# GENERAL INFORMATION

## Table of Contents

AUDITS............................................................................................................................................................ 3
  SELF AUDITS .................................................................................................................................................. 3
  PHYSICAL AUDITS................................................................................................................................. 3
  UNCOLLECTIBLE AUDIT PROCEDURE ................................................................................................. 4
  DISPUTED AUDITS .................................................................................................................................... 4
  PROCEDURE FOR POLICIES CANCELLED MID-TERM ......................................................................... 5

AGENCY AUDITS........................................................................................................................................... 5

BROKER OF RECORD LETTERS.................................................................................................................. 5

CANCELLATIONS AND NONRENEWALS .................................................................................................. 6

CERTIFICATES .................................................................................................................................................. 7

CLAIMS............................................................................................................................................................ 7
  REPORTING OF CLAIMS ........................................................................................................................... 7
  SUMMONS AND COMPLAINTS HANDLING ......................................................................................... 8
  ASSIGNMENT OF CLAIMS ....................................................................................................................... 8

ENDORSEMENTS PROCEDURE .................................................................................................................. 9

INSPECTIONS .................................................................................................................................................. 10

MISCELLANEOUS .......................................................................................................................................... 14

NAMED INSUREDS .................................................................................................................................... 14

PAYMENT OF PREMIUMS – GENERAL AGENT .................................................................................... 15

POLICY ISSUANCE ....................................................................................................................................... 15

POLICY NUMBERS/REGISTER .................................................................................................................. 17

PREMIUM FINANCE POLICIES .................................................................................................................. 17
  PREMIUM FINANCE CANCELLATION/REINSTATEMENT ................................................................... 19

QUOTATIONS BY THE COMPANY ......................................................................................................... 19

RATES AND FORMS .................................................................................................................................... 20

SURPLUS LINES LAWS AND LICENSING ............................................................................................... 21

PROPERTY SECTION .................................................................................................................................. 21

  GENERAL INFORMATION ....................................................................................................................... 21
  COVERAGES ................................................................................................................................................. 21
  CLASSIFICATION AUTHORITY TABLE ................................................................................................. 22
  EUM PROGRAM RATES – WORKSHEETS ......................................................................................... 22
  ADMITTED AND NON-ADMITTED STATES ........................................................................................ 22
  COINSURANCE ........................................................................................................................................... 23
  DEDUCTIBLES ........................................................................................................................................... 23
  LIMITS .......................................................................................................................................................... 23
  PACKAGE .................................................................................................................................................... 23
  FORMS – MANDATORY ........................................................................................................................... 23
  GENERAL LIABILITY ............................................................................................................................... 25
  GENERAL INFORMATION ....................................................................................................................... 25
GENERAL INFORMATION

This EUM Programs Guide outlines your authority to quote, bind and issue policies on behalf of the Century Insurance Group for the classes shown in this program. Any risk, class, or coverage not shown in this program must be submitted to us for approval prior to quoting or binding. Also included in this guide is general information as to how we work with you, our General Agents.

General information is found in this section while specific underwriting information is contained in the more specific sections of this guide.

AUDITS

We are responsible for ordering all physical and self (voluntary) audits. No audit will be requested on policies with premium less than $1,500 unless it is determined that the policy should be audited.

SELF AUDITS

1) Self Audits are completed on policies with GL premium between $1,500 and $5,000. The self audit forms are sent to the insured directly. A copy is sent to your office.

2) Completed Self Audits are to be returned by the insured to Attention: Audit Department, Century Insurance Group, PO Box 163340, Columbus, Ohio 43216-3340. If you happen to receive the completed Self Audit, simply mail, fax (614-823-6376) or email to audits@centurysurety.com.

3) We will process the Self Audit and issue the appropriate audit endorsement. The audit endorsement and worksheets will be sent to you to forward to the retailer and insured.

4) If the insured is uncooperative, you will be notified by our office.

PHYSICAL AUDITS

1) Physical Audits are completed on policies with GL premium over $5,000.
2) We will order the physical audit from our office. We will also process and issue the necessary premium audit endorsement after we receive the Physical Audit worksheets. The audit endorsement and worksheets will be sent to you to forward to the retailer and insured.

**UNCOLLECTIBLE AUDIT PROCEDURE**

If we have not received payment of an additional premium audit endorsement within 60 days of issuing the audit, we will fax your office requesting payment within 10 days.

If we do not receive a response or repayment from you within 10 days, one of the following will happen.

1. If coverage has been renewed, the Audit Department will notify the Century Underwriter that the additional premium audit has not been paid. The Underwriter may request the current policy to be endorsed with the exposures picked up on the audit. If this endorsement is not paid, DNOC will be sent out on the current policy term. The Underwriter may choose not to endorse the current term, but instead, set the current term policy up for non-renewal.

2. If coverage has not been renewed, we turn the audit over to our Recovery Department for direct collection. Once we take over an audit for direct collection, no commission is payable on the audit. If you are subsequently able, (through your efforts), to collect the audit premium, commission is then payable at 50% of the original commission rate on the policy. Century Insurance Group reserves the right to determine if successful collection was “through your efforts”.

**DISPUTED AUDITS**

Disputed audits may not be referred to the company for direct collection. A letter from the insured explaining the dispute, along with proper documentation to explain their position should be sent to the Audit Department for review. The Audit Department will review with Underwriting, if necessary. If a re-audit is required we will do so. If such a re-audit is a caused by an insured’s error in the original audit, we will require that the insured pay Century Insurance Group for the expense of the audit. Any premium due as a result of a revised audit is due within 45 days from the billing date.
PROCEDURE FOR POLICIES CANCELLED MID-TERM

If premium financed, issue a cancellation endorsement reflecting cancellation calculation and stating “Not subject to audit due to premium financing”.

If not premium financed, issue a cancellation endorsement without any premium transaction and show on the endorsement “return premium to be determined upon completion of audit”.

