



LOUISIANA

BUSINESS ADVANTAGE

PACKAGE

PROGRAM MANUAL

COMMERCIAL PACKAGE MULTIPERIL

Underwriting Guidelines

TABLE OF CONTENTS	
SUBMISSION PROCEDURES	2
A. APPLICATION	2
B. EFFECTIVE DATE	2
C. REQUEST FOR COVERAGE	2
D. PREMIUM PAYMENT	2
E. REQUIRED DOCUMENTS	2
POLICY TERM AND RENEWALS	2
PREMIUM COMPUTATION	3
A. CONTINUOUS POLICIES	3
B. FACTORS AND MULTIPLIERS	3
C. MINIMUM PREMIUM	3
ROUNDING PROCEDURE	3
A. RATES	3
B. PREMIUM	3
ADDITIONAL PREMIUM CHANGES	3
A. CALCULATION OF PREMIUM	3
B. WAIVER OF PREMIUM	4
RETURN PREMIUM CHANGES	4
A. PREMIUM CALCULATION	4
B. WAIVER OF PREMIUM	4
POLICY CANCELLATIONS	4
A. GENERAL	4
B. PRO RATA CANCELLATION	4
C. FEES AND SURCHARGES	4
D. INFLATION INCREASE	4
RESTRICTION OF COVERAGE OR EXCESS RATE	4
CHANGES IN RATES, RULES AND FORMS	5
A. GENERAL REVISIONS	5
B. RATING MODIFICATIONS	5
C. MANDATORY ADDITIONAL CHARGES	5

SUBMISSION PROCEDURES

A. APPLICATION

All applications must be submitted using SafePoint's electronic policy administration system for review and approval by SafePoint. All required documents must be uploaded prior to underwriting review. The submission of a risk does not bind coverage.

B. EFFECTIVE DATE

The effective date of coverage will be made effective on the next business day if received during non-business hours or days, but no earlier than thirty (30) days from the submission date.

C. REQUEST FOR COVERAGE

Once the agent indicates in the policy system that the applicant intends to purchase coverage, the following must be remitted to SafePoint within five (5) business days:

1. Signed ACORD application; and
2. Additional underwriting information (if applicable).

Payment is due at time of binding. Quotes will be honored for 30 days.

D. PREMIUM PAYMENT

1. All policies will be issued as direct bill.
2. Any funds received by an agent, made payable to SafePoint, will be treated as payment received by the applicant / insured. SafePoint will not honor any requests by an agent to cancel a policy due to the agent's inability to collect funds. All premium refunds will be sent directly to the insured.

DI. REQUIRED DOCUMENTS

1. Previous Carrier documentation is required, when applicable:
 - a. Copy of a cancellation or nonrenewal notice
 - b. Proof of coverage with a copy of a current declarations page
2. A closing statement, if the property to be insured is a new purchase
3. A certificate of occupancy, if the property to be insured is new construction
4. A signed "Election Not to Buy Separate Flood Insurance" Form (SIC FW01) OR a copy of a current flood policy declarations page, if required, as provided within the flood guidelines.
5. Documentation, in the form of Loss Runs, from prior carrier affirming applicant's prior loss history for the last 3 years, unless the risk is a new construction, new purchase, new business, or new lease
6. Percentage Ownership document when requesting more than one Named Insured to be listed on the policy .

POLICY TERM AND RENEWALS

Policies are issued for a one (1) year term at rates applicable on the effective date of the policy term. Eligible policies will be offered renewal coverage.

PREMIUM COMPUTATION

A. CONTINUOUS POLICIES

1. Policy premium at inception is calculated using rates applicable on the effective date of the policy term.
2. Renewal premiums are computed using the rates in effect on the anniversary date.

B. FACTORS OR MULTIPLIERS

Factors or multipliers are to be applied consecutively and not added together unless otherwise specified.

C. MINIMUM PREMIUM

The policy writing minimum premium applicable to all policy forms shall be \$1,000.

ROUNDING PROCEDURE

A. RATES

Round rates, factors and multipliers where provided in the Premium Development rules and the Rating Worksheet.

B. PREMIUM

Premiums for each coverage and cause of loss for which a separate premium is calculated are rounded to the nearest whole dollar. A premium involving \$.50 or over is rounded to the nearest whole dollar. In no event will premiums for coverage be less than one dollar.

ADDITIONAL PREMIUM CHANGES

A. CALCULATION OF PREMIUM

1. Additional premium is calculated at the rates used to compute the policy premium.
2. Additional premium is calculated pro rata and rounded to the nearest whole dollar when any coverage or exposure is added or an amount of insurance is increased.
3. All changes will be made using the rules and rates in effect on the effective date of the policy or the latest subsequent renewal date.
4. Where the policy inception premium was less than the policy writing minimum premium, the additional premium will be added to the policy inception premium as the total premium for the

policy. If the total premium is still below the policy writing minimum premium, the policy writing minimum premium will be charged instead.

5. Mandatory Additional charges will be increased for additional premium endorsements and decreased for return premium endorsements.
6. Policies may not be canceled and rewritten to circumvent forthcoming rate, rule, coverage or surcharge changes.

