

PAWNSHOP SMART Card.

Special Authority for Union Life & Casualty

Overview

This SMART Card is designed to provide coverage for pawnshops and similar-type operations including any incidental exposures. Pawnshops are retail establishments that generate profits from two sources: small, short term loans with personal property as collateral (pledged inventory) or sales of second-hand merchandise, usually because the property owner defaulted on the loan (unpledged inventory). Pawnshops may also purchase property outright for retail sale.

Classifications

General Liability Class Description	Class Code
Stores - No Food or Drink - For Profit - NOC - Pawn shop	18437
Buildings or Premises - bank or office - mercantile or manufacturing - (lessor's risk only) - For Profit	61212
Buildings or Premises - bank or office - mercantile or manufacturing - maintained by the insured - (lessor's risk only) - For Profit	61217
Property Class Description	Class Code
Pawn shops	0564

+ This is a plus sign (+) class, therefore Products and Completed Operations are included in the Premises/Operations coverage at no additional premium charge. Products and Completed Operations are subject to the General Aggregate Limit.

Eligibility

Risks with the following characteristics are **NOT** acceptable:

- Risks whose company owners or officers have had prior convictions for illegal activities involving Pawn brokering or other business activities.
- Risks that have had their license suspended or revoked at any time within the past five years.
- Risks selling or pawning improperly licensed or registered guns or firearms.
- Risks selling or pawning firearms or guns without appropriate state and/or local licenses.
- Risks with individuals selling firearms who are not properly trained in the handling of firearms.

General Liability specific:

- Gun Shops.
- Risks allowing firearms to be tested on the premises.
- Products coverage when products of others are sold or repackaged under the firm's own label.
- Risks engaging in repair or service of firearms.

Refer to your Account Executive

- Policy premium credits in excess of 40%.
- Guns, firearms or ammunitions sales: Maximum of 20% of total insured sales with a maximum of 30% of sales at any one location.
- Risks with:

- More than three losses in any one year;
- Any loss exceeding \$25,000; or
- Total 3 year loss ratio (including current year) exceeding 50%.
- Risks with greater than 25% of receipts from Title Pawn or Auto Pawn, except for Limited Pledged Auto and Garagekeepers Legal Liability coverages, which are ineligible. Any referral requesting coverage for such a risk must include documentation evidencing:
 - The Title Pawn and/or Auto Pawn operations are conducted at a separate location from the risk's pawnbroking operations;
 - Separate insurance is placed to cover the risk's Title Pawn and/or Auto Pawn operations; and
 - The mandatory Title Pawn and Auto Pawn exclusions remain on the policy.
- Risks that pawn or sell autos, motorcycles, and other types of motor vehicles or trailers, but only if receipts are 25% or more from these items.
- Risks that auction vehicles or accept vehicles on a consignment basis.
- Risks with any operations other than pawnbroking or similar-type operations are subject to referral. Exceptions to this are check cashing, buy/sell/trade, gold buying, and auctioning services (refer to Definitions).
- Any risks with Lessors Risk coverage that involves one or more of the following exposures:
 - Alcohol (bars, taverns, etc.)
 - Cooking or fire (restaurants, bakeries, etc.)
 - Explosives (fireworks, etc.)
 - Habitational (if satisfactory answers to the corresponding questionnaire are not obtained)
- New Ventures with owners having less than 3 years of pawnbroking or related experience.
- Risks that do not have a central station or police connect alarm when insuring Theft.
- Limits in excess of binding authority.
- 24 - Hour operations.
- Risks engaging in repair or service work on the premises. Minor jewelry repair is acceptable.
- Risks offering warranties to customers other than replacement /exchange.
- Risks storing less than 70% of valuable items (jewelry and guns) in a safe when business is closed if we are providing theft coverage. Long guns may be secured by another method instead of a safe such as cabling, cage, gun rooms or any method which is equally secure.
- Risks that do not perform at least quarterly inventory updates when a manual system is used.
- Buildings with roofs, plumbing, electrical or HVAC systems that have not been updated within the past 30 years.
- Risks requiring Manuscript Endorsements. All manuscript endorsements require annual referral.
- Rental Operations.
- Locations that do not meet the Northfield Coastal/ Wind guidelines.
- For risks with Garagekeepers Legal Liability coverage, vehicles valued in excess of \$25,000 must be submitted to your Northfield Account Executive for approval.
- Any request for Per Location Aggregate limits.

Risk Assessment

- *Paper Goods or Other Items susceptible to Damage by Heat or Smoke:* When requested to provide higher limits or optional coverages involving paper goods or other items susceptible to damage by heat or smoke, the underwriter should be aware of the type of contents being stored and the fire resistance of the safe. Pawn shop owners are generally concerned more with the burglary resistance of their safes, and may give little thought to the fire resistance of safes:
 - Fire-resistant safes do an excellent job of protecting paper documents (and even small amounts of cash) from heat and smoke damage; however, fire-resistant safes are generally constructed using very thin metal (14-18 gauge), which makes them easy to defeat for a

- o burglar, as the metal can be easily punctured, cut or sawed with simple hand tools.
- o Burglary-rated safes do an excellent job of protecting their contents from theft; however, the material used in constructing these safes generally provides little or no protection from heat and smoke damage, which makes them a poor choice for storing paper documents.
- o If providing coverage for valuable papers and/or high-value contents (jewelry or precious metals), goods should be stored in a burglar-fire safe, composite fire safe that is burglary-rated, or a high-security TL-rated fire safe. These safes are engineered and designed to protect valuables against both burglar attacks and fires.
- o The nature of the safe and its efficacy in protecting the types of goods being stored should be evaluated by the underwriter. For example, the nature of the safe used to store valuable papers, including accounts receivable and inventories, should be evaluated when this type of coverage is requested, as a burglary-rated safe may not provide adequate protection from heat and smoke damage.

Standard Coverage & Authority Limits

General Liability

	Standard Offering	Authority Limit
General Aggregate	\$2,000,000	\$3,000,000
Products/Completed Operations Aggregate	\$1,000,000	\$2,000,000
Personal and Advertising Injury	\$1,000,000	\$1,000,000
Per Occurrence	\$1,000,000	\$1,000,000
Fire Damage Legal Liability	\$300,000 any one fire (prev. \$100,000)	\$500,000 any one fire
Medical Expense	\$5,000 any one person	\$10,000 any one person

Property

	Maximum Limit
TIV for all property coverages, any one location	\$4,000,000
TIV for all property coverages, on all locations, on any one policy	\$10,000,000

The Property coverage maximum limits shown below are per location. Buildings separated by 100 feet or more are considered separate locations.

- The maximum TIV for all property coverages on any one location is \$4,000,000.
- The maximum TIV for all property coverages on all locations on any one policy is \$10,000,000.
- Accounts with TIV's over this amount need to be submitted to your Northfield Account Executive.

The TIV calculation includes the following: Building, Business Personal Property, Improvements and Betterments, Pledged and Unpledged Inventories, Business Income, Data Processing Equipment, Data and Media, Outdoor Signs, Demolition (Coverage B) and Increased Cost of Construction (Coverage C), Peak Season. Coverage extensions at default limits are not included in this limitation; any increase in coverage extension limits should be included.

The Property Coverage Form includes:

- Building.
- Business Personal Property (Furniture and Fixtures) - Contents other than stock inventory
- Tenants Improvements and Betterments - Improvements or Betterments are fixtