

Pekin Insurance

Commercial Underwriting Guideline

Introduction

This Commercial Underwriting Guide is intended to assist our agents and employees in selecting risks for coverage with our company. Acceptability grades have been assigned by line of business to most classifications. **Only those classifications and lines of business listed in the guide and graded 1 may be bound without prior approval from underwriting.** A more detailed explanation of the acceptability grades follows this introductory section.

The Guide also includes a short section on Underwriting Considerations by Line of Business. This section contains overall underwriting considerations for various lines of business that can apply to all classifications. Depending on the exposures present in a particular risk, these overall considerations could make a normally acceptable classification unacceptable and vice versa.

No underwriting guide can ever be all inclusive or cover every possible classification and situation. Obviously there are very poor risks in some of the least hazardous classes of business. There are also risks that are significantly better than average for traditionally difficult classifications. Common sense is critical in risk selection. Considerations such as loss experience, loss control programs and the actual exposures present in a risk must be kept in mind. Given this type of approach to risk selection, the Guide should serve as a most useful tool.

Acceptability Grades

This section provides a detailed explanation of the acceptability grades that are assigned by line of business and classification in the main portion of the Guide. Since these grades define binding authority and give a good idea of how likely it is that a risk will be acceptable, a close review of this section is strongly encouraged.

Grade 1 - Classes of business we routinely insure. Agents have authority to bind these classes subject to property binding limit authority on coverage amounts.

Grade 2 - Classes we will consider writing if the specific risk is better than the class as a whole. Coverage may be submitted on a non-bound basis only.

Grade 3 - Classes of business we seldom write. Extensive documentation would be required to demonstrate that the risk represents substantially less exposure than the class as a whole. Coverage may not be bound. It is suggested that underwriting be consulted before a submission is assembled for this grade.

Grade 4 - We do not write these classes. No coverage may be bound.

Underwriting Considerations by Line of Business

Property

Property binding limit authority for all property coverages in a fire division must be met. Generally acceptable classifications may be rejected on an individual basis if higher exposure activities or processes are present. Special rules on earthquake coverage binding authority are included under their own heading in this section. Coverage may only be written in the states of Illinois, Indiana, Iowa, Wisconsin and Ohio.

Inland Marine

This coverage must be written with supporting business, which should usually include General Liability. Proper security for all items is critical. This is especially true for construction equipment. Individual pieces of equipment valued at more than \$500,000 may not be bound without prior approval.

Premises Liability

Good housekeeping and upkeep of insured properties are of prime importance for this coverage. The presence of unusually hazardous activities or an attractive nuisance would also be a consideration. Risks operating on anything more than an incidental basis outside of the states of Illinois, Indiana, Iowa, Wisconsin and Ohio are not acceptable.

Product Liability

Generally Pekin Insurance is a market for risks that manufacture or assemble a product in the following categories: machine shop, plastic manufacturing, metal fabrication, and woodworking. Acceptability will depend on the type and end use of the product. Other categories of manufacturing can be considered subject to underwriting approval. Manufacturing or assembly risks should never be bound without prior approval from underwriting. Distributors and wholesalers that repackage a product or relabel under their name are not eligible.

Automobile

No livery exposures may be written. The maximum radius of operation is 200 miles. Specialized vehicles such as mixer trucks, tank trucks and cranes are generally not acceptable and should not be bound without prior approval.

Garage

Any risk with a spray painting exposure that is considered for coverage **must** have a U.L. approved spray paint booth in use.

Workers Compensation

Risks with an experience modification factor greater than 1.00 must be approved before being bound. Risks where employees routinely work at heights of greater than 3 stories are not acceptable. Coverage may only be written for the states of Illinois, Indiana, Iowa and Wisconsin. Risks hiring employees in other states or having more than incidental exposure in them are not acceptable. Workers Compensation coverage must be written with supporting General Liability or Garage Liability coverage for the same business.

Umbrella

This coverage cannot be bound until a complete application is reviewed and approved by Underwriting. All underlying General Liability, Automobile Liability and Employers Liability (Workers Compensation) coverages must be written with Pekin Insurance in order to consider this coverage. Various minimum limits of liability must be met on these underlying coverages depending on the type of risk.

Boiler and Machinery

Small Business Boiler and Machinery coverage is available. Ineligible classes include: cold storage plants, laundries, processing or manufacturing risks, power plants, sewage plants, water plants or electric substations. A property damage limit of up to \$5,000,000 is available. Supporting coverages are encouraged when eligible for our other programs, but Boiler and Machinery may be written on a monoline basis.

Earthquake Coverage

If an earthquake occurs in Illinois, Indiana, Iowa, Wisconsin and Ohio or in their adjacent states or in Tennessee that has a magnitude of 4.0 or greater on the Richter scale, a 14 day moratorium on your binding authority for earthquake coverage will immediately go into effect. Depending on the severity of damage in our underwriting territories, the length of the moratorium may be reduced or extended at our discretion. We will notify you of any alteration of our initial 14 day moratorium. As a reminder, earthquake coverage can only be removed at the policy renewal date.

Crime

Employee Dishonesty coverage is underwritten through the Bond Department. It may not be bound or written under a Commercial Lines Policy. Coverage may also not be bound for Forgery and Alteration, Computer Fraud, Extortion and Liability for Guest Property coverages.

