREVENTION.**

**Underwriting Guidelines:**

1. *Must have FIRE insurance with NCIC to write LIABILITY*
2. Insured must be financially sound and operating a profitable business (Financial Statement may be required)
3. Physical condition of the risk must be average or above.
4. Physical condition of entrances, parking lot & surrounding must be average or above.
5. Canine exclusion may be required on policy. (NC-FL-373)
6. Lead Exclusion (LS-59) is mandatory if dwelling is constructed prior to 1980 or has 2 or more units.

**Ineligible Risks:**

1. Risks with below average conditions (lack of maintenance, poor housekeeping, etc.)
2. Insureds with poor loss and/or credit history.
3. Property in foreclosure proceedings or litigation.
4. Vacant or non-operating businesses (without prior company approval)
5. Property for sale (without prior company approval)
6. Property insured in the name of the mortgagee.
7. Property that is seasonally unoccupied. (without prior company approval)
8. Risks that have been canceled or non-renewed by another company (without prior company approval)
9. Buildings insured must be at least 20 feet from any other structure. (without prior company approval)
10. Property within 1 mile of ocean, ocean bay or ocean sound.
11. No liability Coverage on buildings with flat roofs (without prior company approval)
12. Premises with any dog of traditionally dangerous breeds such as Pitbulls, German Shepherds, Dobermans, Rottweilers, Akitas, Chows and any other dog deemed aggressive.
13. Applicant has horses that are used for riding by other than the insured.
14. Property with fuel storage tank on premises, except fuel storage tanks used for heating present heating system. (Maximum tank capacity – 500 gallons or less)
15. Properties with underground or unprotected fuel storage tanks.
16. Property that has unfenced in-ground swimming pools or diving boards.
17. Premises with trampolines.
18. Daycare or nurseries whether incidental or not.

**Ineligible Classes:**

1. Bowling Alley's and Skating Rinks.
2. Boarding, Rooming, Fraternity or Sorority Houses.
3. Amusement resorts and parks.
4. Automobile Repair Shops (including but not limited to service stations and body repair shops)
5. Automobile Filling or Service Stations.
6. Automobile, Motor Home, Mobile Home & Motor Cycle Dealers.
7. Fire works Manufacturing or Distributor including but not limited to gun powder, dynamite, and ammunition.
8. Health Clubs & Tanning Parlors.
9. Junkyards, scrap yards, auto wrecking yards.
10. Marinas with or without repair service.
11. Restaurants with less than 70% of business from food.

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12. Sawmills.
13. Small engine repair service. (without prior company approval)
14. Bars, Taverns, Nightclubs.
15. Electric Generating Plants.
16. Grain Elevators, Grain Tanks & Grain Warehouses.
17. Parking Lots or Garages.
18. Fuel, Gas and Petroleum Dealers.
19. Any other classification that the company may consider unsatisfactory in the future.

**Ineligible Endorsement Conditions:**

**Beauty or Barber Shop Liability (LS-44):**

- Beauty or barber school operations.
- Skin peel procedures.
- Previous professional liability claims have been filed against or reported to the applicant or employees.

**Clergyperson Professional Legal Liability (LS-45):**

- Coverage ineligible for all limits.

**Druggist Liability (LS-47):**

- Products sold under applicant's own label.
- Receipts from equipment rented to others exceeds 10% of total sales.
- Sell, rent, lease or service of oxygen or oxygen equipment.
- Previous professional liability claims have been filed against or reported to the applicant or employees.

**Employer's Non-ownership Automobile Coverage (LS-50):**

- Any operations including, but not limited to, pizza shops, restaurants, delicatessens, when off-premises delivery is offered.
- Any business which requires regular use of employees' personal automobiles in their work responsibilities. (i.e. salesmen, service personnel, magazine or newspaper delivery, manufacturer's representatives, etc.)

**Mortician or Cemetery Coverage (LS-46):**

- Crematoriums.
- Chemicals not stored, handled and/or disposed of properly.
- Previous professional liability claims have been filed against or reported to the applicant or employees.

**Personal Injury (LS-49):**

- Political office holders
- Clergy
- Newspaper publishers or reporters

**Sudden and Accidental Pollution Endorsement (LS-69):**

- All classes ineligible for coverage.

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**Optional Coverages:**

Refer to the General Liability Manual for optional coverages available. All optional coverages must be requested in detail on the application to be applied.

**Submission Requirements:**

1. NCIC Commercial Lines Application or commercial Acord application must be fully completed, signed by named insured & submitted to company within ten (10) working days from date coverage is bound. Company must be notified of binding immediately.
2. At least two (2) photos of all Insured buildings (front & rear) must accompany completed application. If there are other structures on the premises not to be insured please submit one (1) photo of each structure.
3. If Business property (Contents) coverage B limit for reaches \$50,000, at least one (1) photo of risk where contents are located must accompany application.
4. Current MS&B BVC Square Foot Residential Replacement Cost Estimator must accompany application.
5. A down payment of 10% or \$250 whichever is greater is required.

**Binding Authority:**

\$500,000 (\$1,000,000 available only upon office approval)

**NOTE:** All Risks bound must meet underwriting eligibility requirements for the specific program. Solid Risk is defined as an individual building and its contents, including time element coverages.

The Agent shall have no authority to bind the Company on windstorm, extended or physical damage coverage at any time during which the National Weather Service has issued, posted or placed into effect a tropical storm, hurricane or tornado advisory, watch or warning for the area in which the property for which such coverage is sought, is situated, located or owned.

To bind limits in excess of stated authority limits or to bind limits on a classification not listed above, a specific request must be made and approved by the Company.

Binders cannot be issued for more than 30 days. The Company must be sent a copy of binder immediately upon the issuance of binder.

No agent may bind any risk that has been previously cancelled or non-renewed by the Company. In the event the Company declines or terminates coverage by direct notice or any other legal means, the Agent may not re-bind that declined or terminated coverage without specific written authorization from the Company.