AGENCY AUDITS

It is our intention to audit your copies of Century Insurance Group underwriting files. This can be done by either a periodic visit to your agency or by our auditing your policies in-house. These audits will assist us in evaluating your agency as well as evaluating the relationship between your agency and Century Insurance Group.

BROKER OF RECORD LETTERS

If Century Insurance Group receives more than one request to quote a renewal or issue a policy for the same Named Insured, we will advise all parties of this conflict and request a Broker of Record Letter prior to fulfilling the request.

There are two types of Broker of Record letters we will accept. They are:

1. Insured’s letter (on his/her letterhead) as follows:
   a. Lists all Century Insurance Group policies by number and shows expiration dates.
   b. Letter is dated and states that letter applies to the renewal of the referenced policy(ies).
   c. Lists the retail broker and the new general agent.
   d. Letter is addressed to issuing carrier (can be in care of the new General Agent).
e. We (Century Insurance Group) receive it at least seven (7) working days prior to renewal date (so we can notify the incumbent General Agent of the change).

2. Incumbent retail producer’s letter (on his/her letterhead) as follows:

   a. Lists all Century Insurance Group policies by number and shows expiration date(s).

   b. Letter is dated and states that letter applies to the renewal of the referenced policy(ies).

   c. Confirms that he/she is the current broker writing this particular policy(ies) through (name of current General Agent) and now wishes to place the renewal through (name of new General Agent).

   d. Letter is addressed to issuing carrier (can be in care of the new General Agent).

   e. We receive it at least seven (7) working days prior to renewal date (so we can notify incumbent General Agent of the change).

B. We will not normally accept a mid-term broker of record letter. If you have an unusual situation that justifies such a change, then submit full details to us and we will review and advise you.

CANCELLATIONS AND NONRENEWALS

It is sometimes necessary to cancel or non-renew a policy for a variety of reasons. The General Agent is responsible for issuance of any appropriate notice of cancellation and/or nonrenewal required by the state statute that applies to any policy issued by the General Agent. A copy of this notice should be sent to the company to be included in the policy underwriting file.

Once a policy cancellation notification period runs out and the cancellation is actually effective, we do not reinstate the policy. We will re-write with a lapse, and even provide a short term policy. If you have an exceptional circumstance in which you believe a full reinstatement is warranted, please refer it to your Century Insurance Group Underwriter or Underwriting Assistant.
CERTIFICATES

While we prefer that our General Agents issue certificates of insurance, we are not opposed to allowing you to delegate this responsibility to your sub-producers under the following conditions:

Only Acord Certificates are used.

No terms or conditions of the policy are changed by your sub-producers. That means no additional insured, waiver of subrogation, mandatory NOC, changes in coverages, limits or policy period, etc.

All such certificates must be sent to you and reviewed by the appropriate person in your office. If you receive a certificate not issued in accordance with these instructions, you must send, in writing, instructions to your sub-producer outlining the proper procedures to follow and advising them to reissue the certificate correctly and send a copy to you.

All changes to policy terms and conditions, including, but not limited to additional insureds, waiver of subrogation, mandatory NOC, etc., must be endorsed to the policy with a copy sent to us.

The General Agent (you) will be fully responsible and will indemnify Century Insurance Group for any and all errors and/or omissions contained within any Certificate and for your sub-producers’ failure to issue any Certificate in full accordance with the guidelines herein.

Eastern Region and Western Region Brokers are not required to forward copies of certificates to their regional offices.

If you need to issue a certificate other than an ACORD, then you must submit it for our approval.

CLAIMS

REPORTING OF CLAIMS

Please report all accidents or events that are likely to give rise to a claim to us immediately. Claims should be reported to the Century Insurance Group Home Office in Columbus, Ohio. Here are three methods for reporting claims to us.
If the claim notice only contains loss accord information with no attachments, the best avenue is to report it via the Internet. Our web address is www.centurysurety.com and then follow the “Report A Claim” tab and its ensuing directions.

If the loss notice does contain additional information such as limited attachments, then it is advisable to use the fax reporting at: Eastern - 614-895-7040, Western – 602-371-0113.

If the loss notice and attachments are longer than approximately 20 pages, it is advisable to “Overnight” the entire package to our claims department.

Only in rare instances should claims be reported via the telephone, and then only if that reporting is followed up in a written format, noting that the claim was already reported and on what date.

**SUMMONS AND COMPLAINTS HANDLING**

Initially, an attempt should be made to determine “who” was served, “when” they were served, and “how” the lawsuit was delivered. However, do NOT hold up the transmittal of a lawsuit because of a lack of this information. If this information cannot be obtained the same day you receive the lawsuit, then please go ahead and forward the lawsuit to us immediately! If the lawsuit is approximately 20 pages or less, please fax it to us at 614-895-7040. If it is significantly longer, then overnight it to us. You can then supplement the information on “who”, “when”, and “how” to us later.

It would also be suggested that a representative of your office follow the fax or overnighting of the lawsuit, with a phone call to our claims department at 1-800-878-7389. This will ensure that we have received it and help us avoid any potential problems in protecting the insured’s interests.

When sending a lawsuit to us, please be sure to advise in addition, when it was received in your office. Do NOT send these by regular mail, unless it is just a photocopy of what you have already faxed or overnighted.

Time is of the essence when forwarding lawsuits!

**ASSIGNMENT OF CLAIMS**

The Claims Department at Century Insurance Group makes all assignments to independent adjusters and defense attorneys as we feel we have the best overall information to consider in making this decision.
There may, however, be limited emergency situations (i.e. claims on weekends or after business hours when delay in assignment to an adjuster could increase the overall loss) wherein you may deem it advisable to make the initial assignment. In such cases, please try to choose an adjusting firm that you have had prior experience with so as to preclude any surprises.

In addition, on the next business day, please be sure to follow up with our company by providing us with an appropriate loss notice and the name, address, phone and fax numbers of any outside firm you have involved in the loss. However, if at all possible, please ask the insured to assist in making temporary repairs to mitigate their loss, as they are usually the ones with the best information about their property and products.

Claims opening and closing notices are provided to the general agent. If you need to check on the status of a claim, please direct your inquiries to the assigned claims examiner which will be noted on the opening notice. Our general number is 1-800-878-7389 or 614-895-2000.

All claims checks are issued by the Century Insurance Group and this authority is not delegated to any agent.

**ENDORSEMENTS PROCEDURE**

Here is the procedure for changes that are done during the course of the policy.

1) Rate the new coverage/change, etc. in accordance with the rates in effect the date of the change.

2) Obtain the pro-rate factor – apply it to rates.

3) Type the change on the General Purpose Endorsement form IL1201. This should include base rate used, exposure bases, any new forms that would apply to new coverage, pro-rate factor, additional or return premium, endorsement number. If a protective safeguard applies (form IL 0415 or CP 1211), this must be completed & attached to the endorsement.

4) Send the General Purpose Endorsement to your Century Insurance Group office. This packet should contain the following:

   a) Copy of the endorsement.

   b) Rating worksheets showing how rates were obtained.

   c) A copy of insured’s change request.
d) If a property change, it should include all underwriting information such as construction, protection class, etc.

e) If a General Liability change, it should include premium bases.

f) It should also have a complete address for the new exposure.

g) The information should be documented explaining any action you plan to take because of the endorsement. This would include but is not limited to an inspection you are ordering or the reason you are not ordering an inspection. Additional information you are asking for to document the file.

**INSPECTIONS**

**Company Requirements:**

**Monoline Property Policy Requirements**

An inspection is required for all new business written on a monoline property policy. On a monoline Property Renewal Policy, an inspection is required every other year unless there was a substantial change in exposure or a new location was added during the policy term.

**New Business Example:**

New Business-Premium developed $750. – Inspection is required.

**Renewal Business Example:**

2006 – New Business – Premium developed $750. Inspection required.

2007 – Renewal – No change in exposure – No inspection is required.

2008 – Renewal – Inspection is required this term.

**Increase in exposure example:**

2006 – New Business – Inspection is required. During the policy term, the insured doubled the value of his building and added a new location.

2007– Renewal – An inspection is required since the exposure has substantially increased during prior term..
2008 – Renewal – No change in exposure – No inspection required.

2009 – Renewal – Inspection is required this term.

**Monoline GL Policy Requirements**

An inspection is required for all new monocline General Liability policies that develop a premium of $1,000 or more. On a monocline General Liability renewal policy, an inspection is required every other year unless there was a substantial increase in exposure during the policy term.

**New Business Example:**

New Business – Premium developed $2,000 – Inspection is required.

New Business – Premium developed $750 – No inspection is required as policy did not reach $1,000 threshold.

**Renewal Business Example:**

2006 - New business - Premium $4,000. Inspection is ordered.

2007 - Renewal – No change in exposure – No inspection is required.

2008 - Renewal – Inspection is required this term.

**Increase in exposure example:**

2006 - New business - Premium $8,000. Inspection is ordered. During this policy term the insured purchased a new location.

2007 - Renewal – Because of the increase in hazard Inspection is required.

2008 – Renewal - No change in exposure – Inspection is not required.

2009 – Renewal – Inspection is required.

**Package Policy Requirements**

An inspection is required on all new Package Policy business. On renewals for package policies, an inspection is required every other year unless there was a substantial increase in exposure during the policy term.
**New Business Package Policy Example:**

2006 – GL premium $750. Property premium $2,000 - Total Policy Premium $2,750. An inspection is required.

** Renewal Business Package Policy Example:**

2007 - Renewal – no change in exposure – No inspection is required.

2008 – Renewal – Inspection is required.

**Increase in exposure example:**

2006 – New Package Policy – Inspection required. During the policy term, insured bought started a new operation at a new location.

2007 – Renewal – Inspection is required since there was an increase in exposure in prior policy term.

2008 – Renewal – No change in exposure – No inspection needed.

2009 – Renewal – Inspection required.

**General Inspection Information**

Inspections can be ordered from any inspection firm which you use; but, keep in mind that there are several considerations in using any inspection service:

- **a.** Timeliness of service.
- **b.** Quality of inspection.
- **c.** Cost of inspection.
- **d.** Geographical area serviced.

Inspections, except in remote areas, should be completed within approximately four (4) weeks.

Inspections should cover all of the normal underwriting points (this can usually be done with a check list type inspection plus a half page to a full page narrative in addition to the check list). Any unusual points that need to be covered or any points that need some specific attention, should be shown in the order form to the inspection service.
In Non-Admitted States where you can charge inspection fees (or other type fees) to pay for the cost of inspection (including charging the actual cost of each inspection) the responsibility for paying for inspection reports is solely the general agent

Century Insurance Group pays for inspections in Admitted States where you cannot charge a fee or where you are limited in the amount of fee you can charge and that limitation prevents you from obtaining sufficient fee to pay for inspections. At the close of each month, send a list of all such inspections showing named insured, policy number, type of inspections and cost with a total of the reimbursable costs at the bottom of the page. Our accounting department will forward a check to you for this amount.

Inspection Reports should not be received directly from Inspection Company. They should be received by your office and reviewed by your underwriter before sending it to our office. One of the following should then be done:

1. If all checks out and is acceptable within our underwriting guidelines, then it should be signed (or initialed) and dated by your underwriter on the original copy (which is the copy that should be sent to us), and marked “O.K.”

2. If there is a condition or exposure that is considered Prohibited in the EUM, then a NOC (Notice or Cancellation) should be sent to the Insured immediately giving them the proper days notice required by State regulations or the policy conditions. This also includes the lack of any protective safeguard system that is a requirement for coverage. The notification period normally allows them enough time to install, repair, or replace it prior to the expiration date on the notice. See the Cancellations section for the proper procedures.

3. If there are other recommendations that need to be completed, then send a letter to the Producer along with a Letter of Compliance for the Insured to sign within 30 days of your memo. Send us a copy of the memo with our copy of the inspection. We do want the original pictures (not photocopies or faxed copies) for all property risks and premises type risks.