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Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
* Accounting Services - no professional liability	1	1	1	1	1
Advertising Sign Companies - outdoor	1	1	1	1	3(A)
Air Conditioning Systems and Equipment - dealers and distributors	1	1	1	1	1
Air Conditioning Systems or Equipment - installation, servicing or repair	1	1	1	1	1
Alarms and Alarm Systems - installation, servicing or repair	1	1	4	1	1
Analytical Chemists	1	1	3	1	1
Antique Stores	1(B)(G)	1	1	1	1
* Apartment Buildings	1(C)(H)(I)	1(D)(H)	1	1	1
* Apartment Buildings - garden	1(C)(H)(I)	1(D)(H)	1	1	1
Appliances and Accessories - installation, servicing, or repair - commercial	1	1	1	1	1
Appliances and Accessories - installation, servicing, or repair - household	1	1	1	1	1
Appliance Distributors - household type	1	1	1	1	1
Appliance Distributors - household type - radio, television or compact disc players	1	1	1	1	1
* Appliance Stores - household type	1	1	1	1	1
Army and Navy Stores	1	1	1	1	1
* Art and Crafts Store	1	1	1	1	1
Art Galleries	1(F)	1	1	1	1
* Attorneys Office - no professional liability	1	1	1	1	1
ATV Dealer	1(E)	2	2	2	2

- (A) No work above 3 stories.
- (B) Contents coverage at ACV only with a \$300,000 maximum limit.
- (C) No student housing or converted dwellings.
- (D) If swimming pool present, must be fenced and no diving board. No pond or lake exposure.
- (E) Fenced in yard required.
- (F) No coverage for fine arts.
- (G) Not eligible if protection class is 9 or 10.
- (H) Photograph and hard copy loss runs required.
- (I) Renovation Supplement - BP5025 required if building is greater than 50 years old.

* Class eligible for Businessowners Policy



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Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Auctioneers - sales conducted away from insured's premises	2	2	2	1	1
Auctions - on premises owned or rented by insured	1	1	1	1	1
Automobile, Body and Paint Shops	2(A) (G)	2	2	2(B)	2
Automobile Dealers - new	1(A)	1	1	1	1
Automobile Dealers - used	1(C)	2	2	2(C)	1
Automobile Parts and Supplies Distributors - new parts	1	1	1	1	1
* Automobile Parts and Supplies Stores - new parts	1	1	1	1	1
Automobile Quick Lubrication Services	1	1	1	1	1
Automobile Repair or Service Shops - NOC	1(A)	1	1	1(B)	1
Automobile Rustproofing	1	1	1	1	1
* Bakeries	1(E)	1	1	1	1
Bank	1	1	1	1	1
* Barber or Beauty Shop Supplies Distributors	1	1	1(F)	1	1
* Barber Shops	1	1	1	1	1
* Bath Accessories Store	1	1	1	1	1
* Beauty Parlors and Hair Styling Salons	1	1	1	1	1
Bed and Breakfast Inns	2	2	2	1(D)	2

- (A) U.L. approved spray booth required if spray painting. Body Shop questionnaire (Form 1859) required.
- (B) Incidental towing only. No 24 hour or emergency towing services.
- (C) Not eligible if major body work done. U.L. approved spray booth required if spray painting. Non-franchised Dealer Questionnaire (Form 1860) Required.
- (D) Public transportation prohibited.
- (E) If deep fat frying, eligible only on a Commercial Lines policy and a U.L. 300 compliant automatic extinguishing system would be required.
- (F) Not eligible if products mixed or labeled under insured's name.
- (G) Not eligible if Protection Class is 9 or 10.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Beverage Distributors	1(B)	1	1	2(A)	2
* Beverage Stores	1(B)	1	1	2	2
* Bicycle Stores - sales and servicing	1	1(C)	1(C)	1	1
Boat Dealers	1(D)	1(F)	1(F)	1	1
Boat Engine Repair and Servicing	1	1(F)	1(F)	1	1
Boat Storage	1(E)	1(G)	1(G)(J)	1	1
Bolt, Nut, Rivet, Screw or Washer Mfg.	1	1	4	1	1
* Books and Magazines Stores	1(H)	1(H)	1(H)	1	1(H)
* Bridal Shop	1	1	1	1	1
Builders Risk	1(I)	N/A	N/A	N/A	N/A

- (A) No long haul operations.
- (B) Alarm system required.
- (C) No rental exposure.
- (D) Fenced-in yard required.**
- (E) Storage of flammables or hazardous materials prohibited.**
- (F) No boat rental. No test driving.**
- (G) Hold harmless agreement required.**
- (H) "Adult" material store prohibited.
- (I) Must have supporting coverage.
- (J) No transporting or towing of boats.**

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Building Material Dealers	1(A)	1(A)	1(A)	1	1
Building Material Distributors	1(A)	1(A)	1(A)	1	1
Cable Installation in Conduits	1	1	1	1	1
Cable or Subscription Television Companies	1	1	1	1(B)	1(B)
Cable Television Installation	1	1	1	1	1(B)(F)
* Camera and Photographic Equipment Stores	1	1	1	1	1
Camper or Travel Trailer Sales Agencies	1	1	1	1	1
* Candy, Nut or Confectionery Stores - retail sales only	1	1	1	1	1
Car Washes	1	1(D)	1	1(D)	1
Car Washes - self service	1	1(D)	1	1(D)	1
* Card Shops and Stationery	1	1	1	1	1
Carpentry - construction or residential property not exceeding three stories	1	1(E)(C)	1	1	1(B)(E)(C)
Carpentry - interior	1	1(E)(C)	1	1	1(B)(E)(C)
Carpentry - NOC	1	1(E)(C)	1	1	1(B)(E)(C)