B. WAIVER OF PREMIUM

Additional premiums of \$15 or less are waived. Policies may not be canceled and rewritten to circumvent any changes in rate, rule, coverage or surcharges.

RETURN PREMIUM CHANGES

A. PREMIUM CALCULATION

1. Return premium is calculated at the rates used to compute the policy premium.
2. Return premium is calculated pro rata and rounded to the nearest whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced.

B. WAIVER OF PREMIUM

Return premiums of \$5 or less are waived. Any return premium due will be returned if requested by the insured.

POLICY CANCELLATIONS

A. GENERAL

If SafePoint cancels a policy, notice will be provided in accordance with Louisiana law and the policy contract. A copy of each cancellation notice will be furnished to the first named insured, agent and other parties listed on the policy.

B. PRO RATA CANCELLATION

All cancellations will be calculated on a pro rata basis and rounded to the nearest whole dollar when a policy is cancelled.

C. FEES AND SURCHARGES

Returned premium on all other Mandatory Additional Charges is calculated on a pro rata basis, unless otherwise noted.

D. INFLATION INCREASE

The building coverage limits will be adjusted annually by 2% for inflation. For example, if increased by 2%, the Building coverage limit on a building insured for \$100,000 will increase to \$102,000.

E. RESTRICTION OF COVERAGE OR EXCESS RATE

At the discretion of SafePoint, nonresidential policies will be rated utilizing excess rates with special restrictions if:

1. The insured agrees in writing prior to the policy inception date; and

SAFEPOINT INSURANCE COMPANY – BUSINESS ADVANTAGE PROGRAM
Commercial Multiperil Package Underwriting Manual

2. The policy would not otherwise be written with SafePoint.

All policies on an “Excess Rate”/ “Consent-to-rate” basis will be treated as exceptions to manual rates per the Louisiana Insurance Code LSA-R.S.22:1464 Consent-to-rate filings, as defined in the Louisiana Insurance Code, are filings that set forth an insurer's agreement with an insured to provide coverage at a premium that is in excess of the insurer's applicable manual premium. The consented premium must be based upon sound underwriting judgment.

CHANGES IN RATES, RULE AND FORMS

A. GENERAL REVISIONS

General revision is a:

1. Revision in rules or forms; or
2. Rate revision applying to one or more classes, including rate schedule changes and changes due to reclassification of a community or district.

NOTE: General revisions to rates and rules do not apply to policies existing prior to the effective date of the revision and will be made applicable on the first renewal after the effective date of the revision.

B. PACKAGE MODIFICATION FACTORS

Eligibility

Package Modifications Factors apply when any coverage form in the Commercial Property Coverage Part that provides either Building or Business Personal Property coverage is combined with either a General Liability coverage part or a Crime and Fidelity Coverage part. Below are the Package Modification Factors.

PACKAGE MODIFICATION FACTORS

Package Modification Assignment (PMA)	Premium From CLM Division		
	Property and Crime	Liability	All Other Divisions
Apartment House	1.00	1.00	1.00
Contractors	1.00	.96	1.00
Industrial & Processing	.91	1.00	1.00
Institutional	1.00	1.00	1.00
Mercantile	.93	.92	1.00
Motel/Hotel	1.00	.97	1.00
Office	.65	.88	1.00
Service	.93	.94	1.00

C. Individual Risk Premium Modification Plan

SafePoint Insurance Company rates may be modified for the risk in accordance with the following rating table to recognize such special characteristics of the risk as are not fully reflected in the basic company premium or company rates. The total credits or debits under the following table shall not exceed 25%. Subject to SafePoint’s underwriting approval.

Rating Modifications Factor (IRPM)

Risk Characteristics	Description	Range Of Modifications	
		Credits	Debits
Management	Cooperation in matters of safeguarding and proper handling of the property covered.	8%	8%
Location	Accessibility, congestion and exposures.	7%	7%
Building Features	Age, condition and unusual structural features.	5%	5%
Premises And Equipment	Care, condition and type.	5%	5%
Employees	Selection, training, supervision and experience.	3%	3%
Protection	Not otherwise recognized.	2%	2%

Table 3. Individual Risk Premium Rating Modifications

MANDATORY ADDITIONAL CHARGES

A. LOUISIANA EMERGENCY ASSESSMENT

Emergency Assessments shall be applied to all insureds’ policy premiums on the following subject lines of business (“assessable insureds”): Line 5.1 (Commercial Multi-Peril – Non-liability portion only).

B. MANAGING GENERAL AGENCY (MGA) POLICY FEE

SafePoint will charge a \$25.00 per policy fee on each new and renewal policy. The policy fee shall be fully earned.

C. OTHER SURCHARGES

Other surcharges may be levied in accordance with Louisiana Statutes or the Louisiana Department of Insurance Orders. These surcharges and their calculations will be disclosed when they become applicable.

NOTE: Commission is not payable under any section of this rule “Mandatory Additional Charges.” A minimum of \$1.00 is applicable for each surcharge and assessment. Surcharges and Assessments will be applied to the policy writing Minimum Premium.