4. If the inspection report reflects a significantly higher/lower rating base (payroll, sales, etc.) than what was used on the policy, send an endorsement to reflect the correct exposure. This will minimize the problem of collecting/returning audit premiums after the expiration of the policy.

We do not want to receive copies of inspections which have no indication that they have been reviewed and approved in your office. You can now send the Inspection Report, photos, Recommendation Letter, and Letter of Compliance to Century by e-mail as inspections@centurysurety.com

If we have some questions about the information in the inspection which you have not addressed, then your Century Insurance Group Underwriter or Underwriting Assistant will write to you. Otherwise, we will either file the inspection or if you have written to
your producer regarding some problems, then we will simply diary the file and wait for the response to your memo (we will diary for a maximum of 30 days).

**MISCELLANEOUS**

You are not authorized to delegate binding authority to any sub-producer without our specific written authorization. Nor are you authorized to use our name in any advertisement, printed literature intended for disbursement to your sub-producers or published announcements (including news releases) without our specific written authorization. In both of these cases “written authorization” means authorization in writing from an officer of Century Insurance Group.

**NAMED INSUREDs**

How named insureds are shown is extremely important for coverages. Names should **NOT** be run together by using colons, semicolons, etc.

List each named insured separately by sequential number and show type of insured (A Corporation, Inc., A Partnership, An Individual).

If an endorsement is needed in order to list all of the named insureds, then it should read as follows:

**EXAMPLE:** We agree with you that the named insured is completed to read as follows:

1. Jones Brothers, Inc.
2. Jones and Jones, A Partnership
3. Jim Jones dba JJJ Service
4. Bret Jones, An Individual

#1 is a corporation, #2 a partnership (could also be shown as Bret Jones and Jim Jones dba Jones and Jones), #3 is an individual proprietorship and #4 is an individual. Individuals should not be listed unless there is a valid reason for so doing (i.e. he/she owns the building in which his/her corporation is located). An individual or partnership cannot do business as a corporation.

Be sure when faced with multiple named insureds on a policy you find out what each one has done in the past as well as what they are doing currently and what they will be doing during the policy term. Please document your submission with this information.

If asked to add new named insureds mid-term, find out when the entity was started and what have they done since their inception. If it’s not brand new, then submit full details to your Century Insurance Group underwriter before agreeing to add to the policy.
PAYMENT OF PREMIUMS – GENERAL AGENT

All General Agents are to pay from their monthly account current. Your account current is due in our office 15 days after the close of the month. Full payment is due 45 days after the close of the month. For example, the account current for January authority business would be due on February 15 and full payment would be due on March 15.

1. Print your monthly account current in the beginning of the following month. For example, print January’s account current the first week of February. Your account current must have the policy number, insured name, transaction effective date, gross and net transaction amount. The more information you provide, the less likely we are to generate unnecessary discrepancy letters.

2. Write a check for the total amount shown on your account current. We expect you to pay all items on your account current. If you are dealing with an extraordinary situation, you must talk to your Century Insurance Group Regional Office Manager to request an exception. If an exception is granted, make note of the exception on your account current. If no exception is granted, your account current is due in full. In addition, if no exception is granted, unpaid account current items will result in action being taken that could lead to the suspension of your agent agreement.

3. Send your account current to Attention: Accounts Receivable, Century Insurance Group, PO Box 163340, Columbus, Ohio 43215-3340. Send your check to Century Surety Company, PO Box 71-4702, Columbus, Ohio 43271.

POLICY ISSUANCE

Policies must be issued and received by Century Insurance Group within 30 calendar days of the effective date of coverage. We must receive a complete copy of the policy, including ISO forms and Century Insurance Group forms that require typing, along with a signed completed application, rating worksheet, copy of inspection order form, plus any other documentation pertaining to the underwriting or pricing of the account.

Policies are to be issued with a new policy number at renewal. Policies may not be renewed with a renewal certificate. Whenever you: (1) reduce coverage, or (2) decrease limits, or (3) increase deductibles, mid-term, be sure to obtain insured’s signature showing acceptance. The term “reduce coverage” includes adding exclusionary
endorsements. When you exclude products/completed operations, contractual or professional liability and there is such an exposure and it is a substantial exposure, then obtain insured’s signature showing acceptance.

We have a 25% minimum earned premium on all annual non-admitted policies (short term policies will generally have a higher minimum earned). Please be sure to inform your producers and premium finance companies.

Your Agency Code Number is to be shown on all policies issued by your office. The number is shown on the right top of the policy next to the section that reads CODE NO:

If a policy is a renewal to our office, the expired policy number is to be shown on the renewal policy. This expired number is shown on the top right above the space provided for your agency CODE NO.

POLICY ISSUANCE-BROKERAGE / IN HOUSE TYPING

We can now deliver any policy we type (Brokerage or IHT) to you in an Adobe Acrobat (.pdf) format. The advantages include:

1. Faster delivery
2. No paper mail handling
3. Direct import into your imaging system
4. Ability to forward on to your retail agent in an electronic format reducing your mailing and handling costs.

We would be happy to deliver our policies to you in a paper or electronic format. If you would like to receive these electronically we suggest taking the following steps to get prepared to receive them without any IT related issues.

1. Check with your IT staff. The emails range from 500k to 1 meg in size. Your IT staff will be able to advise you on any space limitations you may have. We suggest being able to handle at least 20-40 emails with these attachments.
2. Determine where you want to receive these. We can email to each individual underwriter at your agency or to a particular address that your IT department can set up with a larger mailbox.
3. Email or call us with your request to begin receiving these via email;
   a. Brokerage and IHT – Tim Gordon at 1-800-850-0436, tgordon@centurysurety.com
   b. Garage-Cindy Aberle at 1-800-618-8561, caberle@centurysurety.com

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POLICY NUMBERS/REGISTER

We will give your agency an assigned block of policy numbers to use in issuing binding or submit level policy in your office. These numbers can be obtained by submitting an email request to policynumbers@centurysurety.com. The email should include the name of your agency and your agency code number. Once we receive the request, we will email your agency the next block of numbers for you to use.

When we receive a request for a new block of numbers, we will run an audit on the last block of numbers given to your agency. We may at that time request a status report on the unused numbers.

Periodically we will run an audit on the numbers that have been assigned to your agency in the last twelve months. At that time, we will request status reports on unused numbers that show in our system. This information will be documented in your agency file at our office.

In addition to our audits mentioned above, your agency is expected to maintain a policy register (either manually or via computer) and have hard copies available for us when so requested. We may, from time to time, request that you fax us copies of your policy register for our review.

PREMIUM FINANCE POLICIES

Some states have no specific premium finance laws and some do. Of those that do, the law will vary somewhat as to how cancellations are affected, whether they are to be cancelled short rate or pro-rata and who is ultimately responsible (usually the insurance company) for moneys to be returned to the finance company.

Our company considers a non-payment cancellation to be handled as if the insured requested the cancellation. In those states that permit it, the cancellation should be figured on a short rate bases.

Become knowledgeable about the states in which you write so you do not violate any applicable laws.

In states which do not give the finance company the right to cancel under a power of attorney, we must send proper NOC for non-payment of premium to the finance company. Send NOC to all required parties including the premium finance company.
In states where the law gives the finance company the right to cancel under a power of attorney, we must send proper NOC for non-payment of premium to the finance company. Send NOC to all required parties including the premium finance company.

In states where the law gives the finance company the right to cancel the policy utilizing their power of attorney (they send a NOC to the insured) we will accept their cancellation request or notice as evidence of cancellation.

**Third Party Cancellation Procedure - Premium Financed Policies:**

If a third party must be notified (loss payee, mortgagee or additional insured) you should send each of the third parties a Cancellation Letter (see specimen wording in this section) notifying them of the cancellation. This Cancellation Letter should be handled in the same manner as a normal cancellation. By doing this the cancellation dates would be as follows:

1) Our policy would show the cancellation date that was on the premium finance notice. **In effect, the policy is then cancelled by this date as far as the insured is concerned.**
2) The third party letter shows a cancelled date with the normal required additional days. **This continues to protect the third party for the required number of additional days.**
3) The letter shown below, should be mailed immediately upon your becoming aware that the policy has been cancelled by the finance company.
4) This letter or one very similar, should be on your letterhead.
5) Send the letter exactly the same as you would an NOC (i.e., with proof of mailing or certified mail with signed return receipt).
6) A copy of the letter along with proof of mailing must be sent to us along with your cancellation endorsement and the notice from the finance company.

**SAMPLE CANCELLATION LETTER TO THIRD PARTIES**

(Enter addressee)  
(Enter date)  
OUR INSURED: (enter our named insured’s name here)  
POLICY #: (enter our applicable policy # here)  
(If a loss payee, mortgagee, etc., enter their loan # on this line)  
You are listed on the above policy as an (enter status such as loss payee, additional insured, etc., here).

The purpose of this letter is to advise you of the cancellation and to notify you that we will continue to protect your interest in this policy per the policy conditions until (enter required notice time here for this third party using the actual date) (effective 12:01 a.m. standard time at the location where the insured risk is located).

If you have any questions regarding this cancellation, please contact us immediately.
PREMIUM FINANCE CANCELLATIONS / REINSTATEMENT - OTHER

Every General Agent should have a system where every policy which is premium financed is identified as such. When sending out NOC’s for other reasons (underwriting, etc.) you must send a copy of the cancellation to the premium finance company (no proof of mailing required). Likewise, you should “cc” them on reinstatement notices.

PREMIUM FINANCE CANCELLATION/REINSTATEMENT

If you receive a reinstatement request from the finance company, you must notify the finance company whether you are canceling or reinstating the policy.

First Cancellation Notice:

We will allow a 10 calendar day grace period from the cancellation date for the insured to make payment. If the payment is not received within the 10 calendar days after the cancellation date, then the cancellation stands and we will not reinstate the policy. We will re-write the policy with a lapse after the 10 calendar day period. We will even accept a short term policy if re-written.

Second Cancellation Notice:

If we receive a second cancellation request for non-payment, we will not reinstate. We will consider a re-write, but the policy cannot be premium financed at that point.

QUOTATIONS BY THE COMPANY

We are a Contract or Managing General Agent Company and we would like you to utilize your authority. However, there will be occasions that your accounts will fall outside of our guidelines. That business will be considered on a Submit or Brokerage basis. All Brokerage business submitted to the Company should contain risk summary sheets, brochures, three to five year loss runs and your recommendations as to terms conditions and pricing. All Brokerage commissions will be 17.5% or as negotiated with your Company underwriter.

The same ‘new business’ account received by multiple agents within a 48 hour period will be quoted to all agents that submitted an application. If the information is different, we will try to obtain the same information prior to sending out the Quote Letter to all agencies. See the Broker of Record Letters section as to how we will treat multiple submissions for a renewal quote or policy issuance.
OUT OF STATE BUSINESS:

Another situation that will warrant a policy to become a Brokerage/Submit account is as follows:

1. The producer, insured, and our agent are all in the same state but the risk is in a different state.
2. The producer and our agent are in the same state, but the insured is in a different state.
3. The producer is not in the same state as our agent, and neither is the insured.

Scenarios 1 & 2: For these scenarios a policy will be written on a submit or brokerage bases only subject to underwriters discretion.

Scenario 3: If the state where the risk is located is in one of our top 8 states we must get department head approval in order for you to write the account. (CA, FL, TX, LA, NY, PA, MI, OH)

Please keep in mind that it is your responsibility as the Broker to have valid licenses and you have the responsibility of collecting and adhering to all surplus lines taxes, fees and regulations.

RATES AND FORMS

We use ISO simplified forms and our own restrictive endorsements for all coverages and programs. Rates are provided in each program for both Casualty and Property coverages.

In most states we are a Non-Admitted Carrier. In those states we use only those State Exception forms which are mandatory for Surplus Lines Carriers. If they are not specifically mandatory for Surplus Lines Carriers, we do not use them.

