

COMMERCIAL LINES UNDERWRITING GUIDELINES

COVERAGE LIMITATIONS BY BUSINESS CLASS

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1. INTRODUCTION

This document establishes the coverage limitations, restrictions, and exclusions that apply to each business class for commercial lines underwriting. These guidelines define the boundaries of acceptable risk transfer and ensure consistent application of coverage terms across all regions.

Underwriters must apply these coverage limitations in conjunction with: - Industry-Specific Risk Acceptance Criteria (UW-GUIDE-2025-C01) - Form Filing Library (Form-LIB-2025) - Endorsement Schedule (END-SCHED-2025)

Note: State-specific regulations may override certain coverage limitations. Always refer to Section 5 for state-specific exceptions and mandated coverages.

2. GENERAL COVERAGE LIMITATION PRINCIPLES

The following principles apply when determining appropriate coverage limitations:

1. **Risk Transfer Appropriateness:** Coverage should transfer risks that are fortuitous, measurable, and within our corporate risk appetite.
 2. **Pricing Adequacy:** Coverage limitations should align with our ability to adequately price the exposure.
 3. **Moral/Morale Hazard Mitigation:** Appropriate coverage limitations help mitigate both moral hazard (intentional loss) and morale hazard (indifference to loss).
 4. **Regulatory Compliance:** All coverage limitations must comply with state regulations and filing requirements.
 5. **Clarity of Intent:** Coverage limitations must be clearly communicated and documented in the policy.
 6. **Consistency with Reinsurance:** Coverage limitations must align with our reinsurance treaties and facultative arrangements.
 7. **Claims Defensibility:** Coverage limitations should be legally defensible and based on clear underwriting rationale.
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3. STANDARD EXCLUSIONS ACROSS ALL BUSINESS CLASSES

The following exclusions apply to all business classes unless specifically endorsed:

Property Coverage Exclusions

- Nuclear hazard
- War and military action
- Government action (seizure/destruction)
- Ordinance or law (except as specifically endorsed)
- Earth movement (earthquake, landslide, mine subsidence)
- Water damage (flood, surface water, backup of sewers)
- Fungi, wet rot, dry rot, and bacteria
- Virus or bacteria
- Utility services interruption originating off-premises
- Electrical/mechanical breakdown
- Pollution cleanup
- Terrorism (unless TRIA coverage is purchased)
- Vacancy limitations (as specified in policy form)

General Liability Exclusions

- Expected or intended injury
- Contractual liability (except insured contracts)
- Liquor liability (for businesses selling/serving alcohol)
- Workers' compensation and similar laws
- Employer's liability
- Pollution (absolute pollution exclusion)
- Aircraft, auto, and watercraft
- Mobile equipment
- War
- Electronic data liability
- Personal and advertising injury (various exclusions)
- Professional services
- Recording and distribution of material in violation of law
- Employment-related practices

- Communicable disease
- Silica or silica-related dust
- Fungi or bacteria
- Terrorism (unless TRIA coverage is purchased)

Additional Exclusions for Specific Coverage Lines

- Refer to individual policy forms for complete listing of exclusions
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4. COVERAGE LIMITATIONS BY BUSINESS CLASS

4.1 RETAIL OPERATIONS

Property Coverage Limitations

- **Business Personal Property Valuation:** Replacement Cost for items less than 5 years old; Actual Cash Value for items older than 5 years
- **Inventory Limitation:** Maximum of 90% of annual sales; seasonal increase not to exceed 25%
- **Business Income:** Limited to 12 months Actual Loss Sustained; 72-hour waiting period
- **Theft Limitation:** Maximum \$10,000 for high-value/theft-prone merchandise unless specifically scheduled
- **Off-Premises Utility Service Interruption:** 24-hour waiting period; \$25,000 maximum
- **Outdoor Property:** \$10,000 maximum
- **Signs:** \$5,000 maximum for attached signs; \$2,500 for detached signs
- **Electronic Data Processing Equipment:** \$25,000 maximum including media and data
- **Employee Dishonesty:** \$5,000 standard limit
- **Money & Securities:** \$5,000 on premises; \$2,500 off premises

General Liability Coverage Limitations

- **Products Liability:** Available for all retail operations except prohibited products (see Appendix A)
- **Completed Operations:** Limited for installation or service operations
- **Premises Medical Payments:** \$5,000 per person maximum
- **Fire Legal Liability:** \$100,000 maximum
- **Personal and Advertising Injury:** Excluded for e-commerce operations unless specifically endorsed
- **Special Events:** Excluded unless specifically endorsed

Specific Retail Class Limitations

- **Jewelry Stores:** Maximum \$250,000 inventory limit; robbery limitation of \$25,000
- **Electronics Retailers:** Special theft deductible of \$2,500
- **Clothing Retailers:** Seasonal stock limitation of 200% of average monthly inventory
- **Hardware/Home Improvement:** Products exclusion for any products manufactured, modified, or repackaged by insured
- **Sporting Goods:** Excluded liability for the use of sold firearms, ammunition, or exercise equipment unless specifically endorsed
- **Furniture Stores:** Delivery and installation operations excluded unless specifically endorsed

4.2 WHOLESALE/DISTRIBUTION

Property Coverage Limitations

- **Warehouse Stock Valuation:** Actual Cash Value basis unless specifically endorsed
- **Transit Coverage:** \$25,000 maximum per occurrence

- **Stock Transfer:** \$50,000 maximum between insured locations
- **Business Income:** Limited to 6 months Actual Loss Sustained; 48-hour waiting period
- **Spoilage Coverage:** \$25,000 maximum for refrigerated stock
- **Peak Season Extension:** Maximum 25% increase for 90-day period
- **Equipment Breakdown:** Sublimit of \$100,000
- **Outdoor Property:** \$15,000 maximum
- **Foreign Goods:** Coverage limited to goods physically in the U.S.

General Liability Coverage Limitations

- **Products Liability:** Available with specific sublimits based on product category
- **Vendor's Endorsement:** Limited to \$500,000 per occurrence
- **Loading/Unloading:** Limited to \$500,000 per occurrence
- **Product Recall Expense:** Excluded unless specifically endorsed
- **Warehouse Operations Liability:** Limited to \$1,000,000 per occurrence
- **Contractual Liability:** Limited to standard vendor agreements

Specific Wholesale/Distribution Class Limitations

- **Food Distributors:** No coverage for contamination or spoilage unless specifically endorsed
- **Chemical Distributors:** No coverage for environmental impairment unless specifically endorsed
- **Pharmaceutical Distributors:** No coverage for efficacy failure or regulatory action
- **Building Materials:** No coverage for product installation or application
- **Automotive Parts:** Limited products liability for safety-critical components
- **Electronics Distribution:** Special theft deductible and limit on high-value items

4.3 MANUFACTURING

Property Coverage Limitations

- **Business Income:** Limited to 12 months; 72-hour waiting period
- **Extended Business Income:** Limited to 30 days
- **Patterns, Dies, Molds, and Forms:** \$50,000 maximum
- **Raw Materials Valuation:** Actual Cash Value
- **Finished Stock Valuation:** Selling Price for finished goods
- **Equipment Breakdown:** Sublimit of \$250,000
- **In-Process Goods:** Valued at stage of completion
- **Stock in Transit:** \$25,000 maximum
- **Research and Development Property:** \$50,000 maximum
- **Testing Failures:** Excluded
- **Prototype Coverage:** Limited to \$25,000

General Liability Coverage Limitations

- **Products Liability:** Available with specific class sublimits
- **Product Recall Expense:** Excluded unless specifically endorsed
- **Vendors Endorsement:** Available with specific limitations
- **Foreign Products Liability:** Excluded unless specifically endorsed
- **Product Design Liability:** Limited to \$500,000
- **Professional Service Exclusion:** For any design, engineering, or consulting
- **Product Efficacy:** Excluded
- **Product Guarantee:** Excluded