- (A) Lumber sales cannot exceed 50% of gross receipts. If over 50%, refer to Lumberyard.
- (B) No work above 3 stories.
- (C) If building at least 3 homes, refer to Home Builder.
- (D) \$250 per claim property damage deductible applies.
- (E) Cost of subcontractors cannot exceed 50% of gross receipts. If over 50%, refer to General Contractors.
- (F) No overhead line or pole work.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Carpet, Rug, Furniture or Upholstery Cleaning - on customer's premises	1	1(A)	1	1	1
Carpet, Rug or Upholstery Cleaning - shop only	1	1	1	1	1
* Catalog or Premium Coupon Redemption Stores	1	1	1	1	1
Caterers	2(B)	2	2	2	2
Ceiling or Wall Installation - metal	1	1	1	1	1
Cemeteries	1	1	1	1	1
Ceramics	1	1	1	1	1
Chimney Cleaning	1	1(A)	1	1	2(C)
* Chiropractic Office - no professional liability	1	1	1	1	1
* Churches or Other Houses of Worship	1	1(D)	1	2(E)	1
Cleaning - outside surfaces of buildings	1	1(H)(A)	1	1	1(C)
* Clock Shop	1	1	1	1	1
Clothing or Wearing Apparel Distributors	1	1	1	1	1
* Clothing or Wearing Apparel Stores	1	1	1	1	1
Clubs - civic, service or social	2(F)	2(F)	2	2	2
* Coffee Shop	1	1	1	1	1
Coin, Stamp or Rare Book Dealers and Distributors	1(G)	1	1	1	1
Commissary Work	2(B)	2	2	2	2

- (A) \$250, per claim property damage deductible applies.
- (B) **U.L. 300 compliant automatic extinguishing system required if deep fat frying.**
- (C) **No work above 3 stories.**
- (D) **No day care services, nursery/elementary/high schools, or sponsored activities.**
- (E) No church buses or vans.
- (F) **No alcohol or cooking exposures.**
- (G) **Contents coverage at ACV only with a \$300,000 maximum limit.**
- (H) No sandblasting.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Communication Equipment Installation - industrial or commercial	1	1	1	1	1(A)
Computer Consulting or Programming	1	1(E)	1	1	1
Computer Service or Repair	1	1	1	1	1
* Computer Stores	1	1	1	1	1
Concessionaires	1	2	2	2	1
Concrete Construction - residential	1	1	1	1	1
Concrete mixed in transit	2	2	2	3	3
* Condominiums - commercial - bank or mercantile - manufacturing or office - association risk only	1(B)	1	1	1	1
* Condominiums - commercial - shopping centers - association risk only	1(B)	1	1	1	1
Condominiums - commercial - warehouses - manufacturing or private - association risk only	2(B)	1	1	1	1
* Condominiums - residential - association risk only	1	1(C)	1	1	1
Conduit Construction for Cables or Wires	1	1	1	1	1
Consultants - NOC	1	2(E)	1	1	1
Contractors Equipment Dealers	1	1(F)	1	1	1
Contractors - executive supervisors or executive superintendents	1	2(D)	2	1	1(D)
Contractors Permanent Yards - maintenance or storage of equipment or material	1	1	1	1	1

- (A) **No work above 3 stories.**
- (B) Refer to specific occupancy.
- (C) **If swimming pool present, must be fenced and no diving board. No pond or lake exposure.**
- (D) Must be written with other classes of normally acceptable size and type of project.
- (E) Professional liability excluded.
- (F) No rental exposure.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
* Convenience Food/Gasoline Stores	1(A)	1	1(A)	1	1
* Copying and Duplicating Service - retail	1	1	1	1	1
* Cosmetic, Hair or Skin Preparation Stores	1	1	1(B)	1	1
Crematories	1	1	1	1	1
* Dairy Products or Butter and Egg Stores	1	1	1	1	1
Day Care Centers	2	4	4	4	4
Debris Removal - Construction Site	1	1	1	1	1
Decorating	1	1	1	1	1
* Delicatessens	1(A)	1(F)	1(F)	1(G)	1
Dental Laboratories	1	1	4	1	1
* Dentist Office - no professional liability	1	1	1	1	1
* Department or Discount Stores	1	1	1	1	1
Diagnostic Testing Laboratories	1	1(C)	3	1	1
Distributors - food or drink NOC	1	1	1(B)	1	1
Distributors - no food or drink - NOC	1	1	1(B)	1	1
Door or Window Mfg. - NOC	2	1	1	1	1
Door or Window Mfg. wood	2(D)(E)	1	1	1	1
Door, Window or Assembled Millwork - installation - metal	1	1	1	1	1

- (A) If deep fat frying, eligible only on a Commercial Lines policy and a U.L. 300 compliant automatic extinguishing system would be required.
- (B) Not eligible if packaging under insured's name.
- (C) Professional liability excluded.
- (D) Dust collection system required.
- (E) Not eligible if Protection Class is 9 or 10.
- (F) If food delivery, eligible only on a Commercial Lines policy.
- (G) No food delivery.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Draftsmen	1	1	1	1	1
* Drapery Store	1	1	1	1	1
Drilling - water or geothermal	1	4	4	4	4
Driveway, Parking Area or Sidewalk - paving or repaving	1	1	1	1	1
Drug Distributors	1(A)	1	1	1	1
Drugstores - no table or counter service for beverage or food	1	1(G)	1(B)(G)	1	1
Dry Cleaners	1(C)	1(C)	1	1	1
* Dry Goods Dealers - Retail (including Fabrics, Yarn and Piece Goods)	1	1	1	1	1
Dry Wall or Wallboard Installation	1	1(D)	1(D)	1	1
* Dwellings - one family - lessor's risk only	1(E)(F)(I)	1(E)(I)	1	1	1
* Dwellings - two family - lessor's risk only	1(E)(F)(I)	1(E)(I)	1	1	1
* Dwellings - three family - lessor's risk only	1(E)(F)(I)	1(E)(I)	1	1	1
* Dwellings - four family - lessor's risk only	1(E)(F)(I)	1(E)(I)	1	1	1
Electrical Apparatus - installation, servicing or repair - NOC	1	1(H)	1(H)	1	1
Electrical Contractors (refer to Electrical Apparatus or Electrical Work)	1	1(H)	1(H)	1	1
* Electrical Equipment Distributors	1	1	1	1	1
* Electrical Lighting and Supplies	1	1	1	1	1
* Electrical Supply Stores	1	1	1	1	1
Electrical Work - within buildings	1	1(H)	1(H)	1	1

- (A) Alarm system is required.
- (B) No rental exposure.
- (C) Cannot be open 24 hours and must have attendant on duty at all times.
- (D) No exterior insulation finish systems (efis) exposures.
- (E) No student housing or converted buildings. Photo and hard copy loss runs required.
- (F) Renovation Supplement - BP5025 required if building is greater than 50 years old.
- (G) Professional Liability excluded.
- (H) No wiring for alarm systems, automatic extinguishing or fire suppression systems, or heavy industrial exposures.
- (I) No more than 10 dwellings.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Electronic Data Processing Operations - no professional liability	1	1	1	1	1
* Electronics Store	1	1	1	1	1
Engineers or Architects - consulting - not engaged in actual construction	1	1(H)	1	1	1
* Engraving	1	1	1	1	1
Equipment, Fixtures or Supplies - for bars, hotels, office, restaurants or stores - distributors	1	1	1(A)	1	1
Excavation	1	1(B)(C)(D)	1(B)(D)	1	2
Eye Glass Lens Mfg. - no professional liability	1	1	4	1	1
Fabric Distributors	1	1	1	1	1
* Fabric Stores	1	1	1	1	1
Farms - rented to others	4	1	1	4	4
Feed, Grain or Hay Dealers - bagged only	1	1	2(E)	1	1
Fence Dealers	1	1	1	1	1
Fence Erection Contractors	1	1(C)	1(F)	1	1
Fire Restoration	1	4	4	1	4
Floor Covering Distributors	1	1	1	1	1
Floor Covering Installation - not ceramic tile or stone	1	1	1	1	1
Floor Covering Stores	1	1	1	1	1
Floor Waxing	1	1(G)	1(G)	1	1

- (A) No installation of restaurant equipment.
- (B) No sewer or water main excavation. Excavation Questionnaire (Form 761) required.
- (C) \$250. per claim property damage deductible applies.
- (D) If snowplowing must be incidental to exposure we currently insure.**
- (E) No mixing or blending of items sold under insured's name or label.
- (F) No installation of playground equipment.
- (G) Work in high traffic areas must be performed during non-business hours.**
- (H) Professional liability excluded.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
* Florists	1(A)	1	1	1	1
* Formal Wear or Costumes - rented to others	1	1	1	1	1
Freight Forwarders or Handlers	1(E)	1	1	1	1
Frozen Food - distributors	1	1	1	1	1
* Fruit or Vegetable Dealers	1	1	1	1	1
Fruit or Vegetable Distributors	1	1	1	1	1
* Funeral Homes or Chapels	1	1	1	1(B)	1
Furniture or Fixtures - installation in offices or stores portable - metal or wood	1	1	1	1	1
Furniture Moving Company	4	4	4	4	4
* Furniture Stores	1(D)	1	1	1	1
* Gardening and Light Farming Supply Dealers - retail	1	1	1	1	1
Gardening and Light Farming Supply Distributors	1	1	1	1	1
Gasoline or Oil Supply Stations - retail - lessor's risk only	1	1	1	1	1
Gasoline Stations - full service	1	1	1	1	1
* Gasoline Stations - self service	1	1	1	1	1
Gasoline Stations - self and full service combined	1	1	1	1	1
General Contractor	2	4(F)	4	2	4
* Gift Shops	1	1	1	1	1
Glass Dealers and Glaziers	1	1(C)	1	1	1(C)
* Glassware or China Shop	1	1	1	1	1

- (A) Glass or plastic covered buildings not acceptable.
- (B) Non-business related limo services or use of emergency vehicles prohibited.
- (C) No work above 3 stories.
- (D) U.L. approved spray booth required if refinishing. If selling used furniture, eligible only on a Commercial Lines policy.
- (E) No coverage for items to be shipped.
- (F) Cost of subcontractors cannot exceed 50% of gross receipts. If less than 50%, refer to Carpentry. If building at least 3 homes, refer to Home Builder.

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	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Grading of Land	1	1	1	1	1
Greenhouses	2(A)	1	1	1	1
Grocery Distributors	1	1	1	1	1
* Grocery Stores	1(B)(L)	1(B)	1	1	1
Gutter Installation	1	1	1	1	1(C)
Handyperson	1	1	1	1	1(C)
Hardware and Tool Distributors	1	1	1	1	1
* Hardware Stores	1	1(I)	1	1	1
* Health or Natural Food Stores	1	1	1	1	1
* Hearing Aid Stores - no professional liability	1	1	1	1	1
Heating or Combined Heating and Air Conditioning - Equipment - dealers or distributors only	1	1	1(E)	1	1
Heating or Combined Heating and Air Conditioning System or Equipment - dealers or distributors & installation servicing or repair	1	1(D)	1(D)	1(G)	1
Heating or Combined Heating and Air Conditioning System or Equipment - dealers or distributors & installation servicing or repair - no liquefied petroleum gas (LPG) equipment sales or work	1	1(D)	1(D)	1	1
Hobby, Craft or Artists' Supply - distributors	1	1	1	1	1
* Hobby, Model Maker or Artists Supply Stores	1	1	1	1	1
Home Builder	2	2(F)	2(F)	2	2(C)
Home Improvement Stores	1	1(I)	1	1	1
Homeowners Association	1	1(H)	1	1	1
Hotels and Motels - 3 stories or less	2(K)	2(H)(K)	2	2(J)	2

- (A) **Glass or plastic covered buildings not acceptable.**
- (B) **Not eligible for Businessowners program if receipts are over \$3,000,000 or over 25,000 square feet.**
- (C) **No work above 3 stories.**
- (D) **No boiler work. No roof top units.**
- (E) **No installation, servicing or repair.**
- (F) **VIP Home Builder guidelines must be met. VIP Home Builder Supplemental Application (1929) required.**
- (G) **No LPG hauling.**
- (H) **If swimming pool present, must be fenced and no diving board. No pond or lake exposure.**
- (I) **No rental exposure.**
- (J) **Public transportation prohibited.**
- (K) **No restaurant, lounge or bar. Nonfranchised operations only.**
- (L) **If deep fat frying, eligible only on a Commercial Lines policy and a U.L. 300 compliant automatic extinguishing system would be required.**

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House Furnishings Installation - NOC	1	1	1	1	1
* Ice Cream Stores	1	1	1	1	1
Ice Dealers and Distributors	1	1	1	1	1
Inspection and Appraisal Companies - inspecting for insurance or valuation purposes	1	1(A)	1(A)	1	1
Insulation Work - NOC	1	1(B)	1	1	1
* Insurance Agents	1	1	1	1	1
Interior Decorators	1	1	1	1	1
Internet Service Providers	1	4	4	1	4
Internet Website Design	1	4	4	1	4
Irrigation or Drainage System Construction	1	1(C)	1(C)	1	1
Janitorial Services	1	1(D)(B)	1(D)	1	1
Janitorial Supplies - dealers or distributors	1	1	1(E)	1	1
Jewelry Stores or Distributors	1(F)	1	1	1	1
Kennels - breeding, boarding or sales	1	4	4	1	4
Land - rented to others	1	1	1	1	1

- (A) Professional liability excluded.
- (B) **\$250. per claim property damage deductible applies.**
- (C) **Farm work only, no livestock confinement.**
- (D) **No cleaning of restaurant hood or ductwork.**
- (E) **No mixing or blending solvents sold under insured's name or label.**
- (F) **Alarm system is required. No jewelers block coverage.**

* *Class eligible for Businessowners Policy*

COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Landscape Gardening	1	1(B)	1(B)	1	1
Laundries and Dry Cleaners - self service	1(C)	1(C)	1	1	1
Laundries and Dry Cleaners Plants	1(C)	1(C)	1	1	1
Laundry and Dry Cleaning or Dyeing Receiving Stations	1(C)	1(C)	1	1	1
Laundry Rental Service	1	1	1	1	1
Lawn Care Services	1	1	1	1	1
* Lawyer's Offices - no professional liability	1	1	1	1	1
Lawn Sprinkler Installation	1	1	1	1	1
* Leather Goods Store	1	1	1	1	1
Lessors Risk - multiple occupancy and mercantile with apartments	1(A)	1(A)	1(A)	1	1
Lessors Risk - service, mercantile, offices	1(A)	1(A)	1(A)	1	1
Libraries	1	1	1	1	1
Locksmiths	1	1	1	1	1
* Luggage Store	1	1	1	1	1
Lumberyards	2	2	2	2	4
Machine Shops - NOC	1(D)	1	2(E)	1	1
Machinery or Equipment - farm - installation, servicing repair or erection	1	2	2(G)	1	1
Machinery or Equipment - industrial - installation, servicing or repair	1	2	2(G)	1	1
Machinery or Equipment - installation, servicing or repair - NOC	1	2	2(G)	1	1
Machinery or Equipment Dealers - construction or industrial - mobile type	1	1(F)	1(G)	1	1
Machinery or Equipment Dealers - farm type	1	1(F)	1(G)	1	1
Machinery or Equipment Dealers - yard or garden type	1	1(F)	1(G)	1	1

(A) Eligibility will depend on specific occupancy.

(B) If snowplowing must be incidental to exposure we currently insure. \$250 per claim property damage deductible applies.

(C) Cannot be open 24 hours and must have attendant on duty at all times.

(D) U.L. approved spray booth required if spray painting, no offsite welding, no electroplating.

(E) Acceptability will depend upon the type of product made.

(F) No rental exposure.

