



Commercial Excess and Umbrella Product

Our Commercial Excess and Umbrella product is designed to protect an insured from catastrophic loss offering limits up to \$5,000,000.

Product Features

- ▶ Available over USLI primary general liability policies or any primary carrier rated B++ or better by A.M. Best
- ▶ Ability to write over commercial auto coverage
- ▶ Ability to write over employer's liability coverage
- ▶ Limits up to \$5,000,000 available
- ▶ Attachment points of \$500,000 for Excess coverage and \$1,000,000 for Umbrella
- ▶ Unsolicited Excess or Umbrella terms are attached to most primary quotes

Why Sell Commercial Excess?

- ▶ Demonstrate a high level of professionalism by addressing potential coverage gaps
- ▶ Protect your errors and omissions
- ▶ Increase your bottom line

Additional Advantages:

- ▶ Competitive minimum premiums:
 - Commercial Excess starting at \$400
 - Commercial Umbrella starting at \$500
- ▶ Admitted in 37 states
- ▶ No self-insured retention
- ▶ A.M. Best rated A++ carrier
- ▶ Quick quote and binder turnaround
- ▶ Policyholders have access to many services through our Business Resource Center that will assist in growing and protecting their businesses





Commercial Umbrella Product

WHY YOU NEED TO PURCHASE OUR COMMERCIAL UMBRELLA PRODUCT

- ▶ Issues are constantly emerging that will create a greater need for protection:
 - Social inflation
 - Scientific advancements
 - Court decisions
 - New links to causes of bodily injury and/or property damage
- ▶ The average jury award for general liability premises operations has risen 10.5% each year since 1994
- ▶ The average jury award for automobile liability has risen 27% each year since 1994
- ▶ The average claim takes seven years to go through investigation, discovery, trial and jury decision
- ▶ A \$250,000 loss today will be worth \$1.2 million in seven years. A \$1 million primary policy will not be sufficient.

The following important features distinguish our products:

COVERAGE FEATURES	OUR GROUP	COMPETITORS' POLICY
A policy that combines follow-form coverage as well as umbrella coverage	✓	?
Follow-form insured status when named insured(s) match underlying	✓	?
Follow-form aggregates – take advantage of combined single limits on the primary	✓	?
Follow-form defense cost trigger	✓	?
No self-insured retention	✓	?
Expanded definition of bodily injury to include sickness or disease caused by mental anguish or emotional distress	✓	?
Ability to include coverage for automobile liability, employer's liability and professional liability	✓	?
Access to all services available via our Business Resource Center	✓	?



Commercial Umbrella and Excess Liability Products

Larger Claims for Small Businesses

In today's legal climate, businesses face exposures that can quickly exceed a \$1,000,000 primary general liability limit. In many cases, for a minimum premium as low as \$400, we can provide you with the peace of mind afforded by excess liability limits.

- ▶ **Fast Food Restaurant:** The Illinois Supreme Court ruled a fast food restaurant can be held liable for the death of a customer who was eating in the restaurant when a car crashed through a wall and plowed into his table (Marshall v. Burger King).
- ▶ **Contractor:** A three-person flooring company was hired by a general contractor for a condo conversion project. The general contractor did not like the way the floor was laid and asked the artisan to refinish the floor. When the subcontractor completed work for the day, they cleaned up and left the scraps, tools and finishes in the unit. That night there was a fire. It was alleged that the proximate cause of the fire was spontaneous combustion of the sealant left behind by the subcontractor, resulting in a settlement of \$3,500,000+.
- ▶ **Retail Store:** A variety store sold a small propane grill to a customer. The propane tank exploded, burning eight people, some severely. Even though evidence indicated that the customer used the stove in an inappropriate manner by placing a pot that was too large on the burner, the store was held liable for products coverage. The case was settled for \$3,900,000+.
- ▶ **Habitational:** A tenant of an eight-unit apartment building started a fire in his kitchen while cooking. The fire spread to the next unit trapping a child who eventually died from the burns. It was determined that the apartment owner was liable because the smoke detectors were not functioning as the batteries had been removed from the devices. The case resulted in a settlement of \$5,000,000+.
- ▶ **Child Care:** A three-year-old child suffered heat stroke and extensive brain damage after being left in a hot vehicle by employees of a child care center. Within a few months of the incident, the child's medical expenses had already exceeded \$1,000,000 and will cost millions of dollars more in the future, far exceeding the limits provided by the child care's primary policy.
- ▶ **Restaurant:** A mezzanine collapsed during a Christmas party causing injury to multiple attendees. The case resulted in a settlement of \$2,897,000.



The Importance of Commercial Excess and Umbrella Insurance

Why is coverage necessary?

