

## Commercial Underwriting Guide by Class

### Habitational – Apartment – Dwellings Lessors Risk Only \*

DESCRIPTION	PROGRAMS AVAILABLE	ART BOP CODE	CURRENT CGL		P&C N,I,R	MISC.
			AAIS CODE	RATE BASIS		
Apartment Building	BOP/CGL	20-1	25500	U	I	This does not include 3 & 4 family dwgs. Rate separately: swimming pools, bathing beaches & indoor parking. REFER TO WRC if swimming pool or beach.
Dwellings -- Additional Charge for a two-to four-family Dwelling	BOP/CGL	10006	80010	FU	N	Rating based on Family Units in excess of one.
Dwellings -- Additional Charge for Incidental Office, Professional, Private School or Studio Occupancy	HBB/CGL	N/A	80015	E	N	
Dwellings -- Additional Charge for Lessor's Risk Exposure	BOP/CGL	10006	80020	FU	N	
Dwellings -- Basic Charge	BOP/CGL	10006	80005	E	N	
Dwellings -- Four Family -- (Lessor's Risk Only)	BOP/CGL	10006	25550	E	N	This incl dwgs owned by insds allowing empl or others to occupy them with or without signing a lease or paying rent. This does not apply to buildings that are designed or that are occupied as both a dwg & a business except where there is an incidental office, professional, private school or studio occupancy.
Dwellings -- One Family -- (Lessor's Risk Only)	BOP/CGL	20-1	25535	E	N	This incl dwgs or apts owned by insds allowing empl or others to occupy them with or without signing a lease or paying rent. This also incl time-share apt units for

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						the exclusive use of company executives or empl. This doesn't apply to bldgs that are designed or that are occupied as both a dwg & a business except where there is an incidental office, professional, private school, or studio occupancy.
Dwellings -- Three Family -- (Lessor's Risk Only)	BOP/CGL	10006	25545	E	N	This incl dwgs owned by insds allowing empl or others to occupy them with or without signing a lease r paying rent. This does not apply to bldgs that are designed or that are occupied as both a dwg & a business except where there is an incidental office, professional, private school, or studio occupancy.
Condominiums -- Residential -- Association Risk	REFER TO WRC	10101	27065	U	I	Attach GL160 Addtl. Insd.- Condominiums
<b>BOP Eligibility (rate group 29)</b>	<ul style="list-style-type: none"> <li>-no more than 6 stories</li> <li>-no more than 60 units</li> <li>-may include office, and/or eligible retail, wholesale, service or processing if they occupy less than 25,000 total sq ft</li> <li>-Refer to company = Condo Assoc BP0338, Unit owners improvements excluded BP0317 &amp; BP0338, Improvements made after bldg completion excluded add BP0318 &amp; BP0338 (page Rules-11)</li> <li>-Condo unit owners BP0350 (page Rules-11)</li> </ul>					
<b>Home Based Business Eligibility</b>	<ul style="list-style-type: none"> <li>-HBB must be owned/operated by one or more persons who are insured's for both property &amp; liability under the HO 0908 or FO</li> <li>-Bed &amp; Breakfast risks must be owned <u>and</u> operated by one or more persons who are insureds. No more than 6 rooms may be rented to or held for rental to overnight guests</li> <li>-The business use of the premises must be incidental to its use as a residence.</li> <li>-Gross annual receipts must not exceed \$250,000</li> <li>-The insured must not conduct business ops at a different permanent location with the same legal name as the HBB</li> <li>-The number of employees must not exceed 3. this includes family members who are volunteer workers for the HBB</li> <li>-Refer to company - risks with more than a single business conducted on premises</li> </ul>					
<b>CGL Eligibility</b>	<ul style="list-style-type: none"> <li>-Gross annual receipts must not exceed \$1,000,000</li> <li>-The number of employees must be less than 15</li> </ul>					

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-No more than \$500,000 payroll

\*Also refer to the *Commercial Risks – Deciding Which Risks to Quote* page for additional underwriting considerations.

## Hazard Grade by line of business:

GL premises <b>8</b>	GL products <b>NA</b>	Fire & EC <b>7</b>	BI <b>3</b>
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## Description of operations:

Habitational risks are those locations that are leased to others for use as private residences. They may be referred to as apartments, dwellings or condominiums. If there are other occupancies in addition to the private residences, rate as shown above. Each unit will have their own cooking and bathroom facilities. The lease may stipulate the terms and may be offered on a month, year, or no-lease basis. Some landlords or property owners may manage the property themselves, hire property managers, or have on-site managers. Owners or managers are responsible for the financial operations such as paying mortgages, taxes, payroll, utility bills and insurance. The additional administrative duties of owners/managers may consist of arranging janitorial, groundskeeping, trash and snow removal, security services, negotiating contracts with tenants, setting rates, and collecting rent. Insured's must be familiar with landlord/tenant laws, evictions, nonpayment, harassment, reduction of pre-arranged services and public nuisance. It is essential that property managers be current with municipal and federal fair housing laws and practices.