(G) No repair or alteration of safety equipment, shields or guards.

* Class eligible for Businessowners Policy



COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Mail Box or Packaging Stores	1	1	1	1	1
* Mail Order Houses	1	1	1	1	1
* Mailing or Addressing Companies	1	1	1	1	1
Manufactured Home Connection/Installation	1	1	1	1	1
Manufacturers Representatives	1	1(D)(E)	1(D)(E)	1	1
Masonry Work	1	1	1	1	1(A)
* Massage Therapist - no professional liability	1	1	1	1	1
Mausoleums	1	1	1	1	1
Meat, Fish, Poultry or Seafood - distributors	1	1	1	1	2
* Meat, Fish, Poultry or Seafood Stores	1	1	1	1	2
Medical, Hospital and Surgical Supply Stores	1	1	2	1	1
* Medical Offices - no professional liability	1	1	1	1	1
Medical or X-ray Laboratories - no professional liability	1	1	1	1	1
Metal Dealers or Distributors - nonstructural	1	1	1	1	1
Metal Erection - decorative or artistic	1	1	1	1	1
Metal Goods Mfg. - NOC	2(B)	1	2(C)	1	2
Metal Goods Mfg. - stamping - not signs	2(B)	1	2(C)	1	2
Metal Works - shop - decorative or artistic	1(B)	1	1	1	1
Milk Depots or dealers	1	1	1	1(F)	1
Mobile Home Connection/Installation	1	1	1	1	1

(A) No work above 3 stories.

(B) U.L. approved spray booth required if spray painting, no electroplating.

(C) Acceptability will depend upon the specific nature of the operation and the types and uses of the products made.

(D) No repackaging or labeling under insured's name or label.

(E) Product distributed only in the United States.

(F) No long haul operations.

* Class eligible for Businessowners Policy

COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Mobile Home Parks or Courts	1(A)	1(A)	1	1	1
Mobile Home Sales Agencies - No transporting or delivery	1	1	1	1	1
Mold Remediation	1	4	4	1	4
Monuments, Tombstones and Statuary	1	1	1	1	2
* Mortgage Broker	1	1	1	1	1
Motels - 3 stories or less	2(G)	2(B)(G)	2	2(C)	2
Motorcycle Dealers - new	1	2(F)	2(F)	2(F)	2
* Music Stores - pre-recorded	1	1	1	1	1
* Musical Instrument Stores	1	1	1	1	1
Nail Salons	1	1	1	1	1
Newspaper or Magazine Distributors	1	1	1	1(D)	1
* Newsstands	1	1	1	1	1
Nursery - garden	2(E)	1	1	1	1
Office Machines or Appliances - installation, inspection adjustment or repair	1	1	1	1	1
* Office Machines or Appliances - retail or wholesale - no repair	1	1	1	1	1
Office Machines or Appliances - retail or wholesale - with repair	1	1	1	1	1
* Office Machines or Appliances - wholesale - no repair	1	1	1	1	1

- (A) No student housing. No swimming pools or playgrounds.
- (B) **If swimming pool present, must be fenced and no diving board. No pond or lake exposure.**
- (C) **Public transportation prohibited.**
- (D) No hired & nonowned autos.
- (E) Glass or plastic covered buildings not acceptable.
- (F) **Motorcycle license required for test driving.**
- (G) **No restaurant, lounge or bar. Nonfranchised operations only.**

* Class eligible for Businessowners Policy

COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
* Offices	1	1	1	1	1
Optical Goods Manufacturing	1	1	4	1	1
* Optical Goods Stores - no professional liability	1	1	1	1	1
Optical Goods - Distributors	1	1	1	1	1
* Paint, Wallpaper or Wallcovering Stores	1	1	1	1	1
* Painting, Picture or Frame Stores	1	1	1	1	1
Painting - exterior - buildings or structures	1	1(C)	1	1	1(D)
Painting - interior - buildings or structures	1	1	1	1	1
Painting - shop only	2(E)(G)	1	1	1	1
Paper Products Distributors	2(G)	1	1	1	1
Paperhanging	1	1	1	1	1
Pawn Shop	4	4	4	4	4
Pet Grooming	1	1	1	1	2
* Pet Stores	1	1	1	1	1
Photo Finishing Laboratories	1	1	1	1	1
* Photographers	1	1	1	1	1
Piano Tuning	1	1	1	1	1
Pipe Insulation	1	2(F)	2(F)	1	2
* Pizza Shop	1(A)	1(I)	1(I)	1(J)	1
Plastering or Stucco Work	1	1(H)	1(H)	1	1
Plastic Products Mfg.	2	1	2(B)	1	2

- (A) If deep fat frying, eligible only on a Commercial Lines policy and a U.L. 300 compliant automatic extinguishing system would be required.
- (B) Acceptability will depend upon the type of product made.
- (C) \$250. per claim property damage deductible applies to spray painting.
- (D) No work above 3 stories.
- (E) U.L. approved spray booth required if spray painting.
- (F) No asbestos removal.
- (G) Not eligible if Protection Class is 9 or 10.
- (H) No exterior insulation finish systems (efis) exposures.
- (I) If food delivery, eligible only on a Commercial Lines policy.
- (J) No food delivery.

* Class eligible for Businessowners Policy



COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Plastic or Rubber Supply Goods Distributors	2(J)	1	1	1	1
Plumbing - commercial and industrial	1	1(A)	1(A)	1	1
Plumbing - residential or domestic	1	1	1	1	1
* Plumbing Supplies and Fixtures Dealers and Distributors	1	1	1(B)	1	1
Powered Equipment Dealer - retail	1	1	1(C)	1	1
Precision and Scientific Tools and Instruments - retail	1	1	1	1	1
Precision Metal Products Mfg.	2(K)	1	2(D)	1	2
Prefabricated Building Erection - farm and storage	1	1(E)	1	1	1(E)
* Printers Supplies - distributors and stores	1	1	1(B)	1	1
* Printing	1	1	1	1	1
Publishers - books or magazines	1	1(F)(G)	1	1	1
Publishers - newspapers	1	1(F)(G)	1	1(H)	1
Radio or TV Broadcasting Stations	1(I)	1(I)(G)	1	1	1
* Real Estate Agents	1	1	1	1	1
Real Estate Development Property	1	1	1	1	1
Real Estate Property Manager	2	4	4	1	4
Recording Studios	1	1	1	1	1
* Records, Tapes and Sheet Music Stores	1	1	1	1	1

- (A) No boiler work.
- (B) No packaging or products sold under the insured's name.
- (C) No rental exposures.
- (D) Acceptability depends on type of product made.
- (E) No work above 3 stories.**
- (F) Publishers liability policy required.
- (G) Exclude personal-advertising injury.
- (H) No hired and nonowned auto.
- (I) Tower must have de-icing/lightning protection equipment, be fenced, and in a remote location. Broadcasters liability required.**
- (J) Not eligible if Protection Class is 9 or 10.
- (K) U.L. approved spray booth required if spray painting, no offsite welding, no electroplating.**

* Class eligible for Businessowners Policy



COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Recreational Vehicle Dealers - no rentals	1	1	1	1	1
Refrigeration Equipment Dealers and Distributors - commercial	1	1	1	1	1
Refrigeration Systems - commercial - installation, servicing or repair	1	1	1	1	1
* Religious Goods	1	1	1	1	1
Restaurants - no alcohol	2(C)(I)	2(D)	2(D)	1(J)	2
Roofing - commercial	1	3(E)	3(B)	1	4
Roofing - residential	1	1(E)	1	1	4
Rubber Stamp Mfg. or Assembling	1(I)	1	1	1	1
Sales, Service or Consulting Organizations - NOC	1	2	2	1	1
* Sandwich/Sub Shop	1(A)	1(K)	1(K)	1(J)	1
Satellite Dish Installation	1	1	1	1	1(F)
Seed Merchants - excluding erroneous delivery, error in mixture and germination failure	1	1	1	1	1
Septic Tank Systems - cleaning	1	1	1	1	1
Septic Tank System - installation, servicing or repair	1	1	1	1	1
Sewer Cleaning	1	2	2	1	3
Sewer Connections Construction or Installation	1	1	1	1	1
Sewer Main Construction or Installation	1	4	4	1	4
* Sewing Machine Sales and Service	1	1	1	1	1
Sheet Metal Work - outside	1	1	1	1	1(F)
Sheet Metal Work - shop only	1	1	1(G)	1	1
Shoe Repair Shops	1	1	1	1	1
* Shoe Stores	1	1	1	1	1
* Shopping Centers - buildings or premises not occupied by the insured - lessor's risk	1(H)	1	1	1	1

- (A) If deep fat frying, eligible only on a Commercial Lines policy and a U.L. 300 compliant automatic extinguishing system would be required.
- (B) Asphalt shingle only, no flat roofs, hot tar, or rolled rubber applications.
- (C) U.L. 300 automatic extinguishing system, financial statement and completed Restaurant Questionnaire (Form 1861) are required.
- (D) No franchised fast-food operations.
- (E) \$500. minimum per claim property damage deductible applies.
- (F) No work above 3 stories.
- (G) Acceptability depends on type of product made.
- (H) Eligibility will depend on specific occupancy.
- (I) Not eligible if Protection Class is 9 or 10.
- (J) No food delivery.
- (K) If food delivery, eligible only on a Commercial Lines policy.

* Class eligible for Businessowners Policy

COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Siding Installation	1	1	1	1	1(B)
Sign Erection, Installation or Repair	1	1(B)	1	1	2(B)
Sign Manufacturing - other than electrical	2(E)	1	1	1	1
Sign Painting or Lettering - inside of buildings	1	1	1	1	1
Sign Painting or Lettering on Buildings or Structures	1	1(B)	1	1	2(B)
Silk Screening	1	1	1	1	1
Snowmobile Dealer	1(C)	2	2	2	2
Snowplowing	1	2(A)	2(A)	2(A)	1
Solar Energy Contractors	1	1(B)	1	1	1(B)
Sporting Goods or Athletic Equipment Distributors	1(F)	1(F)	1(D)	1	1
* Sporting Goods or Athletic Equipment Stores	1(F)	1(F)	1(D)	1	1
Stationary or Paper Products Distributors	1(E)	1	1	1	1
* Stationary or Paper Products Stores	1	1	1	1	1
Stockbrokers	1	1	1	1	1
Stone Cutting or Polishing	1	1	1	1	1
Stores - NOC - food or drink	1	1	1(D)	1	1
Stores - NOC - no food or drink	1	1	1(D)	1	1