- ▶ Protect your business from a catastrophic loss
- ▶ The following issues are emerging and will create a greater need for protection:
 - Social inflation
 - Scientific advancements
 - Court decisions
 - New links to causes of bodily injury and/or property damage
- ▶ The average jury award for general liability premises operations has risen by 10.5 percent each year since 1994
- ▶ The average jury award for automobile liability has risen by 27 percent each year since 1994
- ▶ The average claim takes seven years to go through investigation, discovery, trial and jury decision
- ▶ A \$250,000 loss today will be worth \$1.2 million in seven years; a \$1 million primary policy will not be sufficient

What coverages are we offering?

- ▶ No self-insured retention
- ▶ Follow-form defense cost trigger
- ▶ Ability to include coverage for automobile liability, employer’s liability and professional liability
- ▶ Access to all services available via our Business Resource Center

If you have chosen not to purchase excess liability coverage, please read and sign below.

1. We acknowledge that our agent has fully explained the potential excess liability risks associated with the operation of our company/organization.
2. We understand that we have the option of purchasing excess liability insurance that can protect our company/organization against the potential for significant monetary loss, including cost of defense. We further acknowledge that our agent has recommended that we purchase coverage and has provided us with one or more quotes.
3. We understand that by choosing not to purchase such insurance, we are foregoing valuable protection which means our company/organization will be responsible for paying the cost of defending and settling any and all excess liability claim(s) made against us.

**Some restrictions or conditions may apply.*

Name		
Title		
Signature		Date



CARRIER:

Commercial Umbrella / Excess Liability Product Warranty Application

Name insured: _____

Mailing address: _____ Web site address: _____

City: _____ State: _____ Zip: _____

E-mail address: _____

Form of business: Individual Corporation Partnership LLC Other _____

Years in business: _____

Location(s) of operations: _____

Description of operations: _____

Annual gross receipts: \$ _____ Annual payroll: \$ _____

I. GENERAL INFORMATION

Limit requested: \$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000 \$5,000,000

If the higher limits are the requirement of a contract or project, please provide complete details of duties the applicant will perform, the duration, and the total cost: _____

Previous carrier: _____ Policy number: _____ Premium: \$ _____ Effective dates: _____

Describe any losses greater than \$10,000 in the past three years for the primary coverages this policy will cover over? None

Year	Incurred Amount	Description of Loss
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

II. SCHEDULE OF UNDERLYING

Type of Insurance	Underlying Carrier	Policy #	Eff. Dates	Limits of Liability	Premium
<input type="checkbox"/> General Liability <input type="checkbox"/> ISO Form <input type="checkbox"/> Manuscript form	A.M. Best Rating _____			General Aggregate \$ Products Aggregate \$ Personal & Advertising Injury \$ Occurrence \$ Damage to Premises Rented \$ Medical Payments \$	\$
<input type="checkbox"/> Auto Liability	A.M. Best Rating _____			<input type="checkbox"/> C.S.L. \$ <input type="checkbox"/> Split Limits \$ /\$ /\$	\$
<input type="checkbox"/> Employers Liability	A.M. Best Rating _____			Bod. Inj. by Accident (ea. accident) \$ Bod. Inj. by Disease (policy limit) \$ Bod. Inj. by Disease (ea. employee) \$	\$
<input type="checkbox"/> Professional Liability <input type="checkbox"/> Occurrence Form <input type="checkbox"/> Claims-Made Form	A.M. Best Rating _____			Occurrence \$ Aggregate \$	\$

If the account is not concurrent with underlying coverages or is being marketed mid-term, please provide details: _____

III. GENERAL LIABILITY (GL) INFORMATION

Please provide the Classification(s) on the Underlying GL policy or attach GL application

Attach our completed Contractors Supplemental Application (CSA) for artisan and general contractor accounts

Habitational Information

Not Applicable

Class Code	Classification	Underlying Premium
		\$
		\$
		\$
		\$
		\$

1. Number of units: _____ Number of stories: _____
2. Any aluminum wiring? Yes No
3. Is all wiring connected to circuit breakers? Yes No
4. Are all units and common areas equipped with smoke detectors and fire extinguishers? Yes No
5. If three or more stories, does the building have a fire escape or fire tower? N/A Yes No
6. If seven or more stories, is the building 100% sprinklered? N/A Yes No
7. Percentage of student renters? _____ %
8. Percentage of residents over 55 years old? _____ %

Swimming Pool Information

Not Applicable

1. Number of pools: _____
2. Any diving boards or slides? Yes No
3. Are the rules clearly posted? Yes No
4. Are the depths clearly marked? Yes No
5. Is there a self-closing/locking mechanism to the entrance to the pool area? Yes No
6. Is life-saving equipment within the pool area? Yes No

