

GARAGE GUIDELINES

Change Speedway

Effective Date	Pg. #	Description
9-1-2016	4	Updated Franchised Dealers to state only new Car dealers are unacceptable
9-1-2016	5	Oil/Lube Shops (not mobile ops) require a \$1000 liability deductible and a 25% debit for unique characteristics
9-1-2016	9	Auctions - Physical Damage must be rated as Dealer Physical Damage, not Garagekeepers.
9-1-2016	18	Clarify what is acceptable for lift kit installation
9-1-2016	24, 28	The Animal Exclusion form is mandatory on all Salvage Yard and Tow Operations risks, as allowed by the state.
9-1-2016	28	Clarify On-hook limit should be <or = Garagekeepers Stated Amount per Veh
9-1-2016	37	No need to submit Oil/Lube shops for deductible, \$1000 deductible required. Loaner Vehicle exposure must be submitted. Withdrew credit authority for KY and NV dealer risks.
9-1-2016	38	No continuous Coverage surcharge applies for one year. First In Rule is replaced with Complete Submission section. Notes that we will accept BORs on new business submissions.
9-1-2016	42	Clarify GKL Comprehensive Primary does not need to be declined if wind/hail/flood coverages are excluded.
9-1-2016	45	If applicant has transporter plates, question #11 regarding pickup/delivery must be answered.
9-1-2016	46	Clarify that if there is racing exposure we may decline the risk or impose the Racing Activity exclusion at our discretion.
9-1-2016	47	Out-of-state licenses require special attention and Suspension or Revocations on MVRs in last 36 months must be referred.
9-1-2016	52	Provided rating tips for Transporter/Registration plates
9-1-2016	53	Defined GCW (Grossed Combined Weight)
9-1-2016	56	Added General Information and Procedure Guidelines – Covers BORs, Cancellations, Reinstatements, Endorsement procedures, etc.
1-1-2017	3	Added Auto Transporter to the risk selection table and an Unacceptable class.
1-1-2017	5	Added Railcars, road-rail or hyrail vehicles (vehicles designed to used solely, or also on, railroad tracks) as unacceptable.
1-1-2017	6 & 25	Clarify Structural Rebuilders - Salvage titled autos to decline if over 25% of operations. Removed Structural Rebuilders Pit Stop.
1-1-2017	12	No New Ventures if Emergency Vehicle Specific work is other than Lights, Sirens, Radios.
1-1-2017	19 & 52	Updated class codes for Mobility Vehicle Dealers (122109) and Service/Repair (122108)
1-1-2017	24	Updated Salvage Yard Pit Stop to match new Salvage Yard Questionnaire.
1-1-2017	27 & 28	Updated Tow Operators Pit Stop to match new Tow Questionnaire.
1-1-2017	37	G1600 Primary & Non-contributory AI form is available for consideration on all risk types. Need to submit for approval.
1-1-2017	45-46	Updated 'Evaluating Applicant Information' section to coincide with new Colony Garage Application.
1-1-2017	55	Added a new section "RESTRICTIVE OR EXCLUSIONARY ENDORSEMENTS". The forms listed here are intended to help us cover risks that we may have had to decline in the past, limit our exposure in Catastrophe prone areas, or remove or decrease our exposure to specific, undesirable risk characteristics. Some are new, some are old and some are revisions of previous forms. Please review this section carefully.

Contacting us:

Sending Policies, Endorsements and Documentation by e-mail

denverpolicies@colonyspecialty.com

Sending Submissions

tr@colonyspecialty.com

Claims by e-mail

claimreporting@colonyspecialty.com

Direct Phone and e-mail for each Underwriter is listed in a separate document on the Colony Website

Garage Products

Products Available

Garage Coverage Form plus additional Garage Coverage Endorsements.

Property coverage is available on non-admitted Policies.

Preface

Colony Management Services provides both non-admitted and admitted facilities for the following types of Garage business:

- Dealers involved in the selling and servicing of "autos".
- Service operations engaged in repairing, towing, servicing, salvaging, storing and valet parking of "autos".

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Policy Issuance

See the Colony Rater Garage Policy Issuance Guidelines
and the Garage Forms Library under Garage Links online



RISK SELECTION TABLE


Key:	A = Acceptable for coverages and limits within your binding authority
	R = Refer to company – Comments may send you to the Pit Stop for additional information
	U = Unacceptable
OCC (Property Hazard Occupancy Code):	O = Office only (dealers with no service/repair operations)
	L = Low hazard (retail service ops such as brakes, auto glass, etc)
	M = Medium hazard (all other, & dealer with, service/repair)
	H = High hazard (paint/body shops, machine shops, fiberglass, etc)
	U = unacceptable, follows Garage class
	= Go to "Pit Stop" – may be able to quote with an Inspection and no referral

Primary Garage Operations	Key	OCC	Comments	Questionnaire
For Garage Operations not listed in this table	R		Call us to discuss	
Accessories Sales with Installation	A	L	Add Related Operations form to cover other exposures	
Airbag Installation, Service, and Replacement	R	L	Acceptable in "Body & Paint Shops"	
Alarm Installation	A	L		
Antique / Classic Auto Dealers	A	O/M		
Antique / Classic Auto Restoration		H	Liability – Acceptable GKL – Go to Antique/Classic Auto Pit Stop	
Auto Auctions		L	Go to Auto Auction Pit Stop	Auto Auction
Auto Battery Installation, Service and Sales	A	M		
Auto Brokers	A	O	Liability only	
Auto Custom Building (example – Kit Cars)	U	U		
Auto Dealer (non-franchised)	A	O*	*Occupancy should be Low, Medium or High for property depending on types of repairs done on premises. If no repairs, use O for office.	
Auto Parts Sales with Installation	A	L	Add Related Operations form to cover other exposures	
Auto Pawn		O/M	Go to Auto Pawn Pit Stop – Decline if Title Pawn only	
Auto Service/Repair (in shop. For mobile ops, see Mobile Mechanic)	A	M/H	Property occupancy code High if any welding, fiberglass repair, etc.	
Auto Transporter	U		May be OK for Garagekeepers only.	
Bedliner Installation	A	M		
Boat Sales & Service (no in-water or marina exposures)		O/H	Go to Boat Sales & Service Pit Stop. Property Occ Code High if any fiberglass repair.	Motorcycle, Watercraft & Off-Road Vehicle
Body & Paint Shops (Including Paintless Dent Repair)	A	H	Separate ventilated paint room; Laser, digital, or optical frame straightening device; Decline if Fiberglass over 25%; Should carry Workers Compensation Insurance.	
Boom Truck & Bucket Truck Sales & Service		M	Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment

Primary Garage Operations	Key	Occ	Comments	Questionnaire
Brake Shops	A	L		
Breathalyzer Ignition Installation	U	U		
Bus Sales and Service	U	M	If incidental – Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment
Camper, RV, Motor Home Sales and Service	🚚	O/M	Go to RV Pit Stop	Recreational Vehicle
Car Wash full service	A	L		
Car Wash self service	U	U	Refer if incidental	
Construction Equipment Sales and Service	🚚	O/M	Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment
Convenience Stores with Self Serve Gas Pumps	U	U		
Customization	R	H	20% or less is acceptable. Refer >20% with details of customization along with experience/training. This does not apply to Antique/Classic Restoration.	
Detailing (Shop or Mobile)	A	L	Includes Mobile Power Wash. Refer incidental building exposure	
Drive-Away Contractors	U	U		
Electric Car Sales & Service	R	O/M	Copy of Manufacturer's contract with Dealership required	
Emergency Vehicle Sales and Service	🚚	O/M	Go to Emergency Vehicle Pit Stop	Emergency Vehicle & Equipment
Fabrication	R	H	20% or less is acceptable. Refer >20% with details on what is being fabricated along with experience/training	
Farming Equipment Sales and Service	🚚	O/M	Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment
Engine Shut-Off Devices (Non-Alcohol Related)	A	L	With GPS, for dealers who finance autos	
Forklift Sales and Service	U	O/M	If incidental, complete HVQ as "Other". Refer if no service of lifting apparatus	Heavy Vehicle & Equipment
Frame Modification (lengthen or shorten between front and rear wheels)	U	U		
Franchised Dealers	U	O/M	Only New Car franchises are unacceptable. Can consider franchises for other vehicle types.	
Fuel Conversion	🚚	H	Go to Fuel Conversion Pit Stop.	Fuel Conversion Questionnaire
Gasoline Stations with full service or repair	A	H	Add Related Operations form to cover other exposures	
Gasoline Stations self serve and no repair	U	U		
Glass-Auto (Shop or Mobile)	A	L	No residential/commercial building work	
Golf Cart Sales & Service	A	O/M	Rate as Car Dealer or Car Service	
Harley-Davidson Sales and Service (must be exclusively a Harley shop)	A	O/M	With central station alarm; Add Related Operations form to cover other exposures	Motorcycle, Watercraft & Off-Road Vehicle
Hired Auto ("if any" basis)	A	N/A	If any actual exposure, submit with supplement	Hired Auto
Horse Trailer Sales and Service	🚚	O/M	Go to Horse Trailer Pit Stop. Property occupancy code High if any welding. Classify dealers as commercial trailer dealer and service as truck service/repair.	

Primary Garage Operations	Key	Occ	Comments	Questionnaire
Hydraulic Service on Truck Bodies	R	M	Mechanics must be ASE Certified with 5 years experience in this specialization.	Heavy Vehicle & Equipment
Internet Sales (over 15%)	R	O	Must have website address on application	
Kentucky Used Auto Dealers	🚧	O/M	Specific Authority Required. Go to Kentucky Auto Dealers Pit Stop	KY Auto Dealers
Lights (Boogey, LED)	A	L		
Lift Kits	🚧	M	Go to Lift Kits Pit Stop	
Logging Truck Sales & Service	U	U	If incidental – Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment
Low Speed Vehicle Sales & Service	A	O/M		
Manufactured Housing Sales and Service	U	U		
Mining Equipment	U	U		
Mobile Mechanic (Both fleet and non-fleet service mostly on customer's premises. More than 25% tire service is prohibited. Not Roadside Assistance.)	A	M/H	Property occupancy code High if any welding. Use Tool & Equipment floater for off premises coverage.	
Mobility Equipment Sales and Installation (Cars & Vans)	🚧	O/M	Go to Mobility Pit Stop Property occupancy code High if any welding.	
Motorcycle, Dirt Bike, Dune Buggy, All Terrain Vehicle, Quad & Snowmobile, Moped & Motorized Scooter – Sales & Service	🚧	O/M	Go to Motorcycle Pit Stop	Motorcycle, Watercraft & Off-Road Vehicle
Motor Home, RV, Camper Sales and Service	🚧	O/M	Go to RV Pit Stop	Recreational Vehicle
Muffler Shops	A	L	Property occupancy code High if any welding.	
Oil/Lube Shops including Mobile operations	A	H	Refer if New Venture. Shops require a \$1000 liability deductible and a 25% debit for unique characteristics.	
Oilfield Equipment	U	U		
Parking Lots or Structures – Public (Self park for an hourly, daily or monthly fee; not for storage)	A	L	With controlled access & theft barriers; Garagekeepers for Legal Liability only	
Performance enhancements	R	H	The definition of 'performance enhancements' varies so widely that we would like a chance to review risks that specialize in this area.	
Railcars, road-rail or hyrail vehicles	U		Vehicles designed to operate solely or 'also on' railroad tracks.	
Repo Storage Lots (Liability and Garagekeepers Legal)	A	O	Scheduled autos/trucks, Drive-away repo and On-Hook must be written elsewhere. No Broadened Coverage. See Approved Endorsement Wording for mandatory CA2507 Repo Exclusion	
Roadside Assistance (Not Mobile Mechanic. Assists stranded motorists with jump starts, flats, etc.)	A	L	Use Tool & Equipment floater for off premises coverage.	
RV, Motor Home, Camper Sales and Service	🚧	O/M	Go to RV Pit Stop	Recreational Vehicle
Salvage Yards	🚧	M	Go to Salvage Yard Pit Stop	Salvage Yard
Self-Service (DIY) Repair Shops	U	U		

Primary Garage Operations	Key	Occ	Comments	Questionnaire
Semi-Trailer Sales & Service Refer to Truck/Truck Tractor guide for referral classes.	A	O/M	Go to Heavy Vehicle Pit Stop. Classify dealers as commercial trailer dealer and service as truck service/repair.	Heavy Vehicle & Equipment
Stereo Installation	A	L	With central station alarm if quoting Property	
Storage Facilities	R	O/M	Go to Storage Facility Pit Stop	Storage Facility
Structural Rebuilders (from Salvage Title)	U	H	Decline if over 25% structural rebuilding on Salvage titled vehicles.	
Tank Trailer Cleaning (Internal)	U	U		
Tires – Sales & Service			Go to Tire Sales and Service Pit Stop. If over 25% - Decline Risk. Restriction does not include Roadside Assistance or Motorcycle/ATV risks	
Tow Truck Operators – with Truck and/or On-hook.		O/M	Go to Tow Truck Pit Stop	Tow Truck Operator
Tow Truck Operators (If not covering Trucks & On-Hook)	A	O/M	Tow Truck Operator Questionnaire required.	Tow Truck Operator
Transmission Shops	A	M		
Travel Trailer Sales and Service		O/M	Go to RV Pit Stop	Recreational Vehicle
Truck Stops (Rural)	R	H	Go to Truck Stop Pit Stop	
Truck Tractor Sales (used)	A	O	Complete #1 on Heavy Vehicle Questionnaire. If Repair Ops, Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment
Truck/Truck Tractor Service/Repair (26,000 GVW or greater)		M/H	Go to Heavy Vehicle Pit Stop	Heavy Vehicle & Equipment
Upholstery Shops	A	H		
Used Car/Truck Dealers	A	O/M	Must be a Licensed Dealer; Refer if Internet Sales are more than 15% of total sales. Must have website on application See also KY Auto Dealers above	
Utility Trailer Manufacturers (dual axle, 2000# payload capacity)	R	H	Classify dealers as commercial trailer dealer and service as truck service/repair.	
Utility Trailer Sales and Service	A	O/M	With theft protection. Classify dealers as commercial trailer dealer and service as truck service/repair.	
Utility Vehicles (Farm or Commercial Use only; and not rented) Sales & Service	A	O/M	Add Related Operations form to cover other exposures	
Vacuum Truck Sales and Service	A	O/M	Decline if Haz Mat or internal tank cleaning	
Valet Parking Services (Site specific; no special events using on-street parking)		O	Valet Parking Questionnaire required for each location. Go to Valet Pit Stop	Valet Parking
Van Conversion	R	H	Go to Van Conversion Pit Stop	
Vehicle Safety & Smog Inspection Stations	A	M	No Repair	
Vehicle Wraps	A	H	With documented training for product used	
Welding	R	H	20% or less is acceptable. Refer >20% with details on what the insured is welding along with experience/training	

Primary Garage Operations	Key	Occ	Comments	Questionnaire
Wholesale Dealers	 R	O	Go to Whole Dealers Pit Stop	Wholesale Dealer
Window Tinting Shops	A	L	Refer incidental building exposure	



PIT STOPS

Many of our classes no longer require a referral if the risk meets our guidelines! Follow the traffic lights by tracking the applicant's information in the **Go, Refer and Stop columns**. If everything's a green light, check the **GO Qualifiers** and then take off! "GO Qualifiers" are the mandatory items we need if you bind.

Several of the Pit Stops have a **Refer** column and others are still **Referral Classes**. By using caution at the yellow light, you can easily see when to submit the risk. **If the column says to See Fuel For Thought, then be sure to provide this information with your submission, either in your cover letter or within the applications.** The **Qualifiers** tell you what information we need to get you back on the road quickly.

There are a few classes with no referral aspects at all. You're either going to **GO** or you're going to **STOP**! When you get that "STOP" light, we give you clear direction to decline all or part of the risk on our behalf.

The **Fuel for Thought** provides general information and insight on our underwriting appetite as well as specific guidance for your referrals. If you're not sure how to handle a particular risk, give us a call!

ANTIQUE/CLASSIC AUTO RESTORATION - GARAGEKEEPERS

Dealer – ISO code 7351, Company Class Code 122005

Service/Repair – ISO code 7808, Company Class Code 122015

		GO	REFER	STOP
1	Does Insured take photos of the vehicle when it comes to the shop?	Yes	No – Refer with details of how vehicle condition is initially documented	
2	For restoration, how does Insured track enhancements?	Log book, photos, computer tracking system	Anything else – Provide details	Does not track at all – Decline GKL

Fuel for Thought:

- ❖ Security is very important for higher valued vehicles. Inside a newer building with a central station alarm is best.

GO Qualifiers:

- ❖ Inspection within 30 days of inception. Must document how enhancements are tracked.
- ❖ Hard Copy Loss Runs within 30 days of inception.