In Admitted States, we comply with the regulatory rules regarding our filings of rates and forms. A consent to rate form can be used, if legal, for deviation from our filed rates or forms. This form must be filed with the State Insurance Department. A copy should be included with your copy of the issued policy. If the form is signed or stamped as approved or as received by the State Insurance Department and returned to you, send us that copy when it is received.
SURPLUS LINES LAWS AND LICENSING

You are required to comply with all applicable laws and regulations on the state(s) in which you operate as respects to the procurement and placement of insurance (including without limitation, obtaining and maintaining all necessary licenses). You shall provide the appointing authority in each state with all the required filings, affidavits and reports. You are responsible for collection and payment of all excess and surplus lines premium taxes, or other required taxes or fees that may become due any taxing authority within the boundaries of any state or commonwealth. You are required to fully cooperate with the Company in connection with any regulatory investigation or examination. Non-compliance with State laws will result in fines to our Company which will be passed back to your agent.

PROPERTY SECTION

GENERAL INFORMATION

COVERAGES

We are a market for Basic Form, Broad Form, or Special Form Coverages on both buildings and contents as well as various Business Income or Rental Value coverages. We utilize simplified forms. We are not a market for Agreed Amount, Blanket Coverage, Flood, Earthquake Coverages, and Ordinance or Law (including Increase Cost of Construction and Demolition Coverage).

Any Building or Business Personal Property that is inside a building that is older than 60 years, or does not meet the criteria for the desired coverage form (Basic, Broad, or Special) in the Guidelines section of the EUM program, should be referred to your Century Underwriter or Underwriting Assistant. Also refer to the Guidelines section of the proper EUM program to see if the type of occupancy or operation is one that will not allow Theft coverage at the Agency level and must be referred to your Century Underwriter or Underwriting Assistant for consideration.

Replacement cost coverage is available only on buildings and only if the building is not over 50 years old and has been completely updated (roofing, wiring, heating, air conditioning, and plumbing) within the past 15 years. It must also have proper Insurance to Value. Replacement cost is not normally available for contents. For consideration, please refer to your Century Insurance Group Property Underwriter or Underwriting Assistant.
We are also a market (when writing the fire coverages) for Crime, Signs, Accounts Receivable, Valuable Papers, Contractors Equipment, Miscellaneous Property (Push Carts Program) and Installation Floater. Motor Truck Cargo can be written on a monoline basis. Please refer to the Inland Marine section for MTC.

**CLASSIFICATION AUTHORITY TABLE**

Effective 10/03, we added a Classification Search List to advise which types of risks we are interested in and what authority you may have to quote and bind an account. Effective 7/04, the list shows four different levels and they are defined as follows:

- **Refer to Program**: See the state specific EUM Program for guidelines and rates. Please note that the Authority for Class is now its own program.

- **Submit**: Need to submit to your Century Insurance Group Underwriter or Underwriting Assistant for quoting.

- **Brokerage**: Need to refer to your Century Insurance Group Underwriter or Underwriting Assistant for quoting and policy issuance.

- **Prohibited**: This is a class of business that we are not interested in at this time.

Program qualifications vary from Company to Company and our Property Department does not always assign a risk to the same EUM program or authority level as our General Liability Department. Therefore, it is best to use the Search engine to properly match the risk with our assigned EUM program or other authority level.

**EUM PROGRAM RATES – WORKSHEETS**

**ADMITTED AND NON-ADMITTED STATES**

Effective 7/04, the rating will utilize the Property Rating Matrix based on the Hazard Group class number (I, II, III, IV or V) and the Program Factor on the Classifications Table for all programs except Builders Risk and Vacant Buildings.

These are the only rates that are acceptable. A copy of your worksheets should accompany your issued policy.
**COINSURANCE**

Property Damage coverages are also based on coinsurance. Your authority is for 80%, 90%, or 100%; except Builder’s Risk. Please refer any account less than 80% to your Century Insurance Group Underwriter or Underwriting Assistant. Builder’s Risk is based on 100% coinsurance. Credit factors for higher than 80% are not available.

Time Element coverages have various coinsurance percentages and monthly limitation factors. 50%, 60%, 70%, 80%, 90% & 100% are the only acceptable coinsurance percentages. 1/3, ¼ and 1/6 are the only acceptable monthly limitation factors. ISO credit and debit factors do not apply. Use the same rate as developed for building or contents.

**DEDUCTIBLES**

Please refer to the program pages for applicable deductibles. For a deductible not shown, please refer to your Century Insurance Group Underwriter or Underwriting Assistant for approval.

**LIMITS**

Please refer to your EUM Program pages for limits information. These are the maximum limits for which you have authority. These maximums also apply to any future endorsements. If you need a higher limit than shown in the program, please refer the risk to your Century Insurance Group Underwriter or Underwriting Assistant for consideration/approval.

**PACKAGE**

Any Property (other than Builders Risk and Vacant Buildings) can be packaged with General Liability, Inland Marine, or Crime. However; Crime, Business Income, Signs, Account Receivable, Valuable Papers, Contractors Equipment, Miscellaneous Property (Push Carts Program) and Installation Floater can only be written when combined with Property (fire) coverages (building or business personal property).

**FORMS – MANDATORY**
THE FOLLOWING FORMS ARE MANDATORY FOR ALL PROPERTY POLICIES

- CP 0010 Building & Personal Property
- CP 0090 Commercial Property Conditions
- One of the following Cause of Loss forms
  - CP 1010 Basic
  - CP 1020 Broad
  - CP 1030 Special
    - With Special Including Theft form CCF 1504 Theft Exclusion outside of Building is mandatory
    - If theft is to be excluded, form CP-1033 Theft Exclusion is mandatory and replaces CCF 1504.
- CCF 1503 Exclusion Vacant Property
- IL 0030 Exclusion of Terrorism
- IL 0950 Coverage for Certified Acts of Terrorism; Cap on Losses
- IL 0003 Calculation of Premium
- IL 0017 Common Policy Conditions
- IL 0021 Nuclear Exclusion
- CCP2010 Service of Suite Clause (Non-admitted States Only)
- TRIA Notice
GENERAL LIABILITY

GENERAL INFORMATION

This section is provided as a guide to use when writing General Liability for either a Package or Monoline policy using our EUM Program. If a General Liability class is part of a program, the class is within your authority. In our Program Classes, we will show you the rates in the program that apply to this class. We will also show you the mandatory forms that apply for this class.