Bars/Tavern/Restaurant Information

Not Applicable

1. Total receipts \$ _____
2. Food Receipts \$ _____
3. Alcohol Receipts \$ _____
4. Other \$ _____
If "Other", describe source: _____
5. Is there entertainment? Yes No
If "Yes", how often? 1-2 times per week 3 or more times per week
 0-12 times per year 13-51 times per year
 Banquets only
6. Is the electrical system connected to circuit breakers? Yes No
7. Does the electrical system have aluminum wiring or knob and tube wiring? Yes No
8. Does the applicant have or sponsor any "teen" or "under 21" nights, or permit patrons under the age of 21 in a bar area after 10 p.m.? Yes No
9. Any firearms kept or permitted on premises or are off-duty police officers or armed guards employed? Yes No
10. Is a secondary means of egress provided for each floor (including basement) having public access? Yes No
11. Are there smoke or heat detectors used in all public areas and, if building owner, all habitational units? Yes No
12. Is there a swimming pool or beach on premises that applicant is responsible for? Yes No
13. Does applicant have any of the following exposures: mechanical rides, moon bounces, trampolines, rock walls, pyrotechnics or foam machines? Yes No
14. If there is another occupancy in the building, are all deep fat frying appliances protected per NFPA 96 (Automatic Fire Extinguishing System)? Yes No
16. What is the average age of clientele? Under 21 21-25 Over 25

IV. AUTO LIABILITY INFORMATION Not Applicable

- 1. Is hired and non-owned auto provided by the underlying? Yes No
- 2. Are any drivers under 21 years of age? Yes No
- 3. Does any vehicle travel an average daily radius greater than 200 miles? Yes No
- 4. Does risk own any heavy trucks, extra heavy trucks or truck tractors, livery units or tow trucks? Yes No

Number	Type A Units
	Private Passenger
	Light Trucks (up to 10,000 GVW)
	Medium Trucks (10,001 - 20,000)

- 5. Are any vehicles authorized to transport any of the following:
 - Any corrosive, explosive, flammable (i.e. fuel), or radioactive materials? Yes No
 - Any type of refuse, waste or trash (including recyclables)? Yes No
 - Any livestock? Yes No
- 6. Are motor vehicle records reviewed for acceptability at least once every three years? Yes No
- 7. For any driver over the age of 69, is a Statement of Fitness required to be signed by a physician? Yes No

FRAUD STATEMENTS

Alabama, Arkansas, District of Columbia, New Mexico, Rhode Island and West Virginia: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado Fraud Statement: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

Florida Fraud Statement: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kansas Fraud Statement: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Maine Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits

Maryland Fraud Statement: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey Fraud Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Oklahoma Fraud Statement: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Oregon Fraud Statement: Notice to Oregon applicants: Any person who, with intent to defraud or knowing that he is facilitation a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Kentucky, Pennsylvania AND Ohio Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Tennessee, Virginia and Washington Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Fraud Statement (All Other States): Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

STATE NOTICES

Arizona Notice: Misrepresentations, omissions, concealment of facts and incorrect statements shall prevent recovery under the policy only if the misrepresentations, omissions, concealment of facts or incorrect statements are; fraudulent or material either to the acceptance of the risk, or to the hazard assumed by the insurer or the insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.

Florida Surplus Lines Notice: (Applies only if policy is non-admitted) You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Florida and Illinois Punitive Damage Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy

provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

Maine Notice: The insurer is not permitted to withdraw any binder once issued, but a prospective notice of cancellation may be sent and coverage denied for fraud or material misrepresentation in obtaining coverage. A policy may not be unilaterally rescinded or voided.

Minnesota Notice: Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days' notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

Ohio Representation Statement: By acceptance of this policy, the Insured agrees the statements in the application (new or renewal) submitted to the company are true and correct. It is understood and agreed that, to the extent permitted by law, the Company reserves the right to rescind this policy, or any coverage provided herein, for material misrepresentations made by the Insured. It is understood and agreed that the statements made in the insurance applications are incorporated into, and shall form part of, this policy. **THE INSURED UNDERSTANDS AND AGREES THAT ANY MATERIAL MISREPRESENTATION OR OMISSION ON THIS APPLICATION WILL ACT TO RENDER ANY CONTRACT OF INSURANCE NULL AND WITHOUT EFFECT OR PROVIDE THE COMPANY THE RIGHT TO RESCIND IT.**

Utah Punitive Damages Notice: I understand that Punitive Damages are not insurable in the state of Utah. There will be no coverage afforded for Punitive Damages for any Claim brought in the State of Utah. Any coverage for Punitive Damages will only apply if a Claim is filed in a state which allows punitive or exemplary damages to be insurable. This may apply if a Claim is brought in another state by a subsidiary or additional location(s) of the Named Insured, outside the state of Utah, for which coverage is sought under the same policy.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: _____ License #: _____

Agent's signature: _____ Main agency phone number: _____
(Required in New Hampshire)

Agency mailing address: _____

City: _____ State: _____ Zip: _____

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

Applicant's signature: _____ Title: _____
President, Chairperson of the Board, Managing Member, or Executive Director

Date: _____