AUTO AUCTION
Dealer – ISO code 7351, Company Class Code 122739

		GO	REFER	STOP
1	Are there any mobile auction operations?	No	Yes	
2	Does Insured serve food or beverages?	If yes - Rate related ops or exclude if covered elsewhere		
2b	Does Insured serve alcohol?	Yes and Insured has a Liquor Liability policy in force elsewhere		Yes and Insured has no coverage elsewhere – Decline Liability
3	How are autos transported to auction?	Anybody other than Insured	Insured's drivers See Fuel for Thought	
4	How are autos transported from auction to buyer?	Anybody other than Insured	Insured's drivers See Fuel for Thought	

Fuel for Thought:

- ❖ We have not previously accepted any road exposure in this class. The details requested on the supplement must be provided for us to consider a referral and price to the exposure when the Insured's drivers are transporting vehicles.

GO Qualifiers:

- ❖ Auto Auction Questionnaire.
- ❖ Physical Damage must be rated as Dealer Physical Damage, not Garagekeepers.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

AUTO PAWN
Classify as Car Dealer – ISO code 7351, Company Class Code 12000

		GO	STOP
1	Does Insured take possession of the vehicle?	Yes	No – Decline Risk
2	Is this Insured's entire operation?	Yes	No – Obtain proof of coverage elsewhere and exclude the other operations on a CA2507
3	Is this a Title Pawn operation?	No	Yes – Decline Risk

GO Qualifiers:

- ❖ Inspection within 30 days of inception to include verification Insured takes possession of all vehicles and no title pawn.
- ❖ Hard Copy Loss Runs within 30 days of inception.

BOAT SALES AND SERVICE
Boat Dealer – ISO code 7344, Company Class Code 122006
Boat Service/Repair – ISO code 7808, Company Class Code 122016

		GC	REFER	STOP
1	Does Insured repair fiberglass?	Up to 25%		Over 25% - Decline risk
2	Is there any in-water or marina exposure?	No		Yes – Decline risk
3	Lot Security is required for PD or GKL	Can include fence, building, tongue locks	Anything else	

Fuel for Thought:

- ❖ Requires Symbol 32 on Garagekeepers and Dealer's Physical Damage. See Approved Endorsement Wording for CA9954.
- ❖ Important to know how resin is stored as it is highly flammable.
- ❖ Theft protection is key for this class. We prefer a 6' chain link fence with locked gate, or inside a secured building with an alarm. Tongue locks are acceptable for small risks in a rural setting.

GO Qualifiers

- ❖ Motorcycle, Watercraft & Off-Road Vehicle Questionnaire.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

EMERGENCY VEHICLE SALES AND SERVICE

Emergency Vehicle Dealer – ISO code 7351, Company Class Code 122003
 Emergency Vehicle Service/Repair – ISO code 7808, Company Class Code 122011

		GO	REFER	STOP
1	Describe total operations by % of vehicle types sold or serviced.	Any answer OK.		
2	Where is work performed?	Any answer OK.		
3 A	Percentage of work performed – General	Up to 100%		
3 B	Percentage of work performed – Emergency Vehicle Specific	0% or 100% Lights, Sirens, Radios	Any % other than Lights, Sirens, Radios	
4	Provide details of Qualifications, Experience and actual work performed if any percentages listed in 3B.		Details must be provided to submit.	
5	Medical equipment sales and service	If yes, then must be covered elsewhere and excluded on a CA2507		If yes and not covered elsewhere – Decline Liability
6	Durable medical equipment sales and service (power chairs, walkers, etc)	If yes, then must be covered elsewhere and excluded on a CA2507		If yes and not covered elsewhere – Decline Liability
7	Does Insured test drive extra-heavy vehicles off premises?	Yes and at least one driver has CDL		If CDL is required and <u>no</u> drivers are properly licensed - Decline Risk
8	Fabrication exposure?	No	Yes – Provide details	No details – Decline Liability

Fuel for Thought:

- ❖ **No New Ventures will be accepted if the emergency vehicle specific work is other than lights, sirens, radios.**
- ❖ If the service work performed is emergency vehicle specific, the detailed information they provide in #3 of the Emergency Vehicle & Equipment Questionnaire is crucial for us to consider the referral and price to the exposure.

GO Qualifiers:

- ❖ Emergency Vehicle & Equipment Questionnaire.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

**FUEL CONVERSION OPERATIONS
REFERRAL CLASS**

Classify based on types of vehicles converted:

Cars – use Car Service/Repair – ISO code 7808, Company Class Code 122100

Trucks or Buses – use Truck Service/Repair – ISO code 7808, Company Class Code 122101

		REFER	STOP
1	Details of fuel conversion work performed	CNG LPG (Autogas) conversions Bio Fuel	
2	Are all conversion kits that are sold or installed manufactured in the USA?	Yes	No – Decline Liability
3	Does the applicant manufacture any or all of the conversion kits?	No, OR Yes if GL policy in place for manufacturing/products	
4	Do all conversion kits meet the requirements of NFPA 52?	Yes	No OR Unknown – Decline Liability
5	Are all conversion kits EPA certified?	Yes	No OR Unknown – Decline Liability
6	Are all employees who perform fuel conversions state certified?	Yes	No – Decline Liability
7	Who do you perform fuel conversion for?	Any answer is OK. If insured operates under contract provide copy.	
8	Do you install or service Nitrous Systems?	No	Yes – Decline Liability
9	Do you test drive extra-heavy trucks or truck tractors away from garage premises on public roadways?	No OR Yes with at least one driver with CDL.	Yes – and no CDL driver – decline liability
10	What parts, equipment, or accessories related to fuel conversions do you fabricate?	No fabrication or fabrication with details.	Fabrication performed, no details provided – Decline Liability
11	Do you sell LPG or CNG?	If no, or If yes and a. through c. are answered and at least 25' separate storage tank from buildings/vehicles.	If yes and any of a. through c. are answered No or less than 25' of separation between storage tank and buildings/vehicles.

Fuel for Thought:

- ❖ The National Fire Protection Association's (NFPA) mission is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus codes and standards, research, training, and education.
- ❖ NFPA 52 is the Vehicular Gaseous Fuel Systems code. NFPA 52 safeguards people and installations with requirements that mitigate the fire and explosion hazards associated with compressed natural gas (CNG) and liquefied natural gas (LNG) engine fuel systems and fueling facilities.

Qualifiers:

- ❖ Company Garage Application
- ❖ Fuel Conversion Questionnaire
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

HEAVY VEHICLE AND EQUIPMENT SALES AND SERVICE

(CLASSIFY BASED ON THE VEHICLE TYPE WITH THE HIGHEST PERCENTAGE)

Truck/Heavy Veh Dealer – ISO code 7351, Company Class Code 122001

Truck/Heavy Veh Service/Repair – ISO code 7808, Company Class Code 122101

Equipment Dealer – ISO code 7351, Company Class Code 122007

Equipment Service/Repair – ISO code 7808, Company Class Code 122017

Commercial Trailer/Semi-trailer Dealer – ISO code 7354, Company Class Code 122001

Commercial Trlr/Semi-trlr Service/Repair (as Truck Svc/Repair) – ISO code 7808, Company Class Code 122101

	GO	REFER	STOP
1) Operation by Percentage:			
Boom Trucks/ Bucket Trucks	20% or less	Over 20% See Fuel for Thought	
Buses	0 - 25%	Over 25% Service See Fuel for Thought	Over 25% Sales
Construction Equipment	Add Symbol 32 for GKL or DOL and attach CA9954		Oilfield or mining equipment
Cranes	0%	Up to 20%, No Lifting Apparatus	Over 20% or Any Lifting Apparatus -Decline Liability
Farm Equipment	Add Symbol 32 for GKL or DOL and attach CA9954		If Safety Guards are permanently removed – Decline Liability
Farm Implements	“As Is” Sales; No service, repair or replacing of cutting tools or blades	Up to 10% cutting tool or blade exposure See Fuel for Thought	Over 10% cutting tool or blade exposure – Decline Liability
Lawn/Tree Service Equipment	“As Is” Sales; No service, repair or replacing of cutting tools or blades	Up to 10% cutting tool or blade exposure See Fuel for Thought	Over 10% cutting tool or blade exposure – Decline Liability
Logging Trucks/Equipment	10% or less with 0% Brakes, Tires or Suspension work on any vehicles	Submit if brake or suspension work on Logging trucks/equip 0-10%.	Decline Liability if brake or suspension work on Logging trucks/equip is greater than 10%. 10% Logging and any % tires is still a decline.
Military & Municipal Vehicles	0%	Any – Provide Hold Harmless portion of Contract with referral	
Mining Equipment	0%	Submit with description of equipment	No description of equipment provided - Decline Liability
Oilfield Equipment	0%	Submit with description of equipment	No description of equipment provided - Decline Liability
Refrigerated Vans/Trailers	20% or less on refrigeration unit	Over 20% on refrigeration unit	
Semi-Trailers	No restrictions		
Tank Trailers/Tankers	No cleaning, servicing or repair of internal tank		Any internal tank exposure - Decline Liability
Truck Tractors	No restrictions		
Other	0%	Any - Provide details of vehicles with referral	
2) Where is work performed?	GO	REFER	STOP
Your Shop	No restrictions		
Customer's Yard	No restrictions		
Truck & Travel Center	Minor repairs	Major repairs	
Roadside	Minor repairs	Major repairs	

3) Percentage of work performed – Special Instructions		GO	REFER	STOP
Blades/Cutting Equipment/Chippers	0%		Up to 10% See Fuel for Thought	Over 10% - Decline Liability
Brakes – Logging Truck/Equip	0%		Up to 10%	Over 10% - Decline Liability
Hydraulics – Lifting Apparatus	20% or less, no crane exposure		Over 20% - See Fuel for Thought	Any crane exposure – decline Liability
Refrigeration Unit (Cargo Area)	20% or less		Over 20%	
Snow Plow Repair/Installation	Ok for vehicles up to 10,000 GVW			If any vehicles that maintain public roads – Decline Liability
Structural/Frame Modifications	Frame cutting behind the rear axles only			Any frame cutting between axles – Decline Liability
Suspension-Logging truck/Equip	0%		Up to 10%	Over 10% - Decline Liability
Internal Tank Repair/Cleaning	0%			Any – Decline Risk
Other	0%		Any – Provide details	
Remainder of Questionnaire		GO	REFER	STOP
4	5 th wheel installation, service or repair?	If yes, must list qualifications		No qualifications – Decline Liability
5	ASE Certified?	If no, must give details of training and required experience		No ASE, no training, no experience requirements – Decline Liability
6	Does Insured test drive extra-heavy vehicles off premises?	Yes and at least one driver has CDL		If CDL is required and no drivers are properly licensed - Decline Risk
7	Fabrication exposure?	No	Yes – Provide details	No details – Decline Liability
8	FMCSA Inspections?	Yes - Both a] and b] must be “yes” and either c] or d] must be “yes”		If GO terms are not met – Decline Liability

Fuel for Thought:

- ❖ Sections 1, 2 and 3 should each total 100%.
- ❖ Heavier units may involve farther travel for pick-up and delivery. Watch your mileage radius binding authority.
- ❖ Attach CA9954 to define Symbol 32 when covering vehicles used in construction or farming, including attached machinery or equipment. Non-motorized equipment does not meet the definition of an “auto” for Garagekeepers or Physical Damage.
- ❖ For Equipment Dealers or Equipment Service/Repair, be sure to use the new class codes for rating purposes.
- ❖ **Buckets and Booms:** Our intent is to accept no more than a 20% exposure for bucket truck or boom trucks, including the Lifting Apparatus. However, if the applicant has excellent experience and loss history, you may refer for an exception with the details of applicant’s expertise, work performed and 3 year hard copy loss runs. There is no exception available for lifting apparatus exposure for cranes.
- ❖ **Buses:** We can consider more than 25% bus service when the work performed is not crucial to the operation of the vehicle. For example, we can typically justify quoting a risk that only washes and details the buses, but someone whose work includes brakes, tires, and suspension would not be approved for an exception.
- ❖ **Farm Implements, Lawn and Tree Service Equipment – Sales, Service, Repair or Replacing of Cutting Tools or Blades:** We most often see this exposure for Equipment Dealers or in Service risks with small engine repair. When this is an incidental part of a Garage operation, there typically is no GL coverage in place elsewhere. This makes it unlikely that excluding the blade exposure on a CA2507 will be successful, so we have to underwrite and price for it. Be sure to document the applicant’s experience and provide 3 year hard copy loss runs with your submission.
- ❖ **Heavy Vehicles tend to have higher values.** Be mindful of the binding authority per vehicle.
- ❖ **Construction Equipment does not include oilfield or mining equipment.** Refer with details of types of equipment if sales or service of either exist.

GO Qualifiers:

- ❖ Heavy Vehicle & Equipment Questionnaire.
 - If Dealer, only Question #1 needs to be completed.
- ❖ Risk Inspection within 30 days of inception if referral is required.
- ❖ Hard Copy Loss Runs within 30 days of inception if referral required.

HORSE TRAILER SALES AND SERVICE

CLASSIFY AS CAR DEALER OR SERVICE

Commercial Trailer Dealer – ISO code 7354, Company Class Code 122001

Truck Service/Repair – ISO code 7808, Company Class Code 122101

		GO	REFER
1	What is the Lot security? (required for PD or GKL)	Fence, building, tongue locks	Anything else – Provide details
2	Is custom work performed such as adding living quarters where I-beams are cut to lengthen the trailer?	No	Yes – Provide details

Fuel for Thought:

- ❖ Because these trailers can have very high values, theft protection is very important. We prefer a 6' chain link fence with locked gate, or inside a secured building with an alarm. Tongue locks are acceptable for small risks in a rural setting.

GO Qualifiers:

- ❖ Inspection within 30 days of inception if referral required.
- ❖ Hard Copy Loss Runs within 30 days of inception if referral required.

KENTUCKY AUTO DEALERS

***Note – Specific State and Class Authority Required
Car Dealer – ISO code 7351, Company Class Code 122000**

		GO	REFER	STOP
1	Is there a Buy Here-Pay Here Option?	Yes – Insured must transfer title as Loss Payee		If Insured holds title - Decline risk
2	Who Handles the Paperwork? Is buyer's consent obtained?	You Yes		Buyer – Decline risk No consent – Decline risk
3	How often are titles taken to County Clerk's office?	Daily or weekly	Anything else – Provide details	
4	Does Insured get a copy of the Insurance ID card?	Yes		No – Decline risk
5	Does Insured sell over the Internet where vehicles are shipped to buyer?	No	Yes – Provide details	
6	Does the insured sell to any dealers or auctions outside the state of Kentucky?	No		Yes, decline risk.

Fuel for Thought:

- ❖ You must have KY Dealer authority to quote this class of business.
- ❖ If the applicant is not verifying that the buyer has insurance coverage in place before leaving the lot and transferring the titles promptly, then they are placing our policy limits at risk. While it is true that the KY Statutes were updated in this regard, the case law has not been tested.

GO Qualifiers:

- ❖ Kentucky Auto Dealers Questionnaire **prior to binding**.
- ❖ Risk Inspection which includes specific verification of title transfer procedures. **If the Inspection does not document the same title transfer procedures as the original Supplement, we may require Direct Notice of Cancellation.**
- ❖ Hard Copy Loss Runs within 30 days of inception.

LIFT KITS/SUSPENSION MODIFICATION

	<Answer #33 on Garage App>	GG	REFER	STOP
33.	Is Lift Kit exposure over 20%?	No	Yes – refer with question #37 completed	
	<Answer #37 on Garage App>			
37	Does Insured lift over 6 inches?	No		Yes – Decline Liability
	What percentage is Body or Suspension Lifts?	Any %		
	What is training and experience?	Some Training or experience should be indicated		Decline liability if no training or experience

Fuel for Thought:

- ❖ Our application asks for percentage of Body Lifts vs. Suspension Lifts to help you underwrite the exposure. Body Lifts are typically two or three inches and do not pose the same concerns as Suspension Lifts.
- ❖ Training and experience for type of lifts being installed are key.

MOBILITY EQUIPMENT SALES AND INSTALLATION

(Classify as Car Dealer or Car Service/Repair)

Mobility Vehicle Dealer – ISO code 7351, Company Class Code 122109

Mobility Vehicle Service/Repair – ISO code 7808, Company Class Code 122108

	<Answer #36 on Garage App>	GO	STOP
a	Does Insured sell power chairs and other durable medical equipment?	Must be covered elsewhere and excluded on CA2507	If yes and not covered elsewhere – Decline Liability
b	Does Insured install wheel chair ramps in private residences?	If less than 20%-charge under Related Ops. If over 20% - Must be covered elsewhere and excluded on CA2507	If over 20% of operations and not covered elsewhere – Decline Liability

Fuel for Thought:

- ❖ Installation of hand controls in cars and vans is acceptable.
- ❖ Installation of lift gates for wheel chairs is acceptable.
- ❖ For b above, incidental building installation exposure, rate as related operations using new class code 56911 mobility/adaptability/accessory construction and attach G1507.