- (A) **Must be incidental to exposure we currently insure. \$250 per claim property damage deductible applies. Residential and light traffic commercial exposures only.**
- (B) **No work above 3 stories.**
- (C) **Fenced in yard required.**
- (D) **No products sold under insured's name or label. No equipment provided to schools. No rental exposure.**
- (E) **Not eligible if Protection Class is 9 or 10.**
- (F) **No ammunition reloading or target ranges.**

* *Class eligible for Businessowners Policy*



COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Surveyors - land - not engaged in actual construction	1	1(F)	1	1	1
Swimming Pools - installation, servicing or repair above ground	1	1(A)	1(A)	1	1
Swimming Pools - installation, servicing or repair below ground	1	1(A)	1(A)	1	1
Swimming Pool Service	1	1	1	1	1
Tailor Merchants - men or boys	1	1	1	1	1
* Tailoring or Dressing Establishments - custom	1	1	1	1	1
Tattoo Parlor	4	4	4	4	4
Taverns and Bars	4	4	4	4	4
Taxidermists	1	1	1	1	1
Telephone Companies	1	1	1	1	1(B)
Telephone Systems Installation	1	1	1(B)	1	1(B)(G)
Telephone or Cable Television Lines Construction	1	1(B)	1(B)	1	1(B)
Television or Radio Receiving Set Installation or Repairs	1	1	1	1	2(G)
* Theaters - motion pictures	1(C)	1(C)	1	1	1
Ticket Agencies	1	1	1	1	1
Tile, Stone, Marble, Mosaic or Terrazzo Work - interior construction	1	1	1	1	1
Tire Dealers	1	1	1(D)	1(D)	1(D)(E)

- (A) No diving board or slide installation or repair.
- (B) No overhead line or pole work.**
- (C) Fire resistant and under 15,000 square feet only.
- (D) No recapping.
- (E) Tire cages must be used on split-rim wheels.
- (F) Professional liability excluded.
- (G) No work above 3 stories.**

* Class eligible for Businessowners Policy

COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
* Tobacco Products Stores	1(A)	1	1	1	1
Towing Services	4	4	4	4	4
* Townhouses or Similar Associations - association risk only	1	1(B)	1	1	1
Toy Distributors	1	1	1	1	1
* Toy Stores	1	1	1	1	1
Trailer Dealers - new	1(J)	1	1	1	1
Travel Agency	1	1(C)	1(C)	1(D)	1
Tree Trimmers	1	1(E)	1	1	4
* Trophy Store	1	1	1	1	1
Truck Dealers - new	1	3	3	3	1
Trucking	1	1	1	2(I)	2
Upholstering - shop only	2(F)	1	1	1	1
Vacant Land	-	1	-	-	-
* Vacuum Cleaner Sales and Service	1	1	1	1	1
* Variety Stores	1(G)	1(G)	1	1	1
Vending Machine Operations - confection, food beverage or ice	1	1	1	1	1
Vending Machine Operations - tobacco products	1(A)	1	1	1	1
Vending Machine - NOC	1	1	1	1	1
Veterinarian or Veterinary Hospitals	1	1(H)	1	1	1
* Video Stores	1(A)	1	1	1	1

- (A) **Alarm system is required.**
- (B) **If swimming pool present, must be fenced and no diving board. No pond or lake exposure.**
- (C) **No tours arranged, no tour guides.**
- (D) No transporting customers.
- (E) \$500 **minimum** per claim property damage deductible applies.
- (F) **No refinishing exposure, not eligible if protection class is 9 or 10.**
- (G) No used merchandise.
- (H) Professional liability excluded.
- (I) **Local hauling of sand and gravel, dirt, or grain. No interstate filings. No metropolitan areas.**
- (J) **Fenced in yard required.**

* Class eligible for Businessowners Policy

COMMERCIAL UNDERWRITING GUIDE

Classification

Acceptability Grade

	Property & IM	Premises Liability	Product Liability	Garage & Auto	WC
Warehouses - manufacturing or private buildings or premises - occupied by multiple interests - lessor's risk only	2(A)(H)	2	2	1	1
Warehouses - manufacturing or private buildings or premises - occupied by single interests - lessor's risk only	2(A)(H)	2	2	1	1
Warehouses - miniwarehouses	1(A)(H)	1(B)	1	1	1
Warehouses - NOC	2(A)(H)	2	2	1	1
Warehouses - private	1(A)(H)	1	1	1	1
Water Main Connections Construction and Installation	1	1	1	1	1
Water Main Construction or Installation	1	4	4	1	4
Waterproofing	1	1	2(E)	1	2
Water Restoration	1	4	4	1	4
Water Softening Equipment - installation, servicing or repair	1	1(C)	1	1	1
Water Softening Equipment - rented to others	1	1(C)	1	1	1
Welding or Cutting - shop only	2	2(I)	4	1	2
Window Cleaning	1	1(C)(D)	1	1	1(D)
Window Decorating	1	1(C)(D)	1	1	1(D)
* Women's Specialty Shops	1	1	1	1	1
Wood Products Mfg. - NOC	2(F)(H)	2	2(G)	1	2
Wood Turned Products - NOC	2(F)(H)	2	3(G)	1	2

- (A) Storage of flammables or hazardous materials prohibited.
- (B) Hold harmless agreement required.
- (C) \$250. per claim property damage deductible applies.
- (D) No work above 3 stories.
- (E) Exterior spray on applications only.
- (F) Dust collection system required.
- (G) Acceptability depends on type of product made.
- (H) Not eligible if Protection Class is 9 or 10.
- (I) No offsite welding.

* Class eligible for Businessowners Policy

