

**Underwriting Guidelines
and Procedures**

NORTH SEA
Insurance Company®

*In the Business
of Protecting
Business*



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Overview

This document is intended to provide North Sea Insurance Company (NSIC) brokers with a general guideline for risks that are acceptable to the company. It is intended only as a quick reference and does not include all classes of business that may be acceptable or prohibited by NSIC. This guideline does not confer any right of binding to the broker.

Territories

Main street type risks located in the states of New York, New Jersey and Pennsylvania.

Policy Types

• Commercial Property Package • General Liability • Property • Flood
(All products and coverages not available in all states)

Fast Facts

- NSIC currently writes Commercial Property Package (CPP), Monoline General Liability and Monoline Commercial Fire. A Businessowners (BOP) Product is not offered.
- NSIC is rated B+ by AM Best.
- Minimum new business premium in NY is \$1,100 (\$600 office; \$2,500 contractor); in NJ and PA it is \$750.
- Maximum property value at any one location (all coverages) is \$5 million. Higher limits may be considered.
- General Liability Excess Coverage is offered up to \$6 million. If the building was constructed prior to 1950, Special Form may be offered with a water damage limit of \$50,000 (contents only).
- Replacement Cost Coverage on buildings built prior to 1950 is not offered unless the building has been updated (electrical, heating and plumbing) within the last ten years.
- Brokers have no binding authority.
- New ventures are acceptable.
- 24-hour exposures are acceptable.
- Frame construction in urban areas including the five boroughs of New York City may be written IF the building is either free standing or the attached building(s) are of brick or better construction. There can be no commercial cooking in the fire division (frame with cooking exception — must have a current ISO rate card).
- When frame construction is written, NSIC will offer Special Form with a \$5,000 water damage limit.
- In all classes, exposures to children are avoided.
- For all building owners that lease space to others, certificates from ground floor tenants showing the landlord as an additional insured are required within 30 days of binding coverage.
- No products coverage on food manufacturing or processing is offered.
- Apartment buildings up to six stories will be considered.
- Mixed habitational is acceptable.
- Condo/co-op buildings may be written up to NSIC's maximum property capacity if they do not have recreational areas.
- Agency bill only; direct bill is not offered. We do offer no fee installments.
- A deposit on all bound new business (33%) without a finance agreement is required.
- A signed application and loss runs are required on all bound business.

- Antique Stores (no item over \$1,000; ACV only; no thrift stores)
- Appliances (including installation or repair)
- Army and Navy Stores (no military goods other than clothing; no second hand goods)
- Art Galleries or Studios (no item over \$1,000)
- Artist Supplies/Arts and Crafts/Hobby
- Auto Parts and Supplies* (excluding installation and repair)
- Bait and Tackle Shops
- Barber Shops and Beauty Parlors (excluding Professional Liability, tanning and threading)
- Beauty Supplies
- Beverage and Liquor Stores (soft drink, beer, wine and liquor)
- Blinds and Shades Stores
- Books and Magazines (no item over \$1,000)
- Bridal Wear
- Building Materials (<10% inventory in lumber/wood)
- Camera and Photo Equipment/Film Developing
- Candy or Confectionery
- Car Audio (sales and installation)
- Carpets and Rugs (including installation)
- Cell Phones and Beepers (excluding theft)
- China and Glassware
- Clocks and Watch Sales and Service
- Clothing or Wearing Apparel* (men and women only; no thrift stores)
- Collectibles or Memorabilia (no item over \$1,000)
- Computer Stores
- Convenience Stores**
- Copy or Duplicating Services – retail
- Cosmetics, Toiletries and Perfumes – retail
- Dairy Products
- Drug Stores* (excluding Professional Liability)
- Dry Cleaners (petroleum or synthetic solvents; no fur storage; no Bailee or Transit Coverage)
- Electronics*
- Fabric Stores
- Feather Distributors (\$250,000 max. property value)
- Florists
- Food Products Distributor (no private labels)
- **Food-Related Businesses**** (i.e., Bakeries, Delis, Restaurants, etc.)
- Formal Wear or Costumes, rented to others
- Furniture (new only) and Office Furniture
- Garden Centers and Nurseries
- Gas Stations (excluding repair or garage operations)
- Gift Shops (no item over \$1,000)
- Golf and Tennis Supplies (no lessons)
- Hardware (excluding tool/equipment rental)
- Janitorial Supplies
- Jewelry (excluding stock)
- Kitchen Cabinet Stores (including installation)
- Leather Products*
- Lighting Stores
- Luggage