GO Qualifiers:

- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

MOTORCYCLE, DIRT BIKE & OFF ROAD VEHICLES

Non-franchised Motorcycle Dealer – ISO code 7351, Company Class Code 122742

Franchised Motorcycle Dealer – ISO code 7321, Company Class Code 122742

Motorcycle Service/Repair – ISO code 7808, Company Class Code 122748

		GO	REFER	STOP
1	Percentage of Operations (See Boat Pit Stop for Watercraft)	Adds up to 100%	If any "Other" - Provide details	If Scooters under 49 CCs – Decline Liability
2	Is inventory stored inside at night with a Central Station alarm?	Yes (does not apply to GKL)	No – Provide details on how vehicles are secured.	
3	Does Insured permit off premises test drives?	No	Yes with no specified route – Provide details Yes with route over 1 mile – Provide details	Yes with customers under 21 allowed to drive – Decline Risk Yes but motorcycle license not required – Decline Risk
4	Does Insured permit overnight try-outs?	No		Yes – Decline Risk
5	Is anyone furnished one of these vehicles?	No	Yes – Provide details	
6	Do employees who drive have the required license endorsement?	Yes		No – Decline
7	Are there any Related Operations?	Rate in Colony Rater and attach G1507		
8	Is there any racing exposure?	None	Any - Provide details	
9	Is customization/alteration work done?	No	Any – Provide details	
10	Does Insured do Trike Conversion?	None	Any – Provide details	
11	Is there any Rental or Loaner exposure?	Must be covered elsewhere and excluded on a CA2507		If not covered elsewhere – Decline Liability

Fuel for Thought:

- ❖ If off premises test drives or another category does not meet our guidelines, we may be able to offer stand-alone Physical Damage and/or Garagekeepers.
- ❖ If Kits are used in customization or conversions, need name of manufacturer. In order for us to subrogate against a manufacturer in event of a products loss, that manufacturer must have a US based operation.
- ❖ **RACING:** The Garage Coverage Form (CA0005) Liability coverage has exclusion for Racing as follows: *Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.*

GO Qualifiers:

- ❖ Motorcycle, Watercraft & Off-Road Vehicle Questionnaire.
- ❖ Inspection required within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

PROPERTY (BUILDING, CONTENTS, BUSINESS INTERRUPTION, SIGNS)

Available only as part of a non-admitted Garage Policy

		GO	REFER	STOP
			Submit TIV over \$500,000 any location	
	Ever filed Bankruptcy, chapter 7, 11 or 13?	No	Yes – submit with details	
1.	Check all that apply (Types of Protection)	Any	Submit if Protection class 9 and 10	Decline Special Form Including Theft w/out Central Station Alarm
2.	Year built, Updates, Construction, Protection class.	Details must be on ACORD app or entered here.	Submit if Protection class 9 and 10	Decline: -any property coverage in buildings over 35 years old with no updates
3.	Is building vacant or unoccupied?	No		Yes or unknown – Decline Property
4.	Does the property have circuit breakers?	Yes		No - Decline Property
5.	Does the property have Aluminum or Knob & Tube Wiring?	No		Yes - Decline Property
6.	Is the property in an area that is considered deteriorating?	No		Yes - Decline Property
7.	Does the property have a wood stove?	No		Yes - Decline Property
8.	Is the property a Mobile Home or Mobile Office?	No		Yes - Decline Property
9.	Have fire extinguishers been inspected and tagged w/in last year?	Yes	No	
10.	Is there a sprinkler system?	Any		
11.	Is sprinkler system maintenance and testing performed at least annually by contractor?	Yes OR No or unknown - do not apply sprinkler credit		
12.	Are all flammable materials stored in approved UL containers?	Yes		No or unknown – decline property coverage
13.	Are all waste materials including rags disposed of in self-closing non-combustible containers?	Yes		No or unknown – decline property coverage
14.	Are there any paint booths or paint rooms/facilities on the premises?	Must be answered.		
15.	Are the paint booths, paint rooms/facilities designed to conform to NFPA Standards or UL Approved	Yes		No or unknown – decline property coverage
16.	Is there any welding done inside the building?	Must be answered.		
16a	Are specific safety procedures followed when welding?	Yes		No or unknown – decline property coverage
16b	Is the welding area separate from the rest of the building?	Yes.		No.

17.	Loss history	Must be completed.	Submit property when 3 year loss history shows: any one loss over \$5,000 Or more than 1 theft loss	
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Fuel for thought:

- ❖ **Coverage availability is subject to the Weather Restriction section of your Binding Authority.**
- ❖ If the ACORD property application is attached, you will not need question 1 answered on this supplement.
- ❖ Submit any location that is greater than \$500,000 TIV for property.
- ❖ Property located in protection class 9 or 10 must be submitted. Properties located in these protection classes may easily turn into a total loss in event of a fire. When submitting, please consider the hazards of paint booths/facilities, welding and fiberglass work done inside the building as these present a higher than normal probability of loss due to fire.
- ❖ **Requirements for Special Form:**
 - Building is less than 35 years old, or older and updated /renovated as follows: roofing, wiring, plumbing and heating in the last 25 years; and in good condition.
 - Contents: Theft must be EXCLUDED unless there is a central station burglary alarm. Attach CP1211 safeguard endorsement
- ❖ **Deductibles:** We offer deductibles only on a per occurrence basis. Deductible amounts should increase as the total amount of insurance increases. For Windstorm or Hail deductibles, use the Multiple Deductible Form for fixed dollar deductibles or the Windstorm or Hail Percentage Deductible form.
- ❖ **Valuation** Actual Cash Value (ACV) on Building and Contents. Replacement Cost (RC) is available **if** Building meets requirements for Special Form. The minimum co-insurance for ACV is 80%, for RC it is 90%; Monthly Limitation on Income may be 1/3 or 1/4 monthly.
- ❖ Actual Cash Value: Cost per square foot less than \$25 or over \$80 must be verified by a building cost estimator or an inspection containing a property valuation.
- ❖ Replacement Cost – Cost per square foot less than \$50 or over \$150 must be verified by a building cost estimator or an inspection containing a property valuation.
- ❖ **Business Income and Extra Expense** If we are covering building or contents, you may add business income and extra expense for up to 4 consecutive 30 day periods. On the Property Declarations this would be expressed as **1/3 or 1/4 monthly.**
- ❖ **Additional Coverages Available:**
 - **Signs:** Complete ACORD 144 Glass & Sign Supplement; use descriptions as shown on application; Signs are eligible for Causes of Loss-Basic Form only.
 - **Fences:** Fences are eligible for Basic Causes of Loss on an ACV basis only. Rate as a Building and describe on the G1515 under Covered Property as “Fence”. Enter the desired Limit of Insurance, show the Valuation as “ACV”, the Co-Insurance as “80%”, the Cause of Loss as “Basic”, and list the same per item Deductible as the building.
 - When underwriting the exposure for fences, keep in mind:
 - Fences are subject to loss caused by Fire, Wind, and physical contact with a vehicle.
 - The Building & Personal Property Coverage Form (CP0010) does provide \$1,000 in coverage for fences, but only for the perils of Fire, Lightning, Explosion, Riot and Aircraft.
 - The Basic Causes of Loss Form will cover those same perils, but specifically excludes loss caused by “vehicles you own or which are operated in the course of your business”. This means that damage to a fence caused by a customer’s vehicle in the care of the insured is not covered.
 - **Tenants Improvements and Betterments** are fixtures, alterations, installations or additions a) made a part of the building or structure insured occupies but does not own and b) acquired or made at insured’s expense but cannot legally remove. Follows same requirements/underwriting as Building or BPP coverages.
 - **Premier and Premier Plus** – property enhancement endorsements that offer additional coverages such as Electronic Data, Fire Department Service Surcharge, Perimeter Extension – Building and Business Personal Property, Property of Others, Sign, Valuable Papers and more.
- ❖ **Automotive Service Tools & Equipment**
 - This is our Tool Floater. The rates contemplate mobile or non-owned exposure, so if neither of these conditions exist, rate the tools as contents.
 - Use G1556 to cover unscheduled and/or scheduled Tools & Equipment both on and off premises.
 - The Property Questionnaire is not required if this is the only coverage requested.
Example: **A mobile operation or coverage for employee tools** neither of which is covered by the property form.
(Reminder: authority is \$25,000 and **Basic or Broad form**)
- ❖ **GO Qualifiers.**
- ❖ Colony Specialty Garage Property Questionnaire with the ACORD Property Section (Acord 140)
- ❖ **Property specific** inspection within 30 days of inception for:
 - Any risk located in protection class 9 or 10
 - TIV per location of greater than \$150,000
 - Any risk with building over 35 years old regardless of updates indicated on application
- ❖ Hard Copy Loss Runs within 30 days of inception.

RV - MOTOR HOME – CAMPER SALES AND SERVICE
RV Dealer – ISO code 7344, Company Class Code 122009
RV Service/Repair – ISO code 7808, Company Class Code 122010

		GO	REFER	STOP
1	RV Rental exposure	No exposure		Rental units cannot be part of inventory held for sale & must be excluded on a CA2507
2	RV Storage exposure	No exposure	Yes – Provide Storage Facility Questionnaire & copy of Storage Agreement with referral	
3	LPG Sales exposure	No exposure	Yes - If storage tank is less than 25' to building or vehicles	Decline risk if: -There are no collision barriers -They don't have "No Smoking" signs posted -Anyone other than qualified employees fill the tanks
4	Is there a kitchen appliances or heating/cooling systems repair exposure?	25% or less, technicians are trained and qualified		Over 25% – Decline Liability
5	Is there a trailer hitch installation exposure?	25% or less Hitches are bolted on, or any welding is by a certified welder		Over 25% - Decline Liability
6	Trade Shows attendance	3 times a year or less	If more than 3 times a year – Provide list of all events including location.	
7	Related Operations	Rate in Colony Rater and attach G1507		
8	Max Limit per Vehicle	\$75,000 or less	Over \$75,000 with good lot security, key control and loss history	Over \$75,000 with poor lot security, key control and/or loss history - Decline GKL and Physical Damage

Fuel for Thought:

- ❖ If rental units are part of the inventory for sale, it is difficult for claims adjusters to separate them out at the time of loss.
- ❖ Appliances, heating and cooling systems present a fire and explosion exposure which is magnified in these units since they aren't just used for transportation.
- ❖ Motorhome/RV may involve travel for pick-up and delivery. Be mindful of the binding authority for radius.
- ❖ The employees who perform welding and the appliance, heating and cooling repairs must be qualified with solid experience.
- ❖ Values tend to be higher for these types of vehicles. Be mindful of the binding authority per vehicle.

GO Qualifiers:

- ❖ Recreational Vehicle Questionnaire.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

SALVAGE YARDS

Car Dealer with Salvage Ops – ISO code 7351, Company Class Code 122113
Salvage Ops only (No dealer license) – ISO code 7808, Company Class Code 122115

		GO	REFER	STOP
1	Is the yard fenced and gated?	Yes	No – Provide details	
2	Do you allow customers allowed in yard?	No		If employees do not accompany customers or if customers can pull their own parts - Decline Liability
3	Are uncrushed vehicles stacked more than 2 high?	No or 3 high with a rack		If 3 high or more without a rack - Decline Liability
4	Do you stack crushed Vehicles more than 5 high?	No or 5 high max	Over 5 high - Provide photos of stacks	
5. & 5.a.	Is there a crusher?	No	Yes - Lot is unfenced, but crusher is in a protected area – Provide details	Yes - crusher is exposed - Decline Liability
5.b.	Do you transport crushed cars?	No OR Yes and you add the Metal Scrap Dealer and Recycling Exclusion		Decline liability if yes and cannot add the Metal Scrap Dealer and Recycling Exclusion
5.c.	If crushing performed by contractor are certs obtained?	Yes		No certs obtained, decline liability.
6	Do you sell used parts and accessories without installing them?	If yes, add Related Operations.		
7.	Do you sell used tires other than bulk for recycling?	No OR Yes and 25% or less and question #40 on application check out OK.		Yes and over 25% of sales, decline liability.
8	Are you involved in any recycling operations not related to the salvage of auto parts?	No OR Yes and covered elsewhere-exclude using CA2507 and provide proof of coverage.	Yes and not covered elsewhere - submit with 8b-e answered.	
9.	Is there a Dealer Exposure?	No OR Yes and sold 'as is' and insured is licensed dealer.		If state requires a Dealer's license and Insured does not have one - Decline Liability

Fuel For Thought:

- ❖ When the lot is unfenced, our concern is the attractive nuisance exposure. This concern is magnified when there is a crusher on the premises. Your referral needs to tell us what controls are in place to keep people out when the yard is closed. In rural settings this may include 'natural barriers' such as rivers and dense woods.
- ❖ The Animal Exclusion form is mandatory on all Salvage Yard risks, as allowed by the state.
- ❖ If there is an indication that the insured also has recycling operations not related to auto recycling, please submit with the details of this part of the business for pricing consideration.
- ❖ The Metal Scrap Dealer and Recycling Exclusion is to be placed on all policies if the insured transports crushed autos or metal scrap. This excludes coverage for transporting these materials, including loading and unloading. Not intended for use with risks that haul vehicles to the yard using their own tow trucks.

GO Qualifiers:

- ❖ Salvage Yard Questionnaire.
- ❖ Inspection within 30 days of inception. Must include verification of answers on Questionnaire.
- ❖ Hard Copy Loss Runs within 30 days of inception.

STORAGE FACILITIES/LOTS

(Classify based on the Highest percentage of vehicle types being stored)

Cars/Pickups/SUVs – ISO code 7808, Company Class Code 122100

Boats – ISO code 7808, Company Class Code 122016

Antiques/Classics – ISO code 7808, Company Class Code 122015

Cars/Pickups/SUVs – ISO code 7808, Company Class Code 122100

Motorcycles – ISO code 7808, Company Class Code 122748

RVs/Campers - ISO code 7808, Company Class Code 122010

Trucks – ISO code 7808, Company Class Code 122101

	CAUTION: REFERRAL CLASS	REFER	STOP
1-3	Open Lot Storage – Is lot fenced, gated and well lit?	Yes If “other”, provide details	No lot security present – Decline GKL
4-9	Building Storage – What is Building Condition, Construction and Protection Class?	Building is newer, or if older has been updated. Protection Class 1-8 Sprinkler, CSA preferred	Decline GKL if: Building is over 35 years old with no updates Protection Class 9 or 10
10	Storage Agreement attached?	Must provide with referral	No Agreement – Decline risk
11	Does Insured keep a copy of the keys?	If yes, keys are kept locked up	Keys are not locked up – Decline Risk
12	How is access to premises controlled?	Must provide with referral	No control – Decline Risk
13	What types of winterization operations does Insured perform?	If applicable, Provide details	
14	Does Insured repair or service vehicles?	If Yes Service section of Garage Application must be completed	
15	Does Insured take vehicles off premises?	If yes, Provide details	

Fuel for Thought:

- ❖ Lot/building security and condition are key to this class. The GKL limits they need as well as whether the risk is in a metropolitan or rural location will all influence our comfort level with the information presented on the questionnaire.
- ❖ **Garagekeepers (Comp and SCOL) are offered only on a legal liability basis.**

Qualifiers:

- ❖ Storage Facility Questionnaire.
- ❖ Written Storage Agreement.
- ❖ Inspection within 30 days of inception. Must include verification of answers on Questionnaire.
- ❖ Hard Copy Loss Runs within 30 days of inception.

TIRE SALES AND SERVICE

(APPLIES TO OTHER THAN ROADSIDE ASSISTANCE AND MOTORCYCLE RISKS)

	Answer #40 on Garage App	GO	REFER	STOP
	What percentage of total operation is tires? (from #23)	25% or less		Over 25% - Stop here and Decline Liability
a	What percentage of your work is Service only, no Sales?	If any, provide description		
b	What percentage of tires are Specialty, Off-Road, Racing, and/or Construction/Farm Equipment?	0%	Any – provide details	
c	Does Insured perform quality control to verify proper installation, tightened lug nuts & matched tire sizes?	Yes		No – Decline Liability
d	What percentage of Tires sold are New Tires? Used Tires?	New – Any Used – 25% or less	Over 25% Used	
e	Does Insured sell new tires manufactured more than 3 years ago?	No		Yes – Decline Liability
f	For vehicles without dual axles, when selling less than 4 tires, are the newest always installed on the rear axle?	Yes		No – Decline Liability
g	Does Insured sell used tires manufactured over 4 years ago, or with less than 4/32 of useable tread depth?	No		Yes – Decline Liability
h	If risk sells used tires, what method does Insured use to mark them?	Specific identifiable mark of any kind placed inside the tire is acceptable.		Does not mark – Decline Liability

Fuel for Thought:

- ❖ We no longer write risks that are 100% Tire Sales or Service. Restriction does not include Roadside Assistance or Motorcycle/ATV risks.
- ❖ Roadside Assistance is not the same as a Mobile Mechanic. Roadside Assistance risks help stranded motorists to get on the road again. Mobile Mechanics go to the customer's yard or other locations to work on their vehicles. Mobile Mechanics with greater than 25% tire repair/service/sales should be declined.
- ❖ Mobile Tire Operations are 100% tire operations and are not acceptable.
- ❖ **RACING: The Garage Coverage Form (CA0005) Liability coverage has exclusion for Racing as follows: Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.**

GO Qualifiers:

- ❖ Complete answers to #40 of the Garage Application.
- ❖ Attach Retread Exclusion to Policy.
- ❖ Risk Inspection within 30 days of inception. Must confirm answers on Application regarding Tires.
- ❖ Hard Copy Loss Runs within 30 days of inception.