Specific Manufacturing Class Limitations

- **Food Manufacturers:** No coverage for intentional adulteration or foreign materials unless specifically endorsed
- **Pharmaceutical Manufacturers:** No professional liability or product efficacy
- **Chemical Manufacturers:** No coverage for known carcinogens; environmental impairment excluded
- **Metal Fabricators:** Excluded coverage for work on aircraft, aerospace, or automotive safety components
- **Electronics Manufacturers:** No liability for electromagnetic fields; failure to perform excluded
- **Textile Manufacturers:** Excluded coverage for flammability unless specifically endorsed
- **Wood Products Manufacturers:** Limited coverage for treated wood products

4.4 CONSTRUCTION

Property Coverage Limitations

- **Contractors' Equipment:** Actual Cash Value basis; \$100,000 maximum per item
- **Tools and Equipment:** \$10,000 maximum; \$2,500 per item maximum
- **Installation Floater:** \$100,000 maximum
- **Builders' Risk:** Only available by separate policy
- **Temporary Structures:** \$25,000 maximum
- **Leased Equipment:** Covered only if contractually liable
- **Business Personal Property at Job Sites:** \$25,000 maximum
- **Employee Tools:** \$2,500 maximum; \$500 per item

General Liability Coverage Limitations

- **Completed Operations:** Limited to projects completed during policy period plus 1 year
- **Products Liability:** Limited to materials sold but not installed
- **Professional Services:** Excluded (design, engineering, consulting)
- **Subsidence Exclusion:** For excavation, foundation work
- **Action Over Claims:** Excluded unless specifically endorsed
- **Damage to Work Performed by Subcontractors:** Limited to \$100,000
- **Contractual Liability:** Limited to construction agreements reviewed by underwriting

Specific Construction Class Limitations

- **Electrical Contractors:** No coverage for high-voltage work (over 600V) unless specifically endorsed
- **Plumbing Contractors:** No coverage for environmental impairment from sewage
- **Excavation Contractors:** No coverage for subsidence, earth movement
- **Roofing Contractors:** Hot tar operations excluded; limited coverage for water damage during construction
- **HVAC Contractors:** No coverage for mold/fungi related to improper installation
- **Concrete Contractors:** Excluded coverage for structural defects in multi-story buildings
- **Carpentry Contractors:** Limited coverage for moisture/water damage during construction
- **Demolition Contractors:** Limited coverage based on building height and method

4.5 HOSPITALITY

Property Coverage Limitations

- **Business Income:** Limited to 12 months; 24-hour waiting period
- **Food Spoilage:** \$25,000 maximum
- **Liquor Stock:** \$25,000 maximum
- **Guest Property:** \$1,000 per guest; \$25,000 aggregate
- **Outdoor Property:** \$25,000 maximum

- **Swimming Pools:** \$50,000 maximum
- **Business Personal Property of Others:** \$25,000 maximum
- **Fine Arts:** \$25,000 maximum unless scheduled
- **Seasonal Increase:** Limited to 30% for 90 days
- **Equipment Breakdown:** Sublimit of \$100,000

General Liability Coverage Limitations

- **Liquor Liability:** Available as separate coverage with limits of \$500,000/\$1,000,000
- **Special Events:** Excluded unless specifically endorsed
- **Assault & Battery:** Sublimit of \$250,000
- **Watercraft Liability:** Excluded unless specifically endorsed
- **Recreational Facilities:** Separate sublimits apply
- **Innkeepers Liability:** \$25,000 maximum
- **Valet Parking Liability:** Excluded unless specifically endorsed
- **Food-Borne Illness:** Sublimit of \$250,000

Specific Hospitality Class Limitations

- **Hotels/Motels:** No coverage for special events over 250 attendees
- **Bed & Breakfasts:** No coverage for special events unless specifically endorsed
- **Resorts:** Recreational activities require specific endorsements
- **Conference Centers:** Limited coverage for client property
- **Extended Stay Properties:** Limited theft coverage for guest property
- **Limited Service Hotels:** Limited coverage for off-premises activities

4.6 REAL ESTATE

Property Coverage Limitations

- **Building Ordinance or Law:** Sublimit of \$250,000 (Coverage A) and \$100,000 (Coverage B & C combined)
- **Business Income:** Limited to 12 months; 72-hour waiting period
- **Tenant Improvements & Betterments:** Actual Cash Value after 5 years
- **Water Damage/Backup of Sewers & Drains:** \$25,000 maximum
- **Outdoor Property:** \$25,000 maximum
- **Signs:** \$10,000 maximum
- **Building Glass:** \$10,000 maximum
- **Demolition Cost:** \$100,000 maximum
- **Increased Cost of Construction:** \$100,000 maximum
- **Equipment Breakdown:** Sublimit of \$100,000

General Liability Coverage Limitations

- **Tenant Discrimination:** Excluded unless specifically endorsed
- **Lead Paint Exposure:** Excluded for pre-1978 residential buildings
- **Mold/Fungi Liability:** Excluded unless specifically endorsed
- **Swimming Pool Liability:** \$500,000 sublimit
- **Playground Liability:** \$250,000 sublimit
- **Assault & Battery:** \$250,000 sublimit
- **Security Operations:** Excluded unless specifically endorsed
- **Contractual Liability:** Limited to standard lease agreements
- **Elevator Liability:** \$500,000 sublimit

Specific Real Estate Class Limitations

- **Apartment Buildings:** Limited coverage for tenant property damage
- **Commercial Office Buildings:** Limited coverage for tenant business income
- **Shopping Centers:** No coverage for special events unless specifically endorsed
- **Industrial Parks:** Environmental liability excluded
- **Residential Condominiums:** Directors & Officers coverage excluded
- **Mixed Use Buildings:** Specific limitations for residential portion
- **Warehouses:** Limited coverage for tenant property
- **Historic Buildings:** Limited Building Ordinance or Law coverage

4.7 PROFESSIONAL SERVICES

Property Coverage Limitations

- **Business Personal Property:** Replacement Cost for items less than 3 years old
- **Business Income:** Limited to 6 months; 24-hour waiting period
- **Valuable Papers:** \$25,000 maximum
- **Electronic Data Processing:** \$50,000 maximum
- **Fine Arts:** \$25,000 maximum
- **Money & Securities:** \$10,000 on premises; \$5,000 off premises
- **Employee Dishonesty:** \$25,000 maximum
- **Signs:** \$5,000 maximum
- **Client Property:** \$25,000 maximum
- **Personal Effects:** \$5,000 maximum

General Liability Coverage Limitations

- **Professional Liability:** Excluded (separate E&O policy required)
- **Personal & Advertising Injury:** Limited to \$500,000
- **Electronic Data Liability:** \$100,000 maximum
- **Medical Payments:** \$5,000 per person
- **Damage to Premises Rented to You:** \$100,000 maximum
- **Client Property in Your Care, Custody, or Control:** \$25,000 maximum
- **Products Liability:** Limited to incidental products only
- **Contractual Liability:** Limited to lease agreements

Specific Professional Services Class Limitations

- **Accountants:** No coverage for client funds management
- **Engineers:** No coverage for design errors or project management
- **Architects:** No coverage for design liability
- **Consultants:** No coverage for financial advice or implementation
- **Real Estate Agents:** No coverage for property value estimates
- **Insurance Agents:** No coverage for professional services
- **Marketing Firms:** Limited coverage for advertising injury
- **Legal Services:** No coverage for professional liability or client funds

4.8 HEALTHCARE

Property Coverage Limitations

- **Medical Equipment:** Replacement Cost for items less than 5 years old
- **Business Income:** Limited to 6 months; 24-hour waiting period
- **Spoilage of Medical Supplies:** \$25,000 maximum
- **Valuable Papers & Records:** \$50,000 maximum

- **Electronic Data Processing:** \$50,000 maximum
- **Money & Securities:** \$10,000 on premises; \$5,000 off premises
- **Patient Property:** \$5,000 maximum
- **Fine Arts:** \$25,000 maximum
- **Outdoor Property:** \$10,000 maximum
- **Equipment Breakdown:** Sublimit of \$100,000

General Liability Coverage Limitations

- **Professional Liability:** Excluded (separate policy required)
- **Medical Directors Coverage:** Excluded
- **Patient Injury:** Limited coverage for non-professional liability
- **Medical Payments:** \$5,000 per person
- **Products Liability:** Limited to incidental products only
- **Sexual Misconduct:** Excluded unless specifically endorsed
- **Damage to Premises Rented to You:** \$100,000 maximum
- **Medical Waste Disposal:** Limited coverage

Specific Healthcare Class Limitations

- **Physicians' Offices:** No coverage for procedures performed under general anesthesia
- **Dentists' Offices:** No coverage for procedures performed under general anesthesia
- **Outpatient Surgical Facilities:** Limited coverage for post-surgical complications
- **Imaging Centers:** No coverage for radiation therapy
- **Physical Therapy:** No coverage for professional services
- **Laboratories:** No coverage for testing errors or sample contamination
- **Medical Spas:** Limited coverage for aesthetic procedures
- **Urgent Care Facilities:** No coverage for emergency medical services

4.9 TECHNOLOGY

Property Coverage Limitations

- **Electronic Data Processing Equipment:** Replacement Cost for items less than 3 years old
- **Electronic Data & Media:** \$50,000 maximum
- **Business Income:** Limited to 6 months; 24-hour waiting period
- **Research & Development Property:** \$50,000 maximum
- **Prototypes:** \$25,000 maximum
- **Extra Expense:** \$50,000 maximum
- **Transit Coverage:** \$25,000 maximum
- **Off-Premises Service Interruption:** \$25,000 maximum; 24-hour waiting period
- **Valuable Papers & Records:** \$25,000 maximum
- **Equipment Breakdown:** Sublimit of \$100,000

General Liability Coverage Limitations

- **Professional Liability:** Excluded (separate E&O policy required)
- **Electronic Data Liability:** Limited to \$100,000
- **Media & Information Content Liability:** Excluded unless specifically endorsed
- **Products Liability:** Limited for hardware products
- **Software Failure:** Excluded
- **Contractual Liability:** Limited to standard client agreements
- **Personal & Advertising Injury:** Limited to \$500,000
- **Third-Party Network Security:** Excluded

Specific Technology Class Limitations

- **Software Developers:** No coverage for software failure or performance
- **Hardware Manufacturers:** Limited products liability
- **IT Consultants:** No coverage for implementation or integration services
- **Cloud Service Providers:** No coverage for service interruption
- **Data Storage/Processing:** No coverage for data breach
- **Website Developers:** No coverage for content liability
- **Mobile App Developers:** No coverage for privacy violations
- **IoT Device Manufacturers:** Limited coverage for device failure

4.10 FOOD SERVICES

Property Coverage Limitations

- **Business Income:** Limited to 6 months; 24-hour waiting period
- **Food Spoilage:** \$25,000 maximum
- **Equipment Breakdown:** Sublimit of \$100,000
- **Outdoor Property:** \$15,000 maximum
- **Signs:** \$10,000 maximum
- **Money & Securities:** \$5,000 on premises; \$2,500 off premises
- **Employee Dishonesty:** \$5,000 maximum
- **Liquor Stock:** \$25,000 maximum
- **Fine Arts:** \$10,000 maximum
- **Off-Premises Power Failure:** \$10,000 maximum; 24-hour waiting period

General Liability Coverage Limitations

- **Products Liability:** Available with specific sublimits
- **Liquor Liability:** Available as separate coverage with limits of \$500,000/\$1,000,000
- **Food-Borne Illness:** Sublimit of \$250,000
- **Assault & Battery:** Sublimit of \$250,000
- **Valet Parking Liability:** Excluded unless specifically endorsed
- **Delivery Operations:** Limited to \$500,000
- **Special Events:** Excluded unless specifically endorsed
- **Contractual Liability:** Limited to standard vendor agreements