Target Classes

Retail and Wholesale

* Excluding theft unless they have an AA UL Certified Alarm

** If open flame cooking exists, see Restaurant section for further guidance (page 6)

Light Manufacturing

- Marine Supplies (no installation)
 - Musical Instruments
 - Newsstands
 - Office Machines and Supplies
 - Optical Goods Store
 - Packing and Shipping – retail, drop locations only (i.e., Mailbox Etc.)
 - Paint and Wallpaper
 - Painting, Picture or Frame Stores (no item over \$1,000)
 - Party Supplies
 - Photographers (on and off premises)
 - Printers
 - Record, CD and Pre-Recorded Music
 - Refrigeration Equipment (including installation or repair)
 - Religious Articles
 - Restaurant Supplies
 - Sheet Metal Distributors
 - Shoe and Boot Repair Shops
 - Stationery or Paper Products
 - Tailors or Dressmaking
 - Tattoo Parlors (excluding Prods/Comp Ops, PI, Advertising and Professional Liability)
 - Tile and Floor Coverings (including installation except wood)
 - TV, Radio (including repair shops)*
 - Upholstery Shops
 - Vacuum Cleaners
 - Variety and \$.99 Stores
 - Video Stores
 - Wigs
-
- Automatic Vending Machine Manufacturing
 - Blanket Manufacturing (no electric blankets)
 - Carpet Manufacturing
 - Curtain and Drapery Manufacturing
 - Dental Labs
 - Dress Manufacturing
 - Embroidery Manufacturing
 - Food Manufacturing (excluding products and completed operations)
 - Food Service Equipment Manufacturing
 - Furniture and office furniture (primarily metal)
 - Garment Manufacturing (no furs or children's garments)
 - Glass Manufacturing
 - Granite Table Top Manufacturing
 - Handbag and Purse Manufacturing
 - Jewelry Manufacturing
 - Kitchen Cabinet Manufacturing
 - Laundry Equipment Manufacturing
 - Leather Goods Manufacturing
 - Linen Manufacturing
 - Machine Shop (need end use of products to determine eligibility)
 - Pillows
 - Plumbing and Heating Products Manufacturing
 - Quilt Manufacturing
 - Sheet Metal
 - Textiles

- Apartment building (3 and 4 family units must be tenant occupied)
- Buildings leased to others with tenants such as retail, wholesale, office or manufacturing***
- Builders' Risk (habitational and office occupancies only; property only)
- Condo/Townhouse/Co-Ops (no higher than six stories)
- Real Estate Agents (no real estate management)
- Strip Shopping Centers***
- Taxpayer (store or office with apartments above; no more than 75% habitational)***

- Buildings with tenant garage operations are not written if the garage does collision and/or body work.
- If the building has an open flame cooking tenant exposure, see Restaurant section (page 6).
- Tenants that are not accepted:
 - Church
 - Daycare
 - Auto Body Shops
 - Personal Storage

A Residential Artisan Contractor is defined as a contractor that specializes in one specific trade who works primarily at residential and office locations.

- Air Conditioning and Heating
- Appliance Installation and Repair
- Arcade Equipment Installation and Repair
- Auto Glass Detailing
- Awning Installation and Repair (no work higher than two stories)
- Beer and Soda Tap Installation and Repair
- Carpet or Rug Cleaners†
- Closet Installation (prefab closets only)
- Concrete Construction
- Deck Installation and Repair
- Door Installation
- Driveway Paving and Sidewalks
- Drywall or Wallboard
- Electricians
- Fabric Installation
- Fence Erection†
- Fiberglass Insulation
- Floor Covering (carpet and tile only)†
- Furniture Repair
- Garage Door Installation and Repair
- Glaziers (no work higher than two stories)
- Golf Putting Green Installation, Repair and Maintenance
- Home Sound Equipment Installation
- House Furnishings Installation
- Interior Decorating†
- Kitchen Cabinet Installation
- Landscape Gardening (no tree pruning or spraying)
- Locksmith (no alarm installation)
- Marble, Tile or Stone Installation
- Masonry (no pointing, chimney work, waterproofing, foundation work or excavating)

Real Estate

(No more than six stories and 5 million per location)

**** Certificates of Insurance from grade level tenants naming the landlord as an additional insured will be required within 30 days of*

Real Estate Program Guidelines

Residential Artisan Contractors

† Commercial work is acceptable for this trade

**Contractors Program
Guidelines**

- Molding and Trim Work
- Musical Instrument Repair
- Office Furniture Installation†
- Painting (interior only)†
- Partition/Sight and Sound Barrier Installation†
- Plumbers
- Sewing Machine Repair†
- Spackle/Plastering Contractors
- Stone Cutting and Installation
- Telephone System Installation and Repair (no pole work)
- Upholstery Cleaning
- Wallpapering
- Washer and Dryer Installation
- Window Treatment Installation

- Carpenters are not an acceptable class.
- All subcontracted work is excluded by endorsement in New York.
- NSIC has a limited contractual endorsement.
- Blanket additional insured coverage is not written.
- The Artisan Contractor Application must be submitted for all Residential Artisan Contractor accounts. This Application includes an addendum that requires the customer to recognize the exclusions on the policy.

Professional Offices

As NSIC currently does not have a Businessowners (BOP) product filed, the company's writings in this class tend to be those that are not eligible for BOP. In most instances, the office is not eligible for a BOP because it has a Professional Liability, Personal Injury or Products/Completed Operations exposure that the BOP product cannot exclude.