Some classes are shown as “Authority-USO ISO LCM”. These classes are not part of a program. We do not provide specific rates for these classes. You will use the current ISO Loss Cost and our Loss Cost Multiplier to obtain a rate.

Other General Liability classes can be shown as Submit or Brokerage. These classes should be submitted to your Century Insurance Group underwriter for consideration.

Some classes are shown as Prohibited. Generally, Century Insurance Group does not write these classes. However, if you think that this is an exceptional account for this class, please contact your Century Insurance Group underwriter for consideration.

Guidelines

In this section we give you a brief description of what the program is covering. We may also include any restrictions that apply to the program you are looking at.

Requirements

In this section we explain what is required when you quote/write an account. That usually includes a signed and completed acord application, a signed and completed supplemental application (if required). Our requirements for loss runs, TRIA notice and inspections.

Submit

Here is where we show the submit criteria for a specific program. Normally, an account is a submit if there have been more than 4 claims in the past three years or one claim in excess of $5,000 in the past three years. Another criterion for submit is GL monoline premium in excess of $35,000. There may be other criteria which is class specific. Please check the program for class specific criteria.

Prohibited
In this section we show the guidelines we feel makes the class/program prohibited. This criteria is class specific. Century Insurance Group does not typically write business shown under this section. If you think that this is an exceptional account for this risk, please contact your underwriter for consideration.

**Minimum Premiums**

The Minimum Premium for a monoline General Liability policy is $500 if Limits of Liability are $500,000 or less. The Minimum Premium for a monoline General Liability policy with a $1,000,000 limit is $750.

**LIMITS**

The limits shown in the program are the maximum limits that are available for the listed coverage. If higher limits are needed, they can be utilized using our Excess Liability Program. Please send submissions to your Century Insurance Group underwriter for consideration.

**RATES**

The rates that apply for the EUM Programs are shown in the program. They are state specific. These are the rates that should be used. For any deviation from this program, please refer to your Century Insurance Group underwriter.

**ADDITIONAL INSURED**

Adding additional insureds to GL policies presents an additional exposure to the carrier. Some are fairly innocuous in nature and may be done with no additional charge while others do present sufficient additional exposure worth an additional premium.

Following is a list of Additional Insured Endorsements that can be used with this program. If an endorsement is not shown here and you feel it is needed, please refer it to your Century Insurance Group General Liability Underwriter for approval.

*No charge is needed for the following:*
CG 2002 Additional Insured-Club Members
  ➢ This form is used to include club members as additional insured but only in respect to their liability for activities they perform on the club's behalf.
    ▪ Authority

CG 2004 Additional Insured-Condominium Unit Owners
  ➢ This form includes condominium owners as an insured but only with respect to their liability for activities they perform on the club's behalf.
    ▪ Authority

CG 2005 Additional Insured-Controlling Interest
  ➢ Used when the additional insured has financial control of the insured or premises they own, maintain or control while the insured leases or occupies those premises. This form does not apply to structural alterations, new construction and demolition operations performed by the insured for the controlling interest.
    ▪ Authority

CG 2007 Additional Insured-Engineers, Architects or Surveyors
  ➢ This form is used to add as additional insured engineers, architects or surveyors engaged by the insured.
    ▪ Authority

CG 2008 Additional Insured Users of Golfmobiles
  ➢ This form is used to add golfmobile users as additional insureds to the policy.
    ▪ Authority

CG 2012 Additional Insured-State or Political Subdivisions-Permits
  ➢ Used by contractors to add state, counties, cities or other governmental units as additional insureds when the insured contractor is required to obtain a permit from that county, city or other governmental unit.
    ▪ Authority

CG 2013 Additional Insured-State or Political Subdivisions-Permits Relating to Premises
  ➢ Used by owners or lessees to add state, counties, cities or other governmental units as additional insureds when the insured owner or lessee is required to obtain a permit from that county, city or other governmental unit.
    ▪ Authority

CG 2017 Additional Insured Townhouse Associations
  ➢ This form includes individual townhouse owners as an insured, but only with respect to liability as a member of the townhouse association.
    ▪ Authority

CG 2018 Additional Insured-Mortgagee, Assignee, or Receiver
This form is used to name mortgagees, assignees or receivers to a policy covering owners or general lessees.

**Authority**

**CG 2020 Additional Insured-Charitable Institutions**

This form is used to cover trustees, members of boards of governors on policies covering charitable institutions.

**Authority**

**CG 2022 Additional Insured-Church Members and Officers**

This form is used for church members, trustees, officials members of the board of governors, clergy or volunteers but only with respect to their liability for the churches activities or activities performed on behalf of the church.

**Authority**

**CG 2023 Additional Insured-Executors, Administrators, Trustees or Beneficiaries**

This for is used when an executor, administrator, trustee or beneficiary needs to be added to the insured's policy. Coverage is limited while the executor, administrator, trustee or beneficiary is acting within the scope of their duties as such.

**CG 2024 Additional Insured-Owners or Other Interests From Whom Land Has Been Leased**

This form is used to provide coverage for owners or other interest from which land has been leased.

**Authority**

**CG 2025 Additional Insured-Elective or Appointive Executive Officers of Public Corporations**

This form is used for elective or appointive executive officers of public and municipal corporations-including members of boards, corporations or commissions of such bodies on policies covering such boards, corporations or commissions

**Authority**

**CG 2027 Additional Insured-Co-Owner of Insured Premises**

This form is used for co-owners of premises but only with respect to their liability as such

**Authority**

**CG 2030 Oil or Gas Operations-Non-operating, Working Interest**

Non-operating working interest. For oil or gas operations-co-owners, joint ventures, or mining partners with non-operating working interest with the insured in oil or gas leases-on policies covering the operators of such leases.