Specific Food Services Class Limitations

- **Fine Dining Restaurants:** Limited coverage for valuable wines and spirits
- **Fast Food Restaurants:** Limited coverage for promotional events
- **Cafeterias:** Limited coverage for food poisoning
- **Catering Operations:** Limited coverage for off-premises operations
- **Food Trucks:** Limited coverage for vehicle-related incidents
- **Coffee Shops:** Limited coverage for hot beverage injuries
- **Bakeries:** Limited coverage for allergen-related claims
- **Delis/Sandwich Shops:** Limited coverage for food spoilage

5. STATE-SPECIFIC COVERAGE LIMITATIONS

The following state-specific coverage limitations override the standard limitations when applicable:

California

- **Earthquake Sprinkler Leakage:** Required offering
- **Limited Mold Coverage:** Minimum offering of \$5,000
- **Limited Ordinance or Law Coverage:** Required offering
- **Wildfire Limitations:** Special deductibles and sublimits apply

Florida

- **Hurricane Deductible:** Higher percentage deductibles apply
- **Sinkhole Coverage:** Required offering
- **Mold Coverage:** Minimum offering of \$10,000
- **Windstorm Coverage:** May be excluded in coastal areas

New York

- **Lead Paint Liability:** Additional exclusions apply
- **Assault & Battery Coverage:** Minimum offering required
- **Water Damage:** Special limitations apply
- **Construction Liability:** Scaffold Law exceptions

Texas

- **Hail Damage:** Special deductibles apply
- **Windstorm Coverage:** May be excluded in coastal areas
- **Flood Coverage:** Required offering in certain areas
- **Mold Coverage:** Minimum offering required

Additional state-specific requirements are detailed in Appendix C.

6. AVAILABLE ENDORSEMENTS BY BUSINESS CLASS

The following table outlines commonly available endorsements to modify standard coverage limitations:

Retail Operations

- Employee Dishonesty Increased Limit Endorsement
- Seasonal Increase Endorsement
- Peak Season Extension Endorsement
- Electronic Data Processing Increased Limit Endorsement
- Money & Securities Increased Limit Endorsement
- Theft of Customers' Property Endorsement
- Outdoor Property Increased Limit Endorsement
- Off-Premises Utility Services Endorsement

Wholesale/Distribution

- Transit Coverage Increased Limit Endorsement
- Spoilage Coverage Endorsement
- Peak Season Extension Endorsement
- Equipment Breakdown Enhanced Coverage Endorsement
- Warehouse Stock Valuation Endorsement

- Foreign Goods Coverage Endorsement
- Product Recall Expense Coverage Endorsement
- Vendor's Endorsement

Manufacturing

- Business Income Extended Period Endorsement
- Equipment Breakdown Enhanced Coverage Endorsement
- Testing Coverage Endorsement
- Research and Development Property Endorsement
- Product Recall Expense Coverage Endorsement
- Patterns, Dies, Molds, and Forms Increased Limit Endorsement
- Foreign Products Liability Endorsement
- Raw Materials Valuation Endorsement

Construction

- Contractors' Equipment Increased Limit Endorsement
- Installation Floater Increased Limit Endorsement
- Employee Tools Increased Limit Endorsement
- Extended Completed Operations Endorsement
- Action Over Claims Coverage Endorsement
- Damage to Work Performed by Subcontractors Increased Limit Endorsement
- Contractual Liability Extension Endorsement
- Professional Services Limited Coverage Endorsement

Hospitality

- Liquor Stock Increased Limit Endorsement
- Guest Property Increased Limit Endorsement
- Food Spoilage Increased Limit Endorsement
- Special Events Coverage Endorsement
- Assault & Battery Increased Limit Endorsement
- Innkeepers Liability Increased Limit Endorsement
- Valet Parking Liability Endorsement
- Fine Arts Scheduled Coverage Endorsement

Real Estate

- Building Ordinance or Law Increased Limit Endorsement
- Water Damage/Backup of Sewers & Drains Increased Limit Endorsement
- Tenant Discrimination Coverage Endorsement
- Lead Paint Limited Liability Endorsement
- Mold/Fungi Limited Liability Endorsement
- Swimming Pool Liability Increased Limit Endorsement
- Security Operations Limited Coverage Endorsement
- Elevator Liability Increased Limit Endorsement

Professional Services

- Valuable Papers Increased Limit Endorsement
- Electronic Data Processing Increased Limit Endorsement
- Client Property Increased Limit Endorsement
- Employee Dishonesty Increased Limit Endorsement

- Personal & Advertising Injury Increased Limit Endorsement
- Electronic Data Liability Increased Limit Endorsement
- Limited Professional Liability Endorsement
- Client Contract Liability Endorsement

Healthcare

- Medical Equipment Valuation Endorsement
- Spoilage of Medical Supplies Increased Limit Endorsement
- Valuable Papers & Records Increased Limit Endorsement
- Electronic Data Processing Increased Limit Endorsement
- Patient Property Increased Limit Endorsement
- Limited Professional Liability Endorsement
- Medical Directors Limited Coverage Endorsement
- Medical Waste Disposal Increased Limit Endorsement

Technology

- Electronic Data & Media Increased Limit Endorsement
- Research & Development Property Increased Limit Endorsement
- Prototypes Increased Limit Endorsement
- Extra Expense Increased Limit Endorsement
- Electronic Data Liability Increased Limit Endorsement
- Limited Media & Information Content Liability Endorsement
- Limited Software Failure Coverage Endorsement
- Limited Third-Party Network Security Endorsement

Food Services

- Food Spoilage Increased Limit Endorsement
- Equipment Breakdown Enhanced Coverage Endorsement
- Liquor Stock Increased Limit Endorsement
- Off-Premises Power Failure Increased Limit Endorsement
- Food-Borne Illness Increased Limit Endorsement
- Assault & Battery Increased Limit Endorsement
- Valet Parking Liability Endorsement
- Delivery Operations Increased Limit Endorsement

7. EXCEPTIONS PROCESS

Exceptions to standard coverage limitations may be considered under the following circumstances:

1. **Risk Mitigation Measures:** Where the insured has implemented significant risk control measures that substantially reduce the exposure.
2. **Account Size and Profitability:** For large, profitable accounts where the overall premium adequately accounts for the additional exposure.
3. **Market Conditions:** Where competitive factors necessitate broader coverage to secure or retain business.
4. **Reinsurance Support:** Where facultative reinsurance can be obtained for the specific exposure.

Exception requests must be submitted using Form UW-EXC-02 and include: - Detailed justification for the exception - Specific coverage limitation requiring modification - Risk control measures implemented by the

insured - Facultative reinsurance availability, if applicable - Pricing adjustment to account for the additional exposure

Approval Authority for Coverage Limitation Exceptions: - Underwriting Manager: Standard endorsements within filing guidelines - Regional Underwriting Director: Non-standard endorsements within filing guidelines - VP of Underwriting: Coverage modifications requiring special filing - Chief Underwriting Officer: Coverage modifications requiring reinsurer approval

Note: All exceptions must be documented in the underwriting file with appropriate pricing adjustments and be reviewed at each renewal.

8. APPENDICES

Appendix A: Prohibited Products List

Appendix B: Standard Endorsement Forms by Business Class

Appendix C: State-Specific Requirements and Exceptions

Appendix D: Facultative Reinsurance Guidelines for Non-Standard Coverages

Appendix E: Special Coverage Requirements for High-Value Accounts

Appendix F: Industry-Specific Additional Insured Requirements

DOCUMENT CONTROL

Approved by: _____
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Revision History | Version | Date | Description of Changes | Approved By | |-----|-----|-----|-----|
---|-----| 1.0 | 02/15/2023 | Initial document | M. Roberts | | 1.5 | 08/30/2023 | Added state-specific limitations | R. Thompson | | 2.0 | 01/15/2024 | Major revision to all sections | R. Thompson | | 2.2 | 05/30/2024 | Updated construction and real estate guidelines | R. Thompson | | 2.3 | 09/15/2024 | Updated professional services and healthcare guidelines | R. Thompson | | 2.4 | 12/10/2024 | Updated technology and food services guidelines | R. Thompson |

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