**TOW TRUCK OPERATORS WITH SCHEDULED AUTOS AND/OR ON-HOOK
(NON-FLEET – 4 WRECKER/TOW UNITS OR FEWER)**

Tow Truck Operators – ISO code 7815, Company Class Code 122104

		OK	REFER	STOP
1	Are 2 year hard copy loss runs attached? Is there a lapse in coverage?	N/A if there are no for Hire tow operations. Otherwise, OK if there are loss runs and no lapse in coverage.		If For Hire wrecker ops exist, and there are no loss runs or there is a lapse in coverage, decline autos and on-hook.
2	What is mileage radius?	100 miles or less	101-300 miles	Over 300 miles - Decline Auto and On-Hook
3	Transporter Tags used?	No	Yes - Refer with number of plates and details of how plates are used.	
4	Any Hold Harmless Agreements & Waiver of Subrogation executed?	None	If Agreement or Waiver is questionable	Cannot require Insured to be responsible for anyone's negligence except their own
5	What is your US DOT number? Date issued?	If required by state, must have USDOT number issued at least 2 years ago. If not required, N/A is acceptable.		Decline if required and left blank or decline autos/on-hook if the USDOT number was issued less than 2 years ago.
6	If filing required, does this insurance cover all vehicles?	Yes		No - decline
7	Do you ever hire owner/operators?	No		Decline if yes and not all are scheduled on this policy
8	Do you subcontract your towing work?	No		Yes and Subcontractor's operate under insured's filing.
9	What % of towing is...?	Vehicles listed would not = more than 45,000 GCW.		Vehicles listed would = more than 45,000 GCW – decline auto and on-hook.
10	Is there any Repo exposure?	No		Yes - Decline Auto and On-Hook. Attach CA2507 to exclude "Any act of repossession including wrongful repossession."
11	Do you monitor police scanners?	No		Yes – Decline Auto and On-Hook
12	Describe Accident Reporting procedures	Owner or employee calls police	Anything else	
13	What is Lot Security and Key Control?	Good theft protection and key control	Unfenced storage lot, no key control	We don't cover theft if keys are left in/on the vehicle
14	Where are keys kept?	Key cabinet or taken home, scheduled auto phys dam OK.		If in/on vehicle decline physical damage
15	Do you check MVR's on all drivers before hiring?	Yes or N/A		No – decline autos and on-hook
16	Do you check MVR's annually thereafter?	Yes or N/A		No – decline autos and on-hook
17	Do you and all drivers have CDL license?	Yes OR No and it is a state that does not require CDLs to operate a tow truck, or if there is an employee that does not drive a tow truck.		No – decline autos and on-hook

18	Do you hire drivers under age 21?	No or N/A		Yes – decline autos and on-hook
19	Do you and all your drivers have at least 2 years experience?	Yes		No – decline autos and on-hook
20	Do you have a preventative maintenance program for vehicles?	Yes	Anything else	No – decline autos and on-hook
21	Any scheduled autos over 20 years old?	No	Yes – submit for approval	
22	Are all tow trucks equipped with emergency flashing lights and adequate exterior lighting?	Yes		No – decline autos and on-hook

Fuel for Thought:

- ❖ This Pit Stop is a guide for risks that just tow for hire and do not have any repair or dealer exposure.
- ❖ If the risk is a New Venture or had no prior insurance and is a For Hire Wrecker operation, decline Auto and on-hook coverages. .
- ❖ Decline Auto on fleet risks (5 or more wrecker type power units)
- ❖ Autos garaged in or operated within the states of **New York** or **New Jersey** must be submitted.
- ❖ For Hire Wrecker - charges a fee to pick up or deliver autos. Even if this is a small percentage of their towing operations the trucks should be classified as For Hire Wreckers.
- ❖ Wrecker with Service – only tows customer’s autos to their shop for repairs. No fee is ever charged.
- ❖ Wrecker with Dealer – only tows their owned autos. Never tows for others with or without a fee.
- ❖ Wrecker Repo – prohibited auto class on Garage policies, regardless of the percentage of repo operations, trucks and on-hook should be placed elsewhere. See question 5 above and Repo Storage Lots in the risk selection guide..
- ❖ A “Set” of Transporter Plates is actually one plate. In some states, this consists of a front and back plate with the same number and in other states it is just the back plate.
- ❖ The Animal Exclusion form is mandatory on all Tow Operations risks, as allowed by the state.

➤ **Garagekeepers and On-Hook**

- ❖ Garagekeepers coverage must also be written if providing On-Hook.
- ❖ On-Hook Limit should be less than or equal to the Garagekeepers Stated Amount per Vehicle Limit.
- ❖ Mono-line On-Hook coverage (no garage liability or GKL) is not available.

GO Qualifiers

- ❖ Garage application
- ❖ Garage Tow Truck Operator Questionnaire.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception that match all coverages provided (whether garage, auto and/or on-hook)

TRUCK STOPS (RURAL)

Truck/Heavy Veh Service/Repair – ISO code 7808, Company Class Code 122101

	CAUTION – REFERRAL CLASS	REFER	STOP
1	Are garage ops self service only?	No	Yes – Decline
2	Are there repair operations?	Refer to Heavy Vehicle Pit Stop	Refer to Heavy Vehicle Pit Stop

Fuel for Thought:

- ❖ Detailed description of what services are provided and all related operations is required to underwrite the risk.
- ❖ Typically most pump gas and sell groceries; others have mechanics on duty, truck washes, tire service; restaurants, sleeping rooms and showers. We have the ability to rate as related operations and attach the G1507.

Qualifiers:

- ❖ ACORD Property and CGL applications.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

**VALET PARKING SERVICES
REFERRAL CLASS**

Valet – ISO code 7812, Company Class Code 122103

		REFER	STOP
1	Name of business Insured provides valet service for		
1a	Is the Insured an entity other than a valet service?	Yes - GL ops must be covered elsewhere and excluded on a CA2507	If Yes and GL ops are not covered elsewhere - Decline Liability
1b	Address of business where Insured provides valet service	Address required to underwrite off premises parking exposure	
1c	Type of business parked for?		
1d	When does Insured provide valet service?	Set days and hours every week	Special events only – Decline Risk
2	Is the parking lot on premises?	If no, need questions 3-4 are needed.	If yes – still need question 3 answered.
3	Is there any street parking?	No	Yes – Decline Risk
4	What are the off premises parking lot addresses? See Fuel for Thought	Address required to underwrite off premises parking exposure	
5	What is the off premises parking lot driving exposure?	*Parking lot is no more than 500 feet away *Street driven on or across is not over 2 lanes wide	Decline if Off Premises Parking is: *Parking lot is over 500 feet away *Street driven on or across is over 2 lanes wide
6	How many spaces are reserved for valet parking?	Answer supports separate valet parking & adequate staffing at location	
7	If self parking is permitted, is it separate?	Yes	No – Decline Risk
8	Is a 3-part ticket used?	Yes	No – Decline Risk
9	What is their Key Control?	Kept in locked cabinet	Not locked up – Decline GKL
10	Does Insured refuse to give an obviously intoxicated customer their car keys? If Yes, do they suggest or provide alternate transportation?	Yes to both	If No to either - Decline Liability
11	Is the lot manned or fenced with gate controlled access?	Yes or No	
12	Is Insured required to provide premises security for other than valet ops?	If yes, must be covered elsewhere and excluded on a CA2507	If Yes and not covered elsewhere - Decline Liability
13	Does Insured valet at special events (not at scheduled locations)?		-If yes and events will involve street parking or other unacceptable attributes – Decline Risk -If risk ONLY valets at special events and has no permanent location – Decline Risk
14	Do you hire employees under the age of 18?	No	Yes
15	Do you obtain MVR verification on all drivers?	Yes	No

Fuel for Thought (Valet):

- ❖ For off premises parking, the referral must provide complete addresses for both the business (podium location) and the parking lot. If the parking lot is over 500 feet away and/or they drive on or across a street that's more than 2 lanes wide to get there, these addresses are crucial for us to underwrite the risk. When the lot is off premises in a metropolitan area with congested traffic, the parking lot must be nearby.
- ❖ When the parking lot is off premises, list that address as the location on the policy not the podium address. Coverage will extend to the podium address because of the definition of "Garage Operations". The true 'lot' exposure is at the parking lot address.
- ❖ **Garagekeepers coverage is available on a legal liability basis only for this class.**

Qualifiers:

- ❖ Valet Parking Questionnaire.
- ❖ Quote Subject to:
 - Any location not listed on the policy must be referred to you in advance with a completed Valet Parking Questionnaire.
 - Any Special Event not listed on the policy must be referred to you in advance with a completed Valet Parking **Event** Questionnaire. (See Special Event Pit Stop Below)
 - Any new employee must be reported as hired with MVR.
- ❖ Inspection within 30 days of inception. Must include verification of answers on Questionnaire.
- ❖ Hard Copy Loss Runs within 30 days of inception.

VALET PARKING SPECIAL EVENT QUESTIONNAIRE
Valet Special Events – ISO code 7812, Company Class Code 122105

		GO	REFER	STOP
1	What is the nature of the Special Event?			
1a	What is address of the Special Event?	Required to underwrite off-premises parking		
1b	Provide date(s) and duration of event?	Date(s) required for endorsement. Any duration up to 3 days	Over 3 days	
2	What type of venue is the Event location?	Any venue except private residences with street parking	Private residence with street parking	If alcohol is likely to be served, pay special attention to #9
3	For other than private residences, is the parking lot on premises?	Yes	No – Referral may be needed based on answers to #4	
4	What is the off premises parking lot driving exposure? See Fuel for Thought	*Parking lot is less than 500 feet away *Street driven on or across is less than 2 lanes wide	*Parking lot is over 500 feet away *Street driven on or across is over 2 lanes wide	
5	How many spaces are reserved for valet parking?	Answer supports separate valet parking & adequate staffing for Event		
6	What Garagekeepers Limits are required for the event?	Up to \$1,000,000 (This GKL authority is only for valet special events)	Over \$1,000,000	
7	If self parking is permitted, is it separate?	Yes		No – Decline Event
8	What is their Key Control?	Kept in locked cabinet		Not locked up – Decline Event
9	Does Insured refuse to give an obviously intoxicated customer their car keys? If Yes, do they suggest or provide alternate transportation?	Yes		If No to either - Decline Event
10	Is the lot manned or fenced with gate controlled access?	Yes	No – Refer with details	
11	Is Insured required to provide premises security for other than valet ops?	If yes, must be covered elsewhere and excluded on a CA2507		If Yes and not covered elsewhere - Decline Event
12	Will Insured be hiring additional employees for this event?	Yes – names and MVRs must be provided	MVRs with more than 2 moving violations	

Fuel for Thought (Valet – Special Events):

- ❖ Special Events must be referred to you in advance for approval and endorsed onto the policy.
- ❖ Special Events are rated in Colony Rater using the information provided on the Valet Special Event Questionnaire.
 - Create an Endorsement on the policy
 - The Endorsement is effective the date the event begins and expires the date the event ends. For a 1 day event, the expiration date is the following day. This determines the “number of days” for the price calculation.
 - Add a location, choose class code 7812/122105 and Get Coverages
 - Update payroll if additional employees were hired for the event
 - Update Garagekeepers limits if they want something different than what is currently on the policy
 - Check boxes for the desired Garagekeepers coverage
 - Calculate and finalize Endorsement as usual

- ❖ Deductibles should be the same at all locations. When endorsing a Special Event onto the policy, the deductible for the event will be the same as the current deductible on the policy, because if you change the deductibles at the top of the screen it changes them for all locations, not just the event.
- ❖ For Special Event endorsements, we require use of the language provided in the Policy Issuance Guidelines in the Approved Endorsement Wording section.
- ❖ Garagekeepers coverage is available on a legal liability basis only for this class.

GO Qualifiers

- ❖ Valet Parking Special Event Questionnaire.
- ❖ Any employee newly hired for the Special Event must be reported with MVR.
- ❖ Endorsement adding Special Event to policy

VAN CONVERSION

Car Service/Repair – ISO code 7808, Company Class Code 122100

	CAUTION – REFERRAL CLASS	REFER	DECLINE
	Does work involve seating upgrades, upholstery, audio/visual system upgrades?	Yes	Decline if work is structural or if modifying safety features such as airbags, seat belts, etc.

Fuel for Thought:

- ❖ We define “structural repair” as frame and major body work”.

Qualifiers:

- ❖ Company Garage Application with details of work performed.
- ❖ Inspection within 30 days of inception.
- ❖ Hard Copy Loss Runs within 30 days of inception.

**WHOLESALE DEALER
REFERRAL CLASS**

Wholesaler - ISO code 7351 – Company Class 122740

		REFER	STOP
1	Do you sell autos to the public?	Must be completed.	
2	Do you display or store any autos at locations other than your primary location?	No or Yes - address of location where vehicles are displayed/stored is required. This will affect the acceptability of the risk's liability and/or physical damage depending on where the vehicles are parked.	Yes – with no address given, decline account.
3	List the major auctions you attend in the order of the most frequented by City & State:	Must be completed.	Decline if left blank.
4	Do you always take possession and title of vehicles?	Yes No – decline physical damage, refer for liability only.	No – Decline Physical Damage.
5	Do you pick up & deliver covered autos over 300 miles?	No or Yes, destinations and mileage must be entered.	
6	Pick up and deliver: List the % for each category.	Must be completed and equal 100%.	Blank or does not + 100%
6a	Contract driver hiring practices:	Refer if minimum age is 24 or above AND insured does verify each driver has a valid driver license	Decline if minimum age is less than 24 OR insured does not verify valid driver license.
6b	Explain 'drivers other than employees or contract drivers':	Refer if this includes family members that are listed on the driver list.	Decline if family members and we do not have their complete driver information.
7	Do you or any of your drivers have out of state driver's licenses?	No or Yes with explanation provided.	Decline if Yes and there is no explanation provided.
8	Describe how your dealer plates are used:	Must be completed for referral to be given consideration.	Decline if blank.
9	Do you have registration plates (not dealer plates) that are not issued for a specific auto?	Y or N is acceptable. If yes, need plate numbers and statement of use.	Decline if Yes and there is no statement of how the plates are used.

Food for thought:

- ❖ We are trying to avoid those risks that obtain a dealer license in a state where such licenses are readily obtainable and then operate in a different state.
- ❖ Auto Brokers are defined as those who connect buyers with sellers without ever taking title or possession of any vehicles. These should be rated/classified as Wholesalers as well.
- ❖ MVRs are required every year.

Qualifiers:

- ❖ Colony Specialty Garage Application
- ❖ Copy of Wholesaler dealer license
- ❖ Wholesale Dealer Questionnaire
- ❖ Risk Inspection within 30 days of policy effective date



BINDING AUTHORITY

When binding Garage coverage, we require that you get a completed signed Colony Garage Application (G1603) and, if applicable, supplemental Questionnaire(s), Business Auto Section (ACORD 127), Property Section (ACORD 140), and a signed State approved UM/UIM/PIP selection/rejection form from your retail producer.

COVERAGE	DESCRIPTION	VEHICLE TYPE	LIMITS
Liability	Each accident & Scheduled Autos	Auto, Other Than Auto	\$1,000,000 (Aggregate up to 3Xs the Each Accident Limit)
Garagekeepers and On-Hook	Legal Liability for Specified Causes of Loss or Comprehensive and Collision; Primary Insurance for Specified Causes of Loss and Collision.	Cars, Pickups, SUVs & Vans – With Fully Protected Lot	Garagekeepers: Per Lot: \$500,000 Each Location \$1,000,000 Valet Special Events Per Any One Vehicle: \$50,000 - any deductible \$51,000 - 75,000 – minimum \$1000 deductible
		Trucks & Semi-Trailers, Equipment, RVs, Emergency Vehicles – With Fully Protected Lot	Per Lot: \$500,000 Each Location Per Any One Vehicle: \$75,000 - any deductible \$75,001 - 100,000 - minimum \$1000 deductible
		Cars, Pickups, SUVs & Vans – Without Fully Protected Lot	\$250,000 Each Location \$50,000 Any One Vehicle
		Trucks & Semi-Trailers, Equipment, RVs, Emergency Vehicles – Without Fully Protected Lot	\$150,000 Each Location \$75,000 Any One Vehicle
<p>NOTE: For the following classes: Parking Lots or Structures – Public, Storage Facilities or Valet Parking we only offer Legal Liability. This applies to both Comprehensive and Specified Causes of Loss.</p> <p>Garagekeepers is not available on a seasonal basis. Coverage must be written for the entire policy term.</p> <p><u>Exception - New Mexico Garagekeepers</u> for risks with Tow Service (For Hire or as part of the service provided): Primary Insurance for SCOL or Comprehensive and Collision with a \$1000 per vehicle deductible with <u>documented</u> theft barriers at storage location. Limit authority for this coverage is the same as stated above.</p>			

COVERAGE	DESCRIPTION	VEHICLE TYPE	LIMITS
Dealers Physical Damage	Specified Causes of Loss or Comprehensive and Collision (Non Reporting Only)	Cars, Pickups, SUVs & Vans – With Fully Protected Lot	Per Lot: \$500,000 Each Location Per Any One Vehicle: \$50,000 - any deductible \$51,000 - 75,000 – minimum \$1000 deductible
		Cars, Pickups, SUVs & Vans – Without Fully Protected Lot	\$50,000 Each Location \$50,000 Any One Vehicle
		Trucks & Semi-Trailers, Equipment, RVs, Emergency Vehicles – With Fully Protected Lot	Per Lot: \$500,000 Each Location Per Any One Vehicle: \$75,000 - any deductible \$75,001 - 100,000 – minimum \$1000 deductible
		Trucks & Semi-Trailers, Equipment, RVs, Emergency Vehicles – Without Fully Protected Lot	\$150,000 Each Location \$75,000 Any One Vehicle
NOTE: Dealers Physical Damage is not available on a seasonal basis. Coverage must be written for the entire policy term.			
Hired Auto			“if any” basis. Monoline coverage is not available.
Medical Payments			\$5,000
Fire Legal Liability			\$250,000
Uninsured Motorist (non-stacked)/Underinsured Motorist	Note: Not available on Service risks unless policy includes a Scheduled Auto		Up to \$1,000,000 each “accident” for UM, UIM or UM/UIM combined. Limit for UM may not be greater than Garage Liability “each accident” limit. Single Limit BI, PD or BIPD
PIP			Basic with no Deductible
COVERAGE	DESCRIPTION	Description of Authority:	
Scheduled Autos	Any Scheduled Autos written as a companion policy to a Garage policy. These may be placed on the GP policy or a separate BA or MC policy.	-For Hire Wreckers OK if risk is NOT a new venture -Coverage is not available for wreckers on a fleet basis. - For non-wrecker fleets (5 or more power units) submit for approval -300 mile radius -GVW/GCW less than 45,000 lbs	
	Auto Physical Damage:	For Physical Damage (Specified Causes of Loss or Comprehensive and Collision): -\$150,000 Each Location -\$50,000 Any One Unit	
COVERAGE	DESCRIPTION	Description of Authority:	
Property	Building, Contents, Business Income, Fence, Sign	-\$500,000 TIV per location -Stand-alone property policies are not available - Premier and Premier Plus available only if risk qualifies for Special Form	
Tool Floater	Automotive Service Tools & Equipment	\$25,000 Stated Amount, Broad Form Coverage only	
Note: -Hard copy loss runs are required for all newly added property. -Property is only available on Non-Admitted policies. -Refer to the Property Pit Stop for further details.			

See also **Exceptions to Binding Authority for additional information**

EXCEPTIONS TO BINDING AUTHORITY - SUBMIT LIST

Submit new accounts, mid-term change requests or renewals that were not previously approved that have any of the following characteristics:

- Mono-line Garagekeepers or Dealers Physical Damage.
- Aggregate Wind/Hail/Flood Deductibles (\$25,000 or \$50,000).
- Any account with a Liability Deductible (except Oil/Lube Shops-\$1000 deductible required).
- Pick-up and Delivery of customers' vehicles more than 5 times a week or over a 15 mile radius.
- Submit new accounts that have a loss history with either
 - a 50% loss ratio in any of the last 3 years for new business, or
 - more than 2 losses in any one year, or
 - a single loss over \$10,000 in the last 3 years.(for renewals, submit accounts with a current year loss ratio of 50% or greater)
- Young drivers (under 21) with any driving exposure such as:
 - furnished an auto for their regular use
 - scheduled autos on policy
 - any pick-up or delivery of customer's or owned autosMust be submitted with a completed Young Driver Questionnaire (ACORD 93).
- Senior drivers with any driving exposure such as:
 - furnished an auto for their regular use
 - scheduled autos on policy
 - any pick-up or delivery of customer's or owned autosmust be submitted when the Medical Statement (**required** - ACORD 92) lists any combination of vision problems, hearing problems or major illnesses.
- Dealer Drive-Away operations greater than 300 road miles.
- Covered "Auto" Symbol 21 (any auto) requests for Dealers for Sole Proprietors and Partnerships (except NV, IN or ID).
- False Pretense Endorsement requests when test drives are not accompanied by an insured.
- Property with TIV per location more than \$500,000 must be submitted with property hard copy loss runs. This includes property that is added or increased mid-term.
- Scheduled Autos 30 years and older.
- **Loaner Vehicles** – submit any risk with this exposure with question 8 on the Colony Garage Application completed.
- **Hired Auto** coverage if exposure is greater than 'if any', Submit with completed Hired Auto supplement.
- **Total Insured Value:** Submit if the sum of limits for Garagekeepers, Physical Damage, Building, Contents, Business Income, Fences, Signs and Tools is more than or is increased to more than \$1,500,000.
- **Credit Authority:** New Business and Renewals 10% for all coverages including property. **No credit authority for Kentucky or Nevada dealer risks.**
- **Primary and Non-Contributory Language:** Now available for **all risks** using form G1600. Must submit to us with details of the entity's interest in the insured's business and a copy of the contract.
- **Premium** – Submit a policy premium of \$15,000 or more on new business and renewals not previously approved for premium level.

Continued on next page...

- **New Venture:**

- Submit new business applicants with less than 3 years prior related garage experience.
- Credit Authority for New Ventures:

You are permitted to consider some credit for new ventures without a referral under the following conditions:

- ❖ The Start Tab in Colony Rater must show the Business Start Date as “0 to 12 months ago” or “13 to 24 months ago” as appropriate.
- ❖ Acceptable justification for use of the credit:
 - **Service risks:** Documented details of experience in similar service/repair operations.
 - **Dealer risks:** Documented details of experience as an owner or manager of a car dealership where responsibilities included transferring titles and handling odometer statements.
- ❖ Credit you may consider:
 - **Three to Nine** years documented experience: 5% credit
 - **Ten or more** years documented experience: 10% credit

NOTE: Decline the auto portion of For Hire Wrecker operation risks that can be classified as New Venture per the above.

NOTE: You may not exceed your total Credit Authority of 10%. If the application does not document the experience, or just says “X years”, this will be considered a violation of your binding authority. A one time Inspection is required on all New Ventures unless risk is 100% mobile.

New Ventures are defined as:

- Risks that have been in business for 0-12 months at the inception of the policy; OR
- Risks that have been in business for 13-24 months at the inception of the policy.

No continuous insurance for the past 3 years is defined as:

- Risks that have operated without insurance in place for 0-36 months at policy inception; OR
- Risks that have had insurance, but experienced one or more lapses in coverage over the last 36 months at policy inception;
- **The no continuous insurance surcharge would be applied for one year unless another lapse in coverage occurs.**

COMPLETE SUBMISSIONS

In order for a Garage submission to be complete, the following information is required:

- a completed Colony Specialty application, including:
 - detailed description of operations
 - current owner/employee list
 - completed loss history or the loss runs
- A completed Questionnaire, if required for class
- 3 year currently valued hard copy loss runs (N/A for new ventures, less years if insured less than 3 years)

We will accept Broker of Records letters on submissions. See the BOR section of this manual for details.

RENEWAL BINDING AUTHORITY

Your **Policy Expiration Report** is emailed to your office monthly. The accounts appearing on the report are within **120 days** of their policy expiration date to allow for any state notification requirements. You are responsible for reviewing your report in a timely fashion to ascertain that all policies with **any** of the characteristics shown below are submitted to the company for review and possible approval of the up-coming renewal:

- Accounts with a current year loss ratio of 50% or greater
- Accounts where you want to apply schedule credit in excess of your in-house credit authority
- Accounts with an increase in hazard, change in operations or increase in limits outside of your binding authority
- For accounts that required a submission, if there is a change in operations or increase in limits outside of what was previously approved

Please note, renewal applications are acceptable, however, risk specific supplements are required every year and an updated and fully completed Garage application is required every three years.

When contacting us concerning the review of an account or possible renewal conditions, please submit the following to our Transportation submission e-mail address of tr@colonyspecialty.com:

- Cover letter advising us of your overall opinion of the account with renewal recommendations
- Renewal application with any applicable supplements/questionnaires
- Expiring Policy Number
- Colony Rater quote number

Note: You are not required to provide updated loss runs from prior carriers at renewal.

A policy is considered 'new' vs a renewal if the lapse in coverage is greater than 30 days. In this instance, please submit for approval if the risk falls outside of your authority.

RELATED OPERATIONS

Additional Coverage for Related Operations (G1507)

Use this endorsement to provide coverage for get more premium for exposures that are not generally part of “garage operations”. Classify and rate from the following list:

Automobile Parts & Supplies Stores 10071

(For items sold over the counter without installation)

Building or Premises-Lessors Risk 61217

(For space rented to tenants at the insured’s garage location)

Car Washes-Self Service 10368

(For drive thru and manual car washes used by customers)

Concessionaires-NOC 11168

(For food & drink snack bars at Auctions)

Gasoline Stations-Self Service 13454

(For Gas sold from self serve pumps)

Grocery Stores-NOC 13673

(For Mini-Mart facility in the insured’s garage location)

Hotels & Motels 45193

(For beds & showers at a Truck Stop)

LPG Sales 13410

(For risks that have incidental LPG sales. Exposure is the number Gallons. If sold by the pound, you can convert LPG pounds to gallons by dividing the number of pounds sold by 4.24)

Machine Shops-NOC 97220

(For machining work done for other garages.)

Mobility/Adaptability Ramp/Accessory Construction 56911

(For incidental building exposure)

Pressure/Power Washing 91523

(For incidental pressure/power washing of driveways, sidewalks, etc.)

Restaurants 16901

(For food & drink prepared by the insured)

Stores-NOC 18437

(For clothing, equipment & supplies sold at the insured’s garage location)

Vacant Land 49451

(For land owned by the insured’s business, but not in use)

Welding 99969

(For offsite welding repair, usually related to agriculture businesses)

WEATHER RESTRICTIONS TO BINDING AUTHORITY

You may not place us at risk for Dealer's Physical Damage, Primary Comprehensive Garagekeepers, or Commercial Property in areas of your marketplace that have a history of catastrophic loss caused by **Wind, Hail or Flood**, unless you are excluding those causes of loss. **Regardless, Direct Primary Comprehensive coverage is outside your binding authority (see Your Garage Binding Authority).**

Garage Dealers Physical Damage Restrictions:

I. For risks located in **FL**:

- ❖ The Wind/Hail/Flood **Exclusion** is required in the entire state.

II. For risks located in **AL, LA, MS or TX**:

- ❖ Wind/Hail/Flood **Exclusion** required:
 - Within **75** miles of the Gulf Coast or Intracoastal Waterway
 - On any off shore or barrier island located off the Gulf Coast
- ❖ A Wind/Hail/Flood Deductible of \$1,000 per vehicle with no maximum deductible is required for risks located greater than 75 miles from the Gulf Coast or Intracoastal Waterway

III. For risks located in **CT, MD, ME, NH, PA, RI or VA** (and for service/repair risks in NY or NJ that require minimal physical damage coverage for vehicles sold):

- ❖ Wind/Hail/Flood **Exclusion** required:
 - Within **25** miles of the Eastern U.S. Coast or Intracoastal Waterway
 - On any off shore or barrier island located off the Eastern U.S. Coast
- ❖ You may submit risks for us to consider an exception to the Exclusion requirement above if the risk is located within 5-24 miles of the Eastern U.S. Coast or Intracoastal Waterway
- ❖ A Wind/Hail/Flood Deductible of \$1,000 per vehicle with no maximum deductible is required for risks located greater than 25 miles from the Eastern US Coast or Intracoastal Waterway

IV. For risks located in **GA, NC or SC**:

- ❖ Wind/Hail/Flood **Exclusion** required:
 - Within **25** miles of the Eastern U.S. Coast or Intracoastal Waterway
 - On any off shore or barrier island located off the Eastern U.S. Coast
- ❖ You may submit risks for us to consider an exception to the Exclusion requirement above if the risk is located within 15-24 miles of the Eastern U.S. Coast or Intracoastal Waterway
- ❖ A Wind/Hail/Flood Deductible of \$1,000 per vehicle with no maximum deductible is required:
 - For risks located greater than 25 miles from the Eastern US Coast or Intracoastal Waterway

V. For risks located in **AR, CO, IN, MO, MT**

- ❖ A minimum Wind/Hail/Flood **Deductible** of \$1,000 per vehicle with no maximum deductible is required.

VI. For risks located in **KS**

- ❖ In the counties of Butler, Clark, Ford, Pratt, Reno, Sedgwick and Sumner a minimum Wind/Hail/Flood **Deductible** of \$2,500 per vehicle with no maximum deductible is required.
- ❖ For all other KS counties a minimum Wind/Hail/Flood **Deductible** of \$1,000 per vehicle with no maximum deductible is required.

Garage Dealers Physical Damage Restrictions Continued:

VII. For risks located in **OK** refer to the chart below:

Limit per Location	Per Vehicle WHF Deductible	Aggregate WHF Deductible
\$500,001 or more	\$5000	No aggregate (not eligible for \$50 or \$25 thousand agg limits)
\$250,001 to \$500,000	\$2500	No aggregate (not eligible for \$50 or \$25 thousand agg limits)
\$100,001 to \$250,000	\$1500	No aggregate (not eligible for \$50 or \$25 thousand agg limits)
\$50,001 to \$100,000	\$1500	No aggregate (Submit for \$50,000 Agg)
0 - \$50,000	\$1000	No aggregate (submit for \$25,000 or \$50,000 Agg)

Garagekeepers Primary Comprehensive Coverage Restrictions:

I. For any risk, regardless of location, Primary Comprehensive Coverage is a submit, including any of the states referenced below.

II. For risks located in **FL** Garagekeepers Primary Comprehensive Coverage is not available **unless wind/hail/flood coverages are excluded**.

III For risks located in **CT, MD, ME, NH, NJ, NY, PA, RI or VA** **decline** Primary Comprehensive Coverage:

- within **5** miles of the Eastern U.S. Coast or Intracoastal Waterway
- On any off shore or barrier island located off the Eastern U.S. Coast

unless wind/hail/flood coverages are excluded.

IV For risks located in **GA, NC, or SC** **decline** Primary Comprehensive Coverage:

- within **15** miles of the Eastern U.S. Coast or Intracoastal Waterway
- On any off shore or barrier island located off the Eastern U.S. Coast

unless wind/hail/flood coverages are excluded.

Note: All Primary Comprehensive coverage requests are a submit, but we may choose to make an exception to the above declinations by applying the wind/hail/flood exclusion.

Property Coverage Restrictions:

Any location over **\$500,000 TIV**, regardless of the state, must be submitted with current hard copy loss runs.

I. For risks located in **FL** the Wind/Hail **Exclusion** is required on all property coverage.

II. For risks located in **CT, GA, MD, ME, NC, NH, NJ, NY, PA, RI, SC or VA:**

- ❖ Wind/Hail **Exclusion** is required for risks located:
 - Within **25** miles of the Eastern U.S. Coast or Intracoastal waterway
 - On any off shore or barrier island located off the Eastern U.S. Coast
- ❖ Wind/Hail Deductible is required for risks located:
 - Greater than 25 miles of the Eastern U.S. Coast or Intracoastal waterway
 - Minimum Wind/Hail deductible of 1% required if location TIV is over \$500,000

Property Coverage Restrictions Continued:

III. For risks located in AL, LA, MS or TX:

- ❖ Wind/Hail **Exclusion** is required for risks located:
 - Within **75** miles of the Gulf Coast or Intracoastal waterway
 - On any off shore or barrier island located off the Gulf Coast
- ❖ Wind/Hail **Deductible** is required for risks located:
 - Greater than 75 miles of the Gulf Coast or Intracoastal waterway
 - A mandatory \$2500 Wind/Hail **Deductible** is required for up to \$250,000 Total Insured Value per location
 - A Minimum Wind/Hail deductible of 1% required if location TIV is over \$250,000.