**Submit**
An additional charge should be made for the following Additional Insured endorsements:

CG 2003 Additional Insured Concessionaires Trading Under Your Name
- This form is used for concessionaires trading under the insured's name. Those who are physically separated and who operate under their own name cannot be added as additional interests on this form.
  - Authority
    - Flat Charge $100.

CG 2010 Additional Insured Owners, Lessees or Contractors-Schedules Person or Organization
- This form is used for owners, lessees or contractors on policies covering contractors or contractor on policies covering subcontractors but only as respects liability for operations performed for those owners, lessees or contractors by or on behalf of the insured contractor or subcontractor. In addition, this endorsement is to be used when requests for additional insured status are not in writing.
  - Authority
    - Flat Charge $100.

CG 2011 Additional Insured-Managers or Lessors of Premises
- This for is used for managers or operators of premises or interest from whom premises have been rented or leased on policies covering lessees or tenants
  - Authority
    - Flat Charge $50.

CG 2014 Additional Insured-Users of Teams, Draft or Saddle Animals
- This for is used to cover any person or organization using or legally responsible for the use of draft or saddle animals or vehicles for use with them, provided that the use is by your or by others with your permission.
  - Refer to Company
    - Refer to Company

CG 2015 Additional Insured-Vendors
- Used for vendor's product liability on policies covering manufacturers or distributors.
  - Refer to Company
    - Flat Charge $100

CG 2026 Additional Insured-Designated Person or Organization
- Used for all other instances when there is not a more specifically covered endorsement available.
  - Refer to Company
    - Refer to Company

CG 2028 Additional Insured-Lessor of Leased Equipment
- This for is used for lessees of leased equipment who have signed a contract or agreement that requires them to be added as an additional insured on a policy covering a lessee, with respect to liability arising out of the named insured's maintenance, operations or use of such leased equipment
  - Refer to Company
    - Refer to Company

**CG 2029 Additional Insured-Grantor of Franchise**
- This for is used for grantors of franchise.
  - Refer to Company
    - Refer to Company

**CG 2031 Additional Insured-Architects, Engineers or Surveyors**
- Used on Owners Contractors Protective (OCP) policies to cover architects, engineers or surveyors
  - Refer to Company
    - Refer to Company

**CG 2032 Additional Insured-Engineers, Architects or Surveyors or Surveyors Not Engaged By The Named Insured**
- Used for architects, engineers or surveyors not engaged by the named insured, but contractually required to be added as an additional insured to the named insured's policy.
  - Refer to Company
    - Refer to Company

**CG 2033 Additional Insured-Owners, Lessees or Contractors-Automatic Status When Required in Construction Agreement With You**
- Used for owners or lessees, or contractors who have signed a contract or agreement that requires them to be added as an additional insured on a policy covering a contractor or a subcontractor, with respect to liability arising out of the named insured's ongoing operations performed for that additional insured. *Do not attach this endorsement if Contractual Liability Limitation Endorsement, CGL 1728 is also attached to the same policy.*
  - Refer to Company
    - Refer to Company

**CG 2034 Additional Insured-Lessor of Leased Equipment-Automatic Status When Required in Construction Agreement With You**
- Provides automatic status for lessor of leased equipment.
  - Refer to Company
    - Refer to Company

**CG 2035 Additional Insured-Grantor of Licenses**
- Provides automatic status for grantor of licenses.
• Refer to Company
  o Refer to Company

CG 2036 Additional Insured-Grantor of Licenses
  ➢ Used to provide coverage for grantor of a license.
  • Refer to Company
    o Refer to Company

CG 2037 Additional Insured-Owners, Lessors or Contractor-Completed Operations
  ➢ Used for owners, lessees or contractors. Provides completed operations coverage for owners or lessees on policies covering contractors or contractors on policies covering subcontractors.
  • Prohibited
    o Prohibited

CG 2935 State or Political Subdivision-Permits
  ➢ Owners Contractors Protective (OCP) form only. Used by contractors to add state, counties, cities or other governmental units as additional insureds when the insured contractor is required to obtain a permit from that county, city or other governmental unit.
  • Authority
    o Flat Charge $100.

CGL 1405 Land Lessor’s, Mortgagee, Assignee or Receivers
  ➢ Owners Contractors Protective (OCP) form only. Used to name mortgagees, assignees or receivers to a policy covering owners or general lessees.
  • Authority
    o Flat Charge $100.

PACKAGE

Any Property (other than Builders Risk and Vacant Buildings) can be packaged with General Liability, Inland Marine, or Crime. However; Crime, Business Income, Signs, Account Receivable, Valuable Papers, Contractors Equipment, Miscellaneous Property (Push Carts Program) and Installation Floater can only be written when combined with Property (fire) coverages (building or business personal property).

FORMS
THE FOLLOWING FORMS ARE MANADATORY FOR ALL NON-CONTRACTING GENERAL LIABILITY POLICIES

- CG 0001 CGL coverage occurrence
- CG 0067 Exclusion Violation Of Status That Govern E-mails, Fax, Phone Calls Or Other Methods of Sending Material Or Information
- CG 0300 Deductible
- CG 2146 Abuse & Molestation exclusion
- CG 2147 Employee Practices exclusion
- CG 2165 Total Pollution exclusion
- CG 2190 Exclusion of Terrorism
- CG 2177 Exception to Terrorism Exclusion for Certified Acts of Terrorism
- CGL 1701 Special Limitations
- CGL 1702 Action Over exclusion
- CGL 1704 Exclusion – Assault and Battery
- CGL 1711 Limitation of Coverage to Specified Classifications, Operations, Premises, or Projects
- IL 0003 Calculation of premium
- IL 0017 Common policy conditions
- IL0021 Nuclear exclusion
- CCP2010 Service of Suit Clause (Non-admitted States Only)
- TRIA Notice