## Property Underwriting Considerations:

- Onsite ignition sources may consist of smoking, overheated machinery/equipment, malfunctioning appliances and faulty wiring. They may also have gasoline, cleaning agents, herbicides, pesticides, fertilizers and various painting supplies for those that store landscape and building maintenance items on premises. What are the age, type, condition and construction of the premises? Who is responsible for maintenance of machinery and equipment? What are their qualifications? How often is machinery inspected? What maintenance items are kept at the location and how are they stored?
- What is the age of the building and its wiring, HVAC, plumbing and roof?
- Is smoking permitted?
- Are there rules regarding barbecue grills, hibachis and various other items on balconies?
- Gas, paint and other chemicals should be kept in a separate fire division away from equipment. Are all fuel and other flammable liquids stored in compliance with NFPA 30 standards?  
<http://www.nfpa.org/codes-and-standards/all-codes-and-standards/list-of-codes-and-standards>

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[standards?mode=code&code=30](#) proper disposal of all rags used to clean up combustible liquids should be disposed of in metal, fire resistant containers until they can be removed.

- Does the insured rent out storage and/or garage space to tenants? What goods are stored? Does the insured know what is stored and how it may increase the fire load? Are tenants advised not to stack items so high that they come in contact with overhead fixtures or block sprinkler systems?
- Does the insured participate in any pre-fire planning? Residents/tenants should be aware of all emergency procedures in the event of a fire.
- Arson and vandalism are possibilities. Adequate lighting is recommended. Interior lights should be checked regularly to make sure they work and don't have burnt out bulbs. Exterior lights should be installed along the exterior premises that are on a timer that go on automatically at night. Does the insured have a resident manager on premises at all times? Does the insured regularly inspect the property? Do they have 'no trespassing' signs posted?
- What is the insured's financial situation? How long have they been in business? Deteriorating conditions, unrepaired fire damage, frequent changes in ownership may all be signs of a moral hazard.
- What is the municipal code in regard to fire alarms, sprinkler systems, etc. and do the insured's properties follow those regulations?

## General Liability Underwriting Considerations:

- Are there playgrounds, swimming pools, or laundry rooms on premises? Slips, trips, and falls may occur. For risks with playgrounds, are parents asked to sign a hold-harmless agreement? Are notices informing parents that there is no supervision posted? What is the surface material that is used to cover the ground beneath the equipment composed of? How often is it inspected and replaced? What condition is the equipment in? A loss control inspection is an important measure. There should be no protruding bolts, splintered wood, worn parts, sharp edges, exposed tubing ends or moving parts on any playground equipment.
- Refer all Swimming Pools. Do swimming pools have non-slip surfaces? Are water depths clearly marked in feet? Have 'no diving' signs been posted? Any outdoor swimming pools should be fenced with lockable gates.
- If laundry rooms are left unattended, the insured should post emergency telephone numbers inside the premises and on the door and window(s) where it can be seen by tenants and residents. Washers and dryers should also be posted with such statements as 'warning, use washers and dryers at your own risk' in combination with a hold-harmless statement about theft and clothing damage.
- Are pets allowed? Are there breed restrictions? Does the insured require that dogs be restrained or kept indoors? Does the insured have a statement written into the lease that remind tenants about the hazards of dog bites? Insured's that do not allow pets on premises should have signs stating 'no pets allowed'

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- Does the insured require tenants to carry renters insurance?
- A signed lease contract should be kept on file for each tenant.
- What are the insured's procedures in regard to items left when the tenants vacate the property?
- Does the insured have any mold-related standards for inspecting all of its property sites? With mold-related damages, the insured may face claims of negligence. The insured should inform tenants to alert the maintenance office whenever there are signs of water leaks anywhere on the property.
- What is the condition of parking lots and sidewalks? What is the condition of stairways, and floor coverings? all sites should be kept clean and free of clutter. Handrails should be required on all steps and should be sturdy. What procedures does the insured have in place to ensure that the property is in good condition?
- How are tenant's garbage and debris stored and removed? Are there dumpsters? How often are they emptied?
- Are there maintenance equipment such as lawnmowers, edgers, saws, tree pruning equipment, etc. kept on premises? How are they stored? It is recommended that they are stored in a locked shed or garage and disconnected from their power source when not in use.
- Is there a common area where tenants and guests gather? Is it free from trip, slip, fall hazards and kept clean?
- What is the level of security? Properties should be well lit at night. Areas such as enclosed parking, storage areas and dumpsters should be lit during the day as well.
- Does the insured sublease any part of the property to another business operation? If so, the insured should sign a hold-harmless agreement with the business. Proof of the tenants coverage should be kept on file.
- What condition are the sidewalks, walkways, driveways, parking lots and entrances/exits? They should be well lit, free of debris and in good condition. Potholes and cracks should be promptly repaired.
- Have arrangements been made for snow/ice removal?
- Does the insured own other property sites under the same name? If so, be sure that the proper limitation or exclusionary forms are listed.
- What is the insured's financial condition? Are funds sufficient for maintenance?