IV. For risks located in AR, MO or OK:

- ❖ For up to \$250,000 Total Insured Value a mandatory \$2500 Wind/Hail Deductible is required
- ❖ For any TIV over \$250,000 a mandatory 1% Wind/Hail Deductible is required

V. For risks located in CO, IA, MT, NE, ND, NM, SD, WI or WY:

- ❖ Any Total Insured Value over \$500,000 per location will require a minimum 1% Wind/Hail deductible.

Suspension of your binding authority for severe weather and wildfires

When the National Weather Service issues a Tornado Warning, Tropical Storm / Hurricane Watch or Warning your binding authority is automatically suspended for the duration of that watch or warning. When there is imminent danger from Wildfire, your binding authority is automatically suspended until that wildfire is fully contained. During such events, you may not bind us on Physical Damage, Primary Garagekeepers, Commercial Property, or make changes to existing policies that add a location, or add Causes of Loss, or increase the Limits of Insurance.

EARTHQUAKE COVERAGE RESTRICTIONS TO BINDING AUTHORITY

You may not place us at risk for Dealer's Physical Damage or Primary Comprehensive Garagekeepers, in areas of your marketplace that have a potential of catastrophic loss caused by **Earthquake**, unless you attach the Earthquake Deductible form as outlined below. **Regardless, Garagekeepers Direct Primary Comprehensive coverage is outside your binding authority (see Your Garage Binding Authority).**

Garage Dealers Physical Damage Comprehensive or Specified Cause of Loss and Garagekeepers Primary Comprehensive coverage restrictions:

The **Earthquake Deductible** form and **Earthquake Coverage Limit** form are required anywhere in the states of AR, CA, KY, IL, IN, MO, MS and TN for any risk where vehicles are stored inside a building subject to the following.

- Minimum per vehicle deductible is \$1000 with no maximum deductible per occurrence.
 - Deductible Options per vehicle:
 - \$ 1,000
 - \$ 2,500
 - \$ 5,000
 - \$10,000

NOTE: the earthquake deductible should not be lower than the DOL or GKL per vehicle deductible shown on any location.

- The Earthquake Coverage Limit form includes a sublimit of \$250,000 Each Occurrence and \$250,000 Aggregate.

AREA OF OPERATIONS BY STATE

STATE	Insuring Company		
	DEALER	SERVICE	SCHEDULED AUTO
Alabama	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Alaska	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Arizona	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Arkansas	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
California	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Colorado	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Connecticut	AIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Delaware	Not Doing Business		
District of Columbia	Not Doing Business		
Florida	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Georgia	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Hawaii	Not Doing Business		
Idaho	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Illinois	AMIC Admitted	AMIC Admitted	AMIC Admitted
Indiana	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Iowa	AMIC Admitted	AMIC Admitted	AMIC Admitted
Kansas	AMIC Admitted	AMIC Admitted	AMIC Admitted
Kentucky	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Louisiana	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Maine	AIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Maryland	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Massachusetts	Not Doing Business		
Michigan	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Minnesota	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Mississippi	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Missouri	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Montana	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Nebraska	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Nevada	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
New Hampshire	AIC Admitted	AIC Admitted	AIC Admitted
New Jersey	Not Available	CIC NON-Admitted	Issue on BA or MC policy
New Mexico	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
New York	Not Available	CIC NON-Admitted	Issue on BA or MC policy
North Carolina	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
North Dakota	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Ohio	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Oklahoma	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Oregon	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Pennsylvania	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Rhode Island	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
South Carolina	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
South Dakota	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Tennessee	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Texas	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted
Utah	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Vermont	Not Available	CIC NON-Admitted	Not Available
Virginia	CSIC NON-Admitted	CSIC NON-Admitted	CSIC NON-Admitted
Washington	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
West Virginia	AMIC Admitted	CIC NON-Admitted	Issue on BA or MC policy
Wisconsin	CIC NON-Admitted	CIC NON-Admitted	Issue on BA or MC policy
Wyoming	CIC NON-Admitted	CIC NON-Admitted	CIC NON-Admitted

AMIC =Argonaut Midwest Insurance Company
AIC = Argonaut Insurance Company

CIC = Colony Insurance Company
CSIC = Colony Specialty Insurance Company

EVALUATING APPLICANT INFORMATION



GARAGE APPLICATION (G1603 – 0212)

Business Trade Name Important to list the DBA, LLC, Corporation names

Years this business entity has been in operation: If less than 3 years, explain in detail prior experience and any Specialized Training or Certification: Include owner's prior employers and duties.

GENERAL UNDERWRITING INFORMATION

1. Describe Your Operations: We are capturing the Gross Receipts by type of business. Type of business needed for rating and coverage requirement purposes.
2. What percentage by type of vehicle do you sell or service? This information is needed to determine class of business and which questionnaires, if any, are required. Classify the business based on the type of vehicle with the highest percentage shown here. Example: Cars = 50%, Motorcycles = 25%, Watercraft = 25%, classify as Car Sales or Service/Repair.
3. Related Operations – Incidental to Garage Ops. These are the categories available for Related Operations.
4. Locations: If more than 4 locations, use additional page.
5. Do you have ownership interest in or operate any other business? The Garage coverage form would include coverage for other businesses, so it is important that we know about them and can price to include, or exclude using CA2507 and verify they are covered elsewhere.
6. Do you rent any space at this location to another business? If yes, that business should carry their own insurance. Used to determine 'shared lot' exposure and to detect unacceptable risks such as renting bays for do-it-yourself operations. Exclude on CA2507.
7. Do you lease or rent vehicles or dealer tags ? If yes, the lease/rental operations should be excluded and covered elsewhere. If insured rents dealer tags, please decline liability.
8. Are autos loaned to customers? If yes, insured must: a) have a written agreement b) get a copy of the driver's license c) verify that the customer has auto insurance and d) not rent to anyone under the age of 25.
9. Are firearms kept on premises? If yes, be sure to attach the Firearms Exclusion in states where acceptable.
10. Do you have any dogs on premises? If yes, and not penned, attach the Animal Exclusion as allowed by state. However, please decline liability if the animal exclusion is not allowed in that risk state.
11. Do you tow for hire? If yes, have the Tow Truck Questionnaire completed to determine acceptability of risk.
12. Do you pick-up and deliver customers' vehicles? If more than 5 times per week, or over 15 mile radius, this is a referral. See Exceptions to Binding Authority.
13. How many Transporter (Non-Dealer) Plates do you have? If any transporter plates, please be sure question 12 is completed. Rate for plates and add coverage using the CA2027.
14. What is your lot security: If none then GKL should be on Legal Liability basis and submitted if total limit is over \$250,000. Submit DOL to your underwriter if total limit is over \$50,000 with no theft barriers. Refer to the Binding Authority Section. If 'Other' then description must be provided.
15. Where are vehicle keys kept when the lot is closed? Prefer in key cabinet or taken home. If 'left in vehicle' be sure to explain to applicant that coverage for DOL or GKL will be denied in the event of a theft loss.
16. Do you park customer's vehicles on the street? If yes, refer if garagekeepers coverage is requested.
17. Prior Carrier Information should be completed unless new venture.
18. Loss History for last 3 Years: If any losses within last 36 months, you must provide a copy of the loss runs. If loss runs are unavailable, the loss history section of the application must be completed in detail. May be blank only if the applicant is a New Venture.
19. Rating Exposure Basis: List ALL Owners, Employees and Drivers: (Cannot be blank or "n/a") It is important, for rating purposes and for underwriting purposes, that we get information on all owners and employees regardless of driving status or job duties.
20. DEALERS ONLY or SERVICE WITH SCHEDULED AUTOS: List ALL Family and non-family members (except customers) and indicate if furnished an auto for personal use <u>or</u> if they may be provided an auto for regular use, but not regularly furnished: It is important for rating and underwriting purposes, that we get information on all family members that may drive/transport vehicles even if they are not considered 'employees' or active in the business. NOTE: Be wary of "family auto policies". Compare number of furnished drivers to number of vehicles sold (#19).

21. DEALERS ONLY or SERVICE WITH SCHEDULED AUTOS: Have all members of your household been disclosed on this application? If answered no, and no explanation given, please get name and age of household members not disclosed.
22. DEALERS ONLY or SERVICE WITH SCHEDULED AUTOS: Have all drivers, such as children away from home or in college, who may operate your vehicles on a regular or infrequent basis, been listed on this application? If no, need name and driver information for any such driver.
23. In the past 3 years, have you ever had insurance for this type of operation cancelled, declined or the policy renewal refused? If yes, explanation of why must be completed. If the reason is loss history, get minimum 3 year loss runs.
Sales Questions
24. Do you have a dealer's license? If answered yes, should be rated as a dealer. Be sure this includes in what state or states applicant holds a dealers license.
25. How many dealer plates? Need total number of plates and category for each for rating purposes and helps determine class of business.
26. Who drives or transports vehicles to your lot? Any answer is acceptable, but if Contract Drivers is marked, they must either be listed on the employee list, or provide details of insured's hiring practices including age and what makes an MVR unacceptable.
27. Do you drive or transport newly acquired autos more than 300 road miles (50 miles for KS, KY, NH, MD, ME or WV) from point of purchase to your lot? If yes, submit to your underwriter with details of who drives, and what is furthest destination point.
28. Do you deliver vehicles to customers after the sale is complete? If yes and over 300 miles, submit to your underwriter with details of who drives and what is furthest destination point.
29. How many vehicles do you sell per year? Be wary of "family auto policies". Compare number of drivers furnished (#10 and #11) to number of vehicles sold annually.
a) What percentage is sold "sight unseen" over the internet where customer does not come to lot to conclude purchase and pick up vehicle? If over 15% of total vehicles sold, submit with website address.
b) How many vehicles do you sell per year on consignment? If any, attach Consignment Agreement. Agreement should hold insured harmless, give them permission to sell the vehicle and require vehicle owner to carry liability insurance.
c) What % are salvage titled vehicles? Regardless of %, question 30 must be answered.
30. If you repair "salvage titled" vehicles prior to sale, are repairs: If Structural is over 25%, decline liability.
31. Do you repossess vehicles? If yes, need to add the Dealer Repossession Exclusion.
32. Do you always ride along on test drives? If No, we cannot offer False Pretense coverage. Also if no, they should get a copy of the customer's drivers license and verify they carry insurance.
Service Questions
33. What percentage of your work is?... This section is important to determine eligibility and the need for any required supplements or referral. Submit with details any % for Custom/Fabrication, Performance Enhancement or 'Other'.
34. Are signs posted to keep customers out of the work area? If no, decline liability.
35. Do you sell gasoline? If yes, and self service gas only with no repair operations, decline risk. For incidental Self Service, add Related Operations for Gas Sales.
36. Do you sell Liquefied Petroleum Gas (LPG)? If yes, then the storage tank should be at least 25 feet away from the building and any vehicles. Refer to us if that is not the case. Decline the risk if: a) there are no collision barriers; b) they don't have "No Smoking" signs posted; or c) Anyone other than qualified employees fill the tanks.
37. If you install Lift Kits - See Lift Kits Pit Stop for more details.  Refer with loss history if over 20% of operations. If lift is over 6 inches, decline liability regardless of %.
38. If you paint, do you have a spray paint booth or room? Separate well-ventilated area is required.
39. Racing: If any question is answered yes, <u>refer the risk</u> . The Garage Coverage Form (CA0005) Liability coverage has an exclusion for Racing as follows: <i>Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.</i> However, this does not preclude us from paying any resulting damages for BI or PD. Your Colony Underwriter may decline the risk or impose the Racing Activity exclusion.
40. Tires – See Tire Pit Stop for details of acceptability  Decline any risk that shows over 25% of operations is Tire sales or service.
Coverage Requested: We do require this section to be completed, and that the coverages requested match those written. Please get a revised, signed application that mirrors coverages bound.

DRIVER QUALIFICATIONS

Every Owner and Driver must have a valid State issued (US) driver's license. Owners and their spouses may not be excluded as drivers. This applies to anyone with ownership interest in the business.

All Drivers should have a minimum of two (2) years experience driving similar vehicles.

A motorcycle endorsement/license is required for owners and employees who drive motorcycles on public roadways.

A commercial driver's license (**CDL**) is required for owners, and sales or service employees who drive extra-heavy trucks, truck tractors and semi-trailers away from garage premises on any public roadway.

For **Dealers**, drivers must be scheduled when an auto is either available or furnished to them for regular use, and when drivers are under the age of twenty one (21). Remember to refer furnished young drivers to us with the Young Driver Questionnaire.

Pay special attention to out-of-state licenses (license state is different than risk state) – verify radius and ask if they will update their license within 30 days of binding.

Drivers meeting the standards above are acceptable unless their records show any of the following within the last 36 months (using the violation date):

- 1] Any incidence of alcohol or drug abuse while operating a vehicle within the last 36 months;
- 2] Any conviction of hit and run, vehicular manslaughter, or use of a vehicle for felonious purposes;
- 3] More than one (1) at fault accident (every accident is considered at fault, unless you provide an accident report that proves otherwise);
- 4] More than three (3) **moving** violations including "Using Hand Held Cell While Driving";
- 5] Any combination of at fault accidents and moving violations totaling more than three (3) incidents;
- 6] Any **major** violation; for example: Careless Driving, Reckless Driving, Contest or Street Racing, and Permitting an Unlicensed Driver to Drive **OR any suspensions or revocations of driving privileges.**

MVRs must be reviewed for both the frequency and severity of activity by the Agency underwriter. If the MVR shows recent improvement, we may be able to consider an exception on a referral basis.

Senior drivers: If a senior driver has any driving exposure (ie furnished a car, any scheduled autos on policy or any pickup or delivery) we require the ACORD 92 Medical Statement along with the MVR. If there is any combination of vision problems, hearing problems or major illnesses, refer to us prior to binding. An updated ACORD 92 Medical Statement and MVR are required every year.

WHEN MVRs ARE REQUIRED

PROVIDE MVRs WITH NEW BUSINESS POLICY EXCEPT RISKS IN "NO MVR" CATEGORY, THEREAFTER AS FOLLOWS:	Annually	Every Other Year	No MVR
DEALER			
Proprietors, Partners, Officers and their Spouses		X	
Salespersons, General Managers, Service Managers, and any Employee whose principal duty involves the operation of autos.		X	
All Other Employees, including mechanics, clerical		X	
Contract drivers		X	
Under age 21 furnished an auto	X		
Senior Drivers furnished an auto	X		
Each Employee of a Trailer Dealer		X	
Restricted Drivers	X		
Wholesalers	X		
New employees - order when hired			
SERVICE			
Service/Repair with no scheduled auto or pick-up and delivery			X
Service/Repair with scheduled auto or pick-up and delivery	X		
Valet	X		
New employees - order when hired unless no MVR is required for risk			

ELECTRONIC MVR ORDERING INSTRUCTIONS

I. Reimbursement for Bound Accounts

A. What we pay for:

The company will pay for *bound business written on AMIC or AIC **admitted** paper. (*Bound means it has been bound in Colony Rater and a policy number has been generated for that policy in Colony Rater)

B. What the general agent pays for:

The general agent is required to pay for bound business written on CIC or CSIC **non-admitted** paper. The general agent will be billed directly from the MVR vendor for all MVRs ordered using the electronic system. The policy fee charged should be large enough to include the cost of MVRs.

NOTE: WE DO NOT REIMBURSE FOR MVR'S ORDERED ON QUOTES

II. MVR Vendor

All electronic MVRs **must** be ordered through **Insurance Information Exchange (IIX)** using the information shown in the charts below.

IIX Bill Codes	
Code	Description
G75	Admitted Business – policies written for AMIC or AIC
G32	Non-Admitted Business – policies written for CIC or CSIC

If you inadvertently order MVRs for other companies using the Colony billing codes, please contact iix immediately so they may correct the billing code.

III. Ordering Instructions

AGENTS WITH AN IIX ACCOUNT NUMBER

- A. Enter the appropriate bill code for the type of Colony business being written; refer to the charts above.
- B. Enter the **policy number** in the comment field. The **policy number is mandatory** and must be entered **first** in the comment field in order for the MVR to match in our system. This should be entered in the format of policy prefix followed by the 7 numerical digits, no spaces and no dashes. Examples: GP1234567 MC1234567

If you need to show any other information for your records, please enter it **AFTER** the Colony policy number or show it in the "Submission Name" field.

AGENTS WITHOUT AN IIX ACCOUNT NUMBER

- A. If your agency does not currently have an IIX account, please email your underwriter with the name, phone number and email address of your contact person for this function. This information will be provided to IIX and a member of the IIX sales/marketing team will contact your office exclusively for the purpose of setting up an IIX account number to order electronic MVRs with Colony.
- B. Within a day of setting up your account number, IIX will notify us that you are ready to start ordering MVRs electronically.
- C. Refer to the instructions provided above for "AGENTS WITH AN IIX ACCOUNT NUMBER", for full details on how to order an electronic MVR. Remember – only order MVRs for our policies. Ordering MVRs for other companies using our bill code is a violation of our agreement.

REQUIRED INFORMATION

Policy Issuance New and renewal policies, endorsements and cancellations are due in our office within **thirty (30) calendar days** after the effective date of the coverage.

Inspections: It is your responsibility to order and review an inspection for each location listed on the policy, and to follow up on any discrepancies and recommendations. Forward a copy of the inspection, your request for additional information and/or any policy changes resulting from information found in the inspection. We will reimburse you for inspections on Admitted business. Send the bill to invoices@argogroupus.com.

We require inspections as follows:

- 1] New Business:
 - a) All New Ventures unless the operation is 100% mobile
 - b) When property TIV per location is greater than \$150,000 OR building age is greater than 35 years, send a property inspection
 - c) Any risk that is a referral to Company
 - d) If required in the Pit Stop under Go Qualifiers
 - e) When requested by your Underwriter
- 2] Renewal Business. A risk inspection is required every (3) years when:
 - a) Property TIV per location is greater than \$150,000 OR building age is greater than 35 years, send a property inspection
 - b) A risk is, or has been, a referral to Company
 - c) If required in the Pit Stop under Go Qualifiers
 - d) When requested by your Underwriter
- 3] Scheduled Autos: A Vehicle Inspection is required on any Scheduled Auto over 20 years old. If there is physical damage coverage on the Auto, include photos of all four side of the vehicle.

New Business **The policy must be sent to us with these documents:**

- 1] A completed Colony Garage Application with applicable Questionnaire(s). A Questionnaire is required when there is an entry of 10% or more in #2 of the Garage Application.
- 2] When the Loss Section of application says "see loss runs" then the loss runs must accompany the policy
- 3] Signed UM/PIP Selection/Rejection Form for Dealers or risks with Scheduled Autos only - **if** required by State
- 4] MVRs – See chart on Driver Qualifications page; We will reimburse you for MVRs on Admitted business. Send the bill to invoices@argogroupus.com.
- 5] The date on which you ordered an Inspection (if required)
- 6] Garage Rating Worksheets
- 7] TRIA Notice **if** policy covers Property
- 8] Hard copy loss runs on every risk you are required to Refer to Company for approval or as stated in the Pit Stops

Renewal Business **The policy must be sent to us with these documents:**

- 1] Either an updated Colony Garage Application or Colony Renewal Application with applicable Questionnaire(s).
 - a) The Colony Renewal application may be used for the first two renewals, however, an updated Colony Garage Application is required every three years
 - b) A Questionnaire is required when there is an entry of 10% or more in #2 of the Garage Application/Renewal Application.
- 2] Updated signed UM/PIP Selection/Rejection Form for Dealers or risks with Scheduled Autos only - **if** required by State
- 3] MVRs – See chart on Driver Qualifications page; We will reimburse you for MVRs on Admitted business. Send the bill to invoices@argogroupus.com.
- 4] The date on which you ordered an updated Inspection (if required)
- 5] Garage Rating Worksheets
- 6] TRIA Notice **if** policy covers Property
- 7] You are not required to provide updated loss runs from prior carriers at renewal

Any required documentation other than Inspections that does not accompany the policy is due in our office within thirty (30) calendar days after the effective date of the policy. Inspections are due within sixty (60) days.

PRICING

Garage Rating is done on-line in Colony Rater, under the Garage tab. **Schedule Rating** may apply to Garage & Auto Liability (excluding Med Pay, UM, UIM, and PIP), Garagekeepers, and Dealer & Auto Physical Damage.

Premiums are subject to the following Minimums:

Minimum Policy Premium is \$500.

Minimum Property Premium is \$250.

Garage Liability Dealers

Rating Units: Minimum Rating Units is 1.5 per policy

Employees and Non-Employees	Furnished	Not Furnished Full-Time	Not Furnished Part-Time
Active Proprietors, Partners, Officers and their Spouses	1.0 Rating Units	.75 Rating Units	.50 Rating Units
Inactive Proprietors, Partners, Officers	1.0 Rating Units	n/a	n/a
Inactive Spouses	.50	n/a	n/a
Salespersons, General Managers, Service Managers, and any Employee whose principal duty involves the operation of autos. This includes those restricted to Minimum Financial Responsibility Limits.	1.0 Rating Units	.50 Rating Units	.25 Rating Units
All Other Employees, including clerical, mechanics	1.0 Rating Units	.40 Rating Units	.20 Rating Units
Contract drivers	1.0 Rating Units	.25 Rating Units	.25 Rating Units
Under age 21 furnished an auto	2.0 Rating Units	n/a	n/a
Each Employee of a Trailer Dealer	1.0 Rating Units	.45 Rating Units	.45 Rating Units

Garage Liability Service Payroll: Minimum Payroll is \$7800 per policy

Basis is \$5,200 for every active owner and employee. Use \$2,600 for employees working less than 20 hours per week. There is no reduction in payroll for excluded drivers.

Maximum Limit Per Vehicle (MLPV)

There is now a section in both the Garagekeepers and Physical Damage areas of the Declarations Page which shows a Stated Amount per Vehicle in all states except KS and NH, and for Admitted risks in KY, MD, ME, NH and WV. These sections will default to a \$50,000 Stated Amount MLPV and show the premium as included (INCL).

Charges for an increased limit above \$50,000 only apply to Dealer's Physical Damage and only to the following classes: Car Dealers, Dealers with Salvage Operations, Auctions and Wholesalers. The additional premium charge is rated under the Misc. Tab in Colony Rater.

For Service risks and the remaining Dealer classes, the Stated Amount Limit can be increased as per your Binding Authority, or higher with approval from your Transportation Underwriter.

INSTRUCTIONS FOR SCHEDULE DEBITS / CREDITS

Schedule Debits and Credits

- Debits and credits apply to all coverages (not applicable in Uninsured Motorists unless otherwise noted).
- Schedule Debits/Credits must be supported by a schedule worksheet. When applying schedule debits or credits, the schedule worksheet form needs to be attached to the policy. Reason for debit / credit must be documented on the form. Please refer to state rate pages for the maximum debit/credit for your state. Note: Maximum credits may require Company approval.
- Some states require schedule debit / credit worksheets even when no modification has been applied. Please refer to your state's regulation regarding Schedule Rating Plans.

Use of Plan

The Schedule Rating Plan is used when risk characteristics are not reflected in the standard rating. The plan may be applied only for those characteristics outlined. It may not be used to offset a rating error or for competitive purposes.

Documentation

Schedule mods must be documented in the individual underwriting file. This will consist of a signed worksheet, which describes the risk characteristics of the filed plan and the amount of debit or credit assigned for each. In completing the worksheet:

- Mods may be applied only for the reasons filed in the plan
- Space is provided at each section of the worksheet for a narrative description of the reasons for the modification.
- The narrative should be completed every time a modification is used.
- A narrative must also be given to justify a change in the amount of debit or credit from one year to the next.
- If the mod applies to a specific vehicle (or driver where applied due to non-verifiable Motor Vehicle Report), identify it on the worksheet.

Justification

Modifications must be appropriate and be substantiated in the underwriting file via the application, risk inspection, photographs, agent's observation, formal safety, maintenance or training program details, etc. Examples:

- A debit for old equipment should only be applied to the unit(s) that are old rather than to all equipment.
- A credit for a safety program would not be justified if the application or inspection states the insured does not have a safety program in place. If a safety program does exist, the details of the plan should be documented in the underwriting file.

If a 10% credit for liability is applied and a 5% debit for physical damage is applied on the same risk, each should be explained on the worksheet in the narrative section

GARAGE CLASSIFICATION CODES

DEALER CLASSES	ISO CLASS CODE	COMPANY CLASS CODE
Antique/Classic Auto Dealer	7351	122005
Auction	7351	122739
Boat Dealer	7344	122006
Car Dealer	7351	122000
Dealer w/ Salvage Operations	7351	122113
Commercial Trailer Dealer	7354	122001
Emergency Vehicle Dealer	7351	122003
Equipment Dealer	7351	122007
Franchised Motorcycle Dealer	7321	122742
Mobility Vehicle Dealer	7351	122109
Non-Franchised Motorcycle Dealer	7351	122742
RV Dealer	7344	122009
Truck Dealer	7351	122001
Wholesaler	7351	122740

SERVICE & REPAIR CLASSES	ISO CLASS CODE	COMPANY CLASS CODE
Antique/Classic Auto Service/Repair	7808	122015
Boat Service/Repair	7808	122016
Car Service/Repair	7808	122100
Emergency Vehicle Svc/Repair	7808	122011
Equipment Service/Repair	7808	122017
Mobility Vehicle Service/Repair	7808	122108
Motorcycle Service/Repair	7808	122748
Public Parking Lots/Structures	7812	122102
Repossessors	7925	122114
RV Service/Repair	7808	122010
Salvage Yards	7808	122115
Tow Truck Operators (For hire)	7815	122104
Truck Service/Repair	7808	122101
Valet	7812	122103
Valet Special Events (Mid-Term Changes)	7812	122105

Risks should be classified based on the majority vehicle type being sold or repaired/serviced. Example: Selling 50% cars, 25% motorcycles, 25% heavy trucks, classify as Car Dealer.

REGISTRATION/TRANSPORTER PLATES (Not Dealer)	7929	<p>Rating tips: Garage policies – enter number of plates on the MISC tab. BA/MC policy (as required by some states) - select the correct ISO class code based on the type of vehicle the plate will be used on (PPT, truck, etc.), then go to the drop down box under Year/Make and select the type of plate.</p>
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COMPANION AUTO CLASSIFICATION CODES

Scheduled Autos are acceptable only as companion to a Garage policy. Auto coverages may not be written on a stand alone basis. The autos may be placed on either the Garage policy (in states where allowed) or on a Commercial Auto policy with a BA or MC prefix. Refer to the area of operations chart to clarify what states require the auto be written on a separate BA or MC policy.

Follow the Garage Guidelines for acceptable vehicle classifications and Driver Qualification criteria.

DESCRIPTION OF AUTOS	NON-FLEET		FLEET		Company Class Code
	Local	Intermediate	Local	Intermediate	
SERVICE USE					
Parts or Roadside *GVW 0 to 10,000	01199	01299	01499	01599	N/A
Parts or Roadside GVW 10,001 to 20,000	21199	21299	21499	21599	N/A
Parts or Roadside GVW 20,001 to 45,000	31199	31299	31499	31599	N/A
TOW TRUCKS					
For Hire *GVW/GCW 10,001 to 20,000	23103	23203	23403	23503	122704
For Hire *GVW/GCW 20,001 to 45,000	33103	33203	33403	33503	122704
Not for Hire *GVW/GCW 10,001 to 20,000	23103	23203	23403	23503	w/Service – 122729 w/Dealer – 122728 w/Salvage - 122759
Not for Hire *GVW/GCW 20,001 to 45,000	33103	33203	33403	33503	w/Service – 122729 w/Dealer – 122728 w/Salvage - 122759
TRAILERS AND DOLLIES					
All	68199	68299	68499	68599	N/A
PRIVATE PASSENGER					
All	7391	7391	7398	7398	N/A
REGISTRATION/TRANSPORTER PLATES (Not Dealer)			7929		N/A

NOTE: The class codes listed above are the only ones available for use on a Companion Auto policy. Please decline the scheduled auto coverage portion for risks that would require any other class code.

TOW TRUCK CLASS DEFINITIONS:

- **For Hire:** most common, charges a fee for any or all towing services
- **Not for Hire:** trucks never charge a fee for any tow services
 - o **Wrecker w/Service (122729):** the wreckers are used exclusively to tow customers autos into the insured's shop for repairs
 - o **Wrecker w/ Dealer (122728):** the wreckers are used exclusively to tow owned autos
 - o **Wrecker with Salvage (122759):** wreckers are used exclusively to tow junk cars for Salvage operations. This class does not include tractor/trailers used to haul crushed cars in bulk.
- **Wrecker used in repo operations are ineligible.**

*** GCW is Grossed Combined Weight. For tow trucks/wreckers this would be the combined weight of the towing unit and the unit being towed, including the weight of the trailer.**

OPTIONAL GARAGE COVERAGES

Additional Coverage for Related Operations (G1507)

The purposes of this endorsement are: 1] to provide coverage for and 2] to get more premium for exposures that are not generally part of garage operations. Available classes are listed in your Binding Authority.

Additional Insured – No Charge

(CA2509) Landlord, (CA2048) Designated, (CA2047) Leased Equipment,

(CA2001) Leased Autos, (CA2049) Franchisor

(G1600) Designated - Primary and Non-Contributory: Available only for Non-Admitted Garage repair Risks on a referral basis. Charge is \$250 per entity with no maximum.

Broadened Coverage-Garages (CA2514) – Charge is 3% of Garage Liability Premium

Broad Form Products Liability Charge is \$250 per policy. Refer risks that request this coverage..

Buy-Back Schedules

On-Hook for Garagekeepers (G1505 and various versions or G1526 in KS, KY, MD, ME, NH, WV). Limits up to \$250,000 available. The limit for each truck cannot be more than the Garagekeepers limit or less than the maximum limit per vehicle (MLPV).

Drive-Away Road Miles for Dealers Physical Damage-Collision (G1505, G1517 and various versions of each)
Charge is \$50 for each additional 100 miles 1] in excess of 50 road miles in KS, KY, MD, ME, NH & WV where G1517 is used for Dealers; and 2] in excess of 300 road miles in all other States where G1505 is used for Dealers. Maximum additional premium is \$500.

Value Limitation for Dealers Physical Damage (G1505A and various versions)

- This only applies to Car Dealers, Auctions, Dealers with Salvage and Wholesalers.
- The maximum vehicle limit available is \$750,000.

Drive Other Car Coverage-Broadened for Named Individuals (CA9910) Not available for use on Service/Repair risks.

Errors and Omissions for Auto Dealers (G1551, G1551NH):

Charge is \$300 per policy

\$25,000 Liability Limit Per Occurrence/\$100,000 Aggregate; \$1000 Deductible

Extends Liability coverage to include damages arising out of error or omission in compliance with Federal, State or local statutory provisions:

- o Requiring disclosure of credit terms to consumers obtaining credit to purchase an “auto”
- o Requiring disclosure of the odometer reading to consumers who purchase an “auto”
- o Requiring title registration on an “auto” sold by the insured
- o Requiring disclosure of terms and conditions applying to credit life insurance, credit disability insurance, auto liability insurance, auto physical damage insurance or an extended warranty plan sold by the insured to cover an “auto” sold by the insured

False Pretense (CA2503) Decline if test drives are not accompanied. Maximum Limit is \$25,000. Charge is \$0.18 per hundred of the total physical damage limit.

Fire Legal Liability (CA2510) Charge is \$0.20 per hundred of limit.

Garagekeepers-Additional Coverage for Wreckers in Oklahoma (G1521)

- o Legal Liability for Personal Property in a Customer’s Auto.
- o Charge is \$200 for the endorsement.

Cyber Suite Charge varies by state. This ‘suite’ includes coverage for Cyber Liability, Data Compromise and Identity Theft Recovery.

Plate Coverage (other than Dealer Plates): Plates are scheduled on CA2027.

Stop Gap Employers Liability in OH, WA, and WY (Non-Admitted only): (G1519)

Waiver of Transfer of Rights of Recovery (G1512) Charge is \$150 each - \$750 maximum

EXCLUSIONARY OR RESTRICTIVE ENDORSEMENTS

The forms listed here are intended to help us cover risks that we may have had to decline in the past, limit our exposure in Catastrophe prone areas, or remove and/or decrease our exposure to specific, undesirable risk characteristics.

Racing Exclusion (G1708) – May be imposed on risks that have incidental exposure to racing or race vehicles.

Custom Paint Job Exclusion (G1713) – May be used on risks that specialize in vehicle renovations.

Metal Scrap Dealer and Recycling Exclusion (G1714) – Required on Salvage risks that transport crushed cars or scrap metal in owned vehicles, whether or not the vehicles are scheduled.

Dealer Repossession Exclusion (G1715) – Required when dealers perform their own repossessions.

Repossession Operations Exclusion (G1716) – Required on all repo storage yard risks.

Dealer Physical Damage Exclusion (G1721) – Allows us to exclude the following by location:

Exclusion
Theft
Mischief and Vandalism
Theft, Mischief and Vandalism

Garagekeepers Exclusion (G1722) - Allows us to exclude the following by location:

Exclusion
Theft
Mischief and Vandalism
Theft, Mischief and Vandalism

Garagekeepers Storage Exclusion (G1719) – Intended for use on risks with some storage operations but insured does not want coverage for customer’s autos in the insured’s care, custody or control for the purposes of storage. There must be a written storage agreement for us to exclude these units from Garagekeepers coverage. This may be applied per location.

Retread Tires Exclusion (G1731) – Must be applied to any policy with Tire service/repair.

Earthquake Deductible (G1604) and Earthquake Coverage Limit (G1605) – Attach when Dealer Physical Damage or Garagekeepers Comprehensive Primary coverage is applied to vehicles kept inside a building in specific states. Refer to the Earthquake Restrictions section of this manual for details.

Wind/Hail/Flood deductible options for Dealer Physical Damage - We offer a large selection of wind/hail/flood deductibles and they may apply per location. Refer to the Weather Restrictions section of this manual for requirements by state.

Deductible per Vehicle	Aggregate Deductible per Loss	Form
\$1,000	None	G1717
\$1,500	None	G1717
\$2,500	None	G1717
\$5,000	None	G1717
\$10,000	None	G1717
\$25,000	None	G1717
\$50,000	None	G1717
\$100,000	None	G1717
\$250,000	None	G1717
\$1,000	\$50,000	G1727
\$1,500	\$50,000	G1727
\$2,500	\$50,000	G1727
\$5,000	\$50,000	G1727
\$1,000	\$25,000	G1729
\$1,500	\$25,000	G1729
\$2,500	\$25,000	G1729
\$5,000	\$25,000	G1729

Wind/Hail/Flood Exclusion for Dealers Physical Damage (G1723) – this exclusion applies per location. Refer to the Weather Restrictions section of this manual for requirements by state.

Wind/Hail/Flood deductible options for Garagekeepers Comprehensive Primary - We offer a large selection of wind/hail/flood deductibles and they may apply per location. Refer to the Weather Restrictions section of this manual for requirements by state.

Deductible per Vehicle	Aggregate Deductible per Loss	Form
\$1,000	None	G1718
\$1,500	None	G1718
\$2,500	None	G1718
\$5,000	None	G1718
\$10,000	None	G1718
\$25,000	None	G1718
\$50,000	None	G1718
\$100,000	None	G1718
\$250,000	None	G1718
\$1,000	\$50,000	G1728
\$1,500	\$50,000	G1728
\$2,500	\$50,000	G1728
\$5,000	\$50,000	G1728
\$1,000	\$25,000	G1730
\$1,500	\$25,000	G1730
\$2,500	\$25,000	G1730
\$5,000	\$25,000	G1730

Wind/Hail/Flood Exclusion for Garagekeepers Comprehensive Primary (G1724) – this exclusion applies per location. Refer to the Weather Restrictions section of this manual for requirements by state.

GENERAL INFORMATION & PROCEDURES

Applicable to all agents with binding authority for the Colony Specialty Transportation Division.

Broker of Record:

- **New Business Submissions:**
 - BOR Letters will be accepted on risks submitted to the company for approval. We will notify the MGA who sent in the original submission and give them 24 hours to get a rescinding letter.
- **Existing Accounts:**
 - Mid Term:
 - Mid-term BOR Letters will not be accepted
 - Renewals:
 - On existing business the Producer controls the renewal. This can only be changed with the receipt of an acceptable BOR Letter (see below). The existing Producer will in turn be notified.
 - One BOR Letter and one Rescission from the incumbent G.A.
 - Multiple BOR's and Rescissions will not be accepted
- **BOR Procedures:**
 - **BOR Letter:**
 - **Acceptance:**
 - New General Agent must submit new application(s) and if applicable supplemental application(s)
 - The quote for the new General Agent will be based on the information provided in their application/supplements.
 - **Conditional Acceptance:**
 - [If the BOR is received within 5 business days of policy expiration the Company cannot guarantee acceptance.](#) An attempt will be made to secure the controlling General Agent's approval to waive their rescission period and release the account.
 - **BOR Not Required:**
 - Expiring policy's General Agent is no longer appointed
 - Only the retail agent is changing (not the General Agent) on renewal
 - **Requirements for BOR Letter:**
 - **Change in General Agent Only:**
 - ACORD 36 – Agent/Broker of Record Change or a letter on Named Insured's and/or Retail Agent's letterhead that confirms the Named Insured, Insured's address, policy number and policy effective dates
 - Signature of the retailer and/or insured required
 - **Change in General Agent and Retailer:**
 - ACORD 36 – Agent/Broker of Record Change or a letter on the Named Insured's letterhead that confirms the Named Insured, Insured's address, policy number and policy effective dates
 - Signature of the Named Insured required
 - **Rescission Letters:**
 - New Business Submissions: 24 hours given to the controlling General Agent to obtain a rescinding letter from the Insured/Applicant
 - Renewal Business: 5 business days given to the controlling General Agent to obtain a rescinding letter from the Insured/Applicant

Authority

Unless you have received prior approval from a Company Underwriter, your binding Authority is limited to what is published in our Guidelines and described in Schedule #1-A of the Agency Agreement.

Renewals

For Submit classes of business where approval had already been granted by a Colony Specialty Underwriter, you may renew the policy without submitting for approval as long as there have been no changes and the Insured has not had any losses.

Payment to the Company

You are expected and required to pay the premium due the Company within the terms of the Agency Agreement. Unless otherwise stated, the following terms apply:

- Payment must be on a net basis with Commissions being retained by the Agent.
- Payment on the Account Current is to be received in the Company's office within 45 days after the end of the month in which the premium was entered on agent's Account Current statement. For example, the premium for all policies and endorsements issued between September 1 and September 30 is due to the Company by or before November 15. If the fifteenth of the month falls on a holiday or weekend, the premium is due on the preceding Friday.
- The omission from the Account Current of any items due the Company shall in no way modify or otherwise affect the responsibility of the Agent to account for and pay the Company any and all net premiums.

Electronic Transfer of Funds

- Electronic Transfer of Funds is available to Colony Specialty Agents.
- Through this method, you instruct your bank to electronically transfer the Account Current balance to the Company's bank each month.
- You control the amount and the date of the funds transfer. Contact Agency Accounting for more information.

When are policies due to the Company?

- Policies are to be issued and sent to the Company within 30 days from the effective date of the policy, (in accordance with Agency Agreements).

Binders

- The company does not accept binders. Whenever coverage is bound, a policy must be issued for the term with the appropriate premium charge and appropriate forms.

Backdating coverage

- Backdating coverage is strictly prohibited.

Endorsements

- **Processing** - Process and send to the Company all endorsements and cancellations within 30 days of the effective date.
- **Backdating** - Endorsements must not be backdated from the date the agent receives and approves the request.
- **Exposure changes** - Any new exposures/change in exposures must comply with the company's current underwriting guidelines and/or submitted if outside of your binding authority.
- **Documentation** – Endorsements must include underwriting documentation and rating worksheets.
- **Policy Extensions** – All policy extensions must be approved by your Company underwriter.
- **Named Insured changes** – Changes in the Named Insured must be documented to advise if there is any change in exposure or operations. Change in ownership requires cancel and rewrite; policies may not be transferred.
- **Reduction of coverages** – All company initiated mid-term endorsements that will restrict, reduce or eliminate coverage must be signed by the insured as proof of acknowledgement.
- **Increasing limits** – It is not acceptable to increase liability limits for a specific job or short-term period.

How do I get LOSS RUNS?

- **Wholesale Agent**
 - All wholesale agents should refer to our web-site so that they can access loss runs directly (www.colonyspecialty.com).
 - If the wholesale agent is experiencing technical difficulty obtaining loss runs from our website, the company can send loss runs once the wholesale agent is verified to be the incumbent agent of record for the policy number/term that the loss runs is being requested.
 - If the wholesale agent is requesting loss runs for a policy or term that they were not the incumbent agent of record on, then loss runs will NOT be provided.
 - If the incumbent wholesale agent is no longer in business, the company may send out loss runs.
- **Insured**
 - If an Insured sends a written request for loss runs directly to the company, we may send out loss runs. Loss runs would then be mailed to the Insured using the address on record associated with the policy. If the written request requires loss runs to be e-mailed or faxed (verses mailing), the written request must be on the Insured's letterhead or be accompanied by the insured's business card.
- **Retail Agent**
 - Typically the company does not send loss runs to retail agents as we usually don't know who the retailer to our wholesale agent is. Requests by a retail agent should be sent directly to our wholesale agent to verify & approve.

Surplus Lines Broker Data (SLB Data-0811)

This form is a requirement of policy issuance. The SLB Data form must be included on all new and renewal policies if:

- The risk state is outside of your agency's home state (i.e., your office is located in VA, the risk is in FL);
- The SL Broker of record is a person or corporation other than the principal licensee for your office;
- The premium will be allocated among multiple states, and the taxes will be paid using different licensees.

Certificates of Insurance

- Certificates of Insurance are tools used to inform a third party of the types of coverages or limits in force for our insureds. They are not to be used as endorsement requests. Certificates cannot be used to change, add or bind coverage. Any such changes must be made using an endorsement request.
- We request that you do not send us copies of Certificates of Insurance. This allows both of us to eliminate unnecessary paperwork and help us mutually reduce overall handling costs. Certificates of Insurance received in our office will not be reviewed and will not remain a part of the insured's file.

Certificate Requirements

- Be sure the certificate reflects only the terms and conditions of our actual policy. Any language that differs from the policy, must be approved by our underwriters prior to certificate issuance.
- Certificates must not reflect changes not yet made to the policy – endorse policy first, then issue certificate.
- Additional Insureds must be shown on certificates along with the endorsement form.
Example: "Additional Insured – City of Charlottesville – see endorsement CG2013."
- Quotations, certificates of insurance & policies that include Additional Insured coverage, must be issued showing the Additional Insured coverage premium charged as fully earned.

CANCELLATION & NON-RENEWAL PROCESSING

Cancellation Methods:

- **Flat** – The effective date of cancellation is the same date as the effective date of the policy. The total policy premium is returned. Flat cancellations require company approval.
- **Pro Rata** – The policy is canceled after the effective date of coverage due to one of the following reasons:
 - Company Request
 - Non-Payment of premium to agent (See [Premium Finance Company Cancellations – Requirements & Guidelines](#) if request comes from Premium Finance Company)
 - Rewritten in the same company or company group
 - Underwriting Reasons or Company request
- **Short Rate** – The policy is canceled after the effective date of coverage at the insured's request. Short Rate is defined as 90% of Pro Rata Premium Return.

How do I cancel a policy?

- Agents are to process cancellations on **ALL Binding Authority** policies, unless directed otherwise by the Company.
- The agent will send Direct Notice of Cancellation, prepare the cancellation endorsement, calculate the return premium, and transmit the original company copy of the notice, a copy of the proof of mailing, together with the cancellation endorsement to the Company within 30 working days & any applicable documentation that may correspond with the cancellation.
- Notices of non-renewals should be handled similarly.

What Evidence of Cancellation is required?

- In order to process cancellations, send one of the following along with the cancellation endorsement:
 - Cancellation Request / Policy Release form (ACORD 35) signed by the insured or an authorized representative/original letter from insured that requests cancellation of that policy.
 - The insured's copy of the declarations page accompanied by a letter signed by the insured requesting cancellation.

How long do I have to process a cancellation?

- Cancellation endorsements must be processed within 30 days of the requested effective date of cancellation.

Can I backdate a cancellation?

- Only with the approval of your Colony Specialty Underwriter.

When does the Company cancel a policy?

- The Company retains the right to send DNOC, determine cancellation dates, and calculate return premium in the event of non-performance by the agent or disagreement between the involved parties.

Does the Company honor finance companies' request to cancel for nonpayment of premium?

- All cancellation provisions are to be in accordance with individual state rules, regulations and laws regarding cancellations.
- See [Premium Finance Company Cancellations – Requirements & Guidelines](#) for details.

Reinstatement Processing

- Reinstatements requested prior to the cancellation effective date do not require approval from the Company as long as:
 - The account is in good standing per the Company's underwriting guidelines; and
 - Losses remain within the Company's loss guidelines.
- Reinstatements requested after the cancellation effective date with no more than 10 business days between the cancellation effective date and the date reinstatement has been requested may be approved by the General Agent and reinstated with no lapse in coverage if the following conditions are met:
 - Reinstatement effective date must be the same as the cancellation date;
 - Statement of no known losses must be signed by the insured for the period in which there was no coverage. This must be in the General Agent's hands before the reinstatement is processed;
 - Risk's most current loss history must continue to meet the Company's loss guidelines; and
 - Account must not have been cancelled and reinstated more than twice in the current term. If this is the third request for reinstatement it must be declined.
- Reinstatement requests regarding a coverage lapse that is over 10 business days are to be declined by the General Agent. After 10 business days, the General Agent must rewrite with a new policy number.
 - The Company will not approve reinstatement requests when the time period exceeds 10 business days. Cancel and rewrite is the only option available at this point.
 - The rewrite requires the General Agent to:
 - Review the risk against the Company's most current underwriting guidelines for acceptability; and
 - Price the risk using the most current guide rates.

Premium Finance Company Cancellations and Notice - Requirements & Guidelines

- **Cancellations**
 - All finance company cancellations and requests for reinstatements must be given priority handling.
 - The policy must be cancelled as of the date specified in the finance company notice, since the finance company has the insured's power of attorney to cancel the policy.
 - The unearned premium must be calculated on a pro rata basis, subject to the policies minimum earned premium provision. (with one exception – in New York, only a minimum earned premium amount up to 25% can be retained for the TRIA portion of the policy)
 - When a minimum earned premium endorsement is attached to the policy, you return the lesser amount of the two methods of calculation.
- **Notice Requirements** Upon receipt of a finance company cancellation notice, additional notice may be required:
 - **To the Insured:**
 - No additional notice is required.
 - **To a Mortgagee or loss payee:**
 - A separate notice is required providing an additional 10 + 3 days mailing. However, a notice is not required to the insured.
 - Coverage under the policy will be extended to the mortgagee or loss payee only.
 - The policy cancellation date will be the finance company date of cancellation, not the extended date given the mortgagee or loss payee.
 - Copies of the cancellation endorsement and the notice to the mortgagee or loss payee must be forwarded to the company for processing within 30 days.
 - **To an additional insured:**
 - Additional notice is NOT required, except:
 - Where the Additional Insured endorsement specifically states that notice is required. As with mortgagees and loss payees, the Additional Insured is provided additional time, not the Insured. The policy must be canceled effective the date specified in the finance company notice. company for processing within 30 days.
 - within 30 days.
 - **To a third party:**
 - When the policy specifically requires notice to third parties, such as government agencies, additional notice must be given to the insured and the third party or to the third party only depending on the policy provision.

Premium Finance Company Reinstatements – Requirements & Guidelines

- The Company is not required to reinstate a policy at the request of the finance company. Reinstatement is at the sole discretion of the company and/or our authorized agents. Before any decision to reinstate is made, the file must be reviewed. A reinstatement should not be granted if there is adverse underwriting information or if the policy has been set up for nonrenewal.
- If payment to the finance company was received prior to the effective date of cancellation, coverage may be reinstated after review of the file.
- If the cancellation endorsement has already been sent to the company for processing, the agent must contact the underwriter for authority to issue a reinstatement endorsement.
- If payment to the finance company was not received before the effective date of the finance company's cancellation, coverage may only be reinstated with a "no loss letter" and authorization from the company underwriter. The underwriter may decide not to reinstate or may require a new submission.
- Policies should not be reinstated if payment was received 10 business days or more after the effective date of cancellation, unless the company has given prior approval.
- Reinstatement with a lapse in coverage is not permitted.
- Policies should not be reinstated more than twice. Since you are underwriting on behalf of the company, we expect you to use your best judgment when determining whether to reinstate coverage. Requests for third reinstatement must be submitted to the Company for prior approval.
- In all cases, your underwriting file must be documented to reflect the actions taken, with appropriate documentation provided to the Company.

OFFICE OF FOREIGN ASSET CONTROL – OFAC

In 2001, the U.S. Department of Treasury, Office of Foreign Assets Control (OFAC), issued regulations prohibiting insurers, brokers, and agents from engaging in transactions with individuals and entities appearing on the "Specially Designated Nationals and Blocked Persons List" (SDN list) published by OFAC.

OFAC regulations prohibit insurers and agents from providing any service to an "SDN" or Blocked Person. All property, including insurance contracts, in which there is direct or indirect interest with any person or entity on the blocked list, is considered "frozen". Any funds involved in these transactions must be deposited into a special account arranged for by the insurer with OFAC. This includes unearned premiums and claim payments.

As our front line underwriters, we ask that prior to binding coverage you check the Treasury's SDN list to ensure the applicant's name does not appear. Should your office receive an applicant that has an exact name match to an "SDN", you are prohibited from binding coverage or issuing a policy until you receive further direction from Colony Specialty's Regulatory Compliance staff.

The "SDN" list is available for download directly from the Department of Treasury's website, www.treas.gov/ofac, in the following formats: PDF, delimited, fixed-widths, CSV and XML. The Treasury updates the list periodically. If the list is downloaded onto your proprietary system, you will need to download the updated list monthly in order to ensure the most current information is being used. The list is also available thru the Agents' Area of Colony Specialty's website. Please also be aware that there are vendors such as Bridger Insight and ISO that can automate the process of detecting potential blocked persons.

Please feel free to contact our Regulatory Compliance Staff with your questions and comments at 800-577-6614.