Under a Commercial Package Policy (CPP), NSIC can design a policy, by the use of exclusions, which basically provides coverage for "trip and fall" exposures. This limited policy, in many cases, is what is needed for the customer to satisfy its landlord's requirements when office space is leased.

**Restaurants and
Taverns
Restaurant and Tavern
Guidelines**

- New ventures are eligible.
- 24 hour operations are acceptable.
- No frame construction (regardless of where it is located) unless the restaurant has a current ISO rate card.
- No live entertainment if liquor sales are more than 50% of total sales. (Background dinner music, such as a piano player, is acceptable.)
- If liquor sales are less than 50% of total sales, incidental entertainment will be considered.
- No nightclubs.
- No diners with owned parking and entrance ramps.
- Restaurants located below grade must be maintained pursuant to local code, including a secondary means of egress.
- All restaurants must have a quarterly cleaning and maintenance contract for an automatic fire protection system that covers all cooking areas. This will be warranted on the policy.
- Liquor Liability is available.
- A NSIC Restaurant Application is required for all quotations.

- Adult Education Classes
- Bands
- Billiard or Pool Halls (excluding assault/battery)
- Correspondence Schools
- Disc Jockeys (DJs)
- Funeral Homes (excluding Professional Liability)
- Gentlemen's Clubs (excluding assault/battery; Liquor Coverage not available)
- Independent Food Distributors (i.e. potato chip distributor)
- Inspection and Appraisal Companies (excluding Professional Liability; inspecting for insurance or valuation purposes)
- Insurance Agents
- Internet Cafes
- Karaoke Bars (excluding assault/battery; no stage or dance floor; no Liquor Coverage)
- Kiosk Operators and Street Vendors
- Music Mastering Studios (no live recording)
- Neighborhood Taverns (excluding assault/battery; no sports bars, bands, dancing or live entertainment)
- Parking Lots (self parking only)
- Photographers
- Taxi Cab/Livery Office
- Ticket Agencies
- Travel Agencies (no tours)
- Truckers, Liability only (up to four trucks, 150 mile radius)
- Vending Machine Operations
- Video Production
- Woodworking

Nassau and Suffolk Counties (NY)

- Nothing within 1/4 mile of a bay, the Atlantic Ocean or Long Island Sound (this does not include canals)
- Nothing East of Mattituck or Amagansett
- Nothing on a barrier island (Long Beach, Rockaway Beach, Atlantic Beach, Fire Island)

New York Five Boroughs

- Nothing on a barrier island (Rockaway Beach, Coney Island, Brighton Beach, Manhattan Beach, City Island or Seagate)

Outside Long Island and the Five Boroughs

- Nothing within 1/2 mile of a bay, the Atlantic Ocean or Long Island Sound

Wind Deductibles will apply if a risk is located between 1/4 and 1/2 mile of a bay, the Atlantic Ocean or Long Island Sound. There is no wind deductible program filed in New Jersey and Pennsylvania.

ACORD applications are acceptable for all classes of business. For Restaurants, Taverns and Residential Artisan Contractors, the supplemental NSIC application (see www.north-sea-ins.com) is required.

Note: All ACORD applications for New York policies must contain the NY Fraud Statement with the applicant's signature. If the applica-

Miscellaneous Classes

Windstorm Guidelines

Application Process

tion you are using does not contain the NY Fraud Statement, please complete this statement, which is available on our website at www.north-sea-ins.com.

Applications may be submitted via:
Email: apps@north-sea-ins.com
Fax: (516) 825-1947
Mail: 370 West Park Ave., P.O. Box 9007, Long Beach, NY 11561

Quote turnaround time for fully completed submissions is 24 hours.

All requests for changes to the policy must be requested in written form and sent to the NSIC Underwriting Department.

Certificates must be requested from NSIC's Underwriting Department in written form. If time is of the essence, please contact our underwriting department by phone or email. Certificates should not be issued by your office without NSIC's express authorization.

- Brokers will be billed for all policies.
- Direct billing is not available.
- A deposit of 33% of premium is required on all new business upon binding.

Claims should be reported to NSIC by faxing, emailing or mailing an ACORD Loss Notice. Attach any additional correspondence and all legal pleadings to the Loss Notice.

Mailing Address:	Express Mail Delivery:
North Sea Insurance Company	North Sea Insurance Company
PO Box 9007	370 West Park Avenue
Long Beach, NY 11561-9007	Long Beach, NY 11561
Fax: 516-825-1947	
Email: claims@north-sea-ins.com	

Claims will be adjusted and handled by NSIC claims administrators. To find out the status of a previously reported claim, contact:

Steele Associates Inc.
550 Old Country Road, Hicksville, NY 11801
Phone: 516-931-3500 , Fax: 516-931-3611
Email: steeleadjusters@optonline.net

Please fax or email a copy of your Broker (BR) License for New York, New Jersey and/or Pennsylvania (each state in which you plan to write business), copy of your Errors and Omissions Declarations Page (\$1,000,000 min. limits), and a North Sea Producer Profile to:

- Fax: (516) 825-1947
- Email: rfb@north-sea-ins.com
- Producer Profile may be found at: www.north-sea-ins.com

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