

**FLORIDA  
BUSINESS  
ADVANTAGE PROGRAM  
PACKAGE – NON-RESIDENTIAL  
MANUAL**

## COMMERCIAL PACKAGE – NON-RESIDENTIAL

### Underwriting Guidelines

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## ELIGIBILITY

### A. ELIGIBLE RISKS

Eligible Risks are identified in SafePoint's Commercial Property Non-Residential and Commercial General Liability underwriting manuals.

- B. Commercial residential risk, defined by Section 627.4025(1), F.S., including but not limited to condo association, apartment, assisted living facilities, residential dwellings, dormitory/fraternity/sorority, parsonage/monastery/nunnery/convent, etc., will not be eligible for coverage for the package program.

## SUBMISSION PROCEDURES

### A. APPLICATION

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

### B. EFFECTIVE DATE

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

### C. REQUEST FOR COVERAGE

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

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

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

### D. PREMIUM PAYMENT

1. Payment may be made on an annual basis, semi-annual basis, quarterly basis or 9 pay. The 9 pay plan only applies to risks with premium greater than \$2,500.
2. All policies will be issued as direct bill.
3. Any funds received by an agent, made payable to SafePoint, will be treated as payment received by the applicant / insured. SafePoint will not honor any requests by an agent to cancel a policy due to the agent's inability to collect funds. All premium refunds will be sent directly to the insured.
4. In the event that a payment is made by check or draft and the instrument is returned because of insufficient funds to pay it, SafePoint will impose a charge of \$15 per returned check.
5. For policies on installment billing, a flat \$3.00 per installment fee applies and a one-time set up fee of \$10.00 applies.

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**E. REQUIRED DOCUMENTS**

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

**POLICY TERM AND RENEWALS**

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

**PREMIUM COMPUTATION**

**A. CONTINUOUS POLICIES**

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

**B. PAYMENT PLANS**

SafePoint accepts only the following payment plans:

Payment Description	Minimum Premium	Percentage of Down Payment	Number of Additional Payments	Installment Percentage	Billing Due Dates
Annual (1 Payment)	N/A	100%	N/A	N/A	Inception
Semi Annual (2 Payments)	N/A	60%	1	40%	180 days
Quarterly (4 Payments)	N/A	40%	3	20%	90 days, 180 days & 270 days
9 Pay	\$2,500	20%	8	10%	Monthly

**C. FACTORS OR MULTIPLIERS**

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

**D. MINIMUM PREMIUM**

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The policy writing minimum premium applicable to all policy forms shall be \$500.

#### ROUNDING PROCEDURE

##### A. RATES

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

##### B. PREMIUM

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

#### ADDITIONAL PREMIUM CHANGES

##### A. CALCULATION OF PREMIUM

1. Additional premium is calculated at the rates used to compute the policy premium.
2. Additional premium is calculated pro rata and rounded to the nearest whole dollar when any coverage or exposure is added or an amount of insurance is increased.
3. All changes will be made using the rules and rates in effect on the effective date of the policy or the latest subsequent renewal date.
4. Where the policy inception premium was less than the policy writing minimum premium, the additional premium will be added to the policy inception premium as the total premium for the policy. If the total premium is still below the policy writing minimum premium, the policy writing minimum premium will be charged instead.
5. Mandatory Additional charges will be increased for additional premium endorsements and decreased for return premium endorsements.
6. Policies may not be canceled and rewritten to circumvent forthcoming rate, rule, coverage or surcharge changes.
7. There is a \$15.00 service charge on NSF checks.
8. For policies on installment billing, a flat \$3.00 per installment fee applies and a one-time set up fee of \$10.00 applies.
9. There is a \$10.00 reinstatement fee that applies.

##### B. WAIVER OF PREMIUM

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

#### RETURN PREMIUM CHANGES

##### A. PREMIUM CALCULATION

1. Return premium is calculated at the rates used to compute the policy premium.

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

**B. WAIVER OF PREMIUM**

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

**POLICY CANCELLATIONS**

**A. GENERAL**

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

**B. PRO RATA CANCELLATION**

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

**C. FEES AND SURCHARGES**

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

**D. INFLATION INCREASE**

The liability, building coverage, business personal property and business income limits will be adjusted annually by 3% for inflation. For example, if increased by 3%, the Building coverage limit on a building insured for \$100,000 will increase to \$103,000.

**RESTRICTION OF COVERAGE OR EXCESS RATE**

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

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

The policy would not otherwise be written with SafePoint.

All policies on an "Excess Rate" basis will be treated as exceptions to manual rates per Section 627.062(3), F.S., and subject to the limitations established by Section 627.171, F.S. and the reporting requirements of Rule 69O-137.008, F.A.C.

**CHANGES IN RATES, RULE AND FORMS**

**A. GENERAL REVISIONS**

General revision is a:

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

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

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revision.

**B. PACKAGE MODIFICATION FACTORS**

**Eligibility**

Package Modifications Factors apply when any coverage form in the Commercial Property Coverage Part or Business Personal Property coverage is combined with a General Liability coverage part as BOTH Commercial Property and General Liability must be included in order to be a Divisible Package. Below are the Package Modification Factors.

**PACKAGE MODIFICATION FACTORS**

Package Modification Assignment (PMA)	Premium From CLM Division			
		Crime and Property	Liability	All Other Divisions
Contractors		1.00	1.00	1.00
Industrial & Processing		1.00	1.00	1.00
Institutional		1.00	1.00	1.00
Mercantile		1.00	1.00	1.00
Motel/Hotel		1.00	1.00	1.00
Office		.87	.87	1.00
Service		1.00	1.00	1.00

**C. TRIA**

Terrorism with "The "Terrorism Risk Insurance Act" ("TRIA") establishes a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury in consultation with the Secretary of Homeland Security and the U.S. Attorney General, certifies an act of terrorism, provided the terrorist act results in aggregate losses in excess of an amount stated in the Act. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for a percentage of losses (as stated in the Act) in excess of the insurer's retention, which is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses. All insurers providing commercial property insurance are required to participate in the program to the extent of offering and making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils."

The following disclosures are contained in Form IL 09 85 01 15 (1) Disclosures of Premium - In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations. (2) Disclosure of Federal Participation In Payment of Terrorism Losses - The United States Government, Department of the Treasury, will pay a share of

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terrorism losses insured under the federal program. Beginning in January 1, 2016, the 85% federal share of commutation under the Program decrease by one percentage point per calendar year until it is equal to 80% in year 2020. The Program trigger for aggregate industry losses to exceed \$100 million increases by \$20 million per calendar year until it is equal to \$200 million. (3) Cap On Insurer Participation In Payment Of Terrorism Losses - If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Calendar Year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion amount of such losses the exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rate allocation in accordance with procedures established by the Secretary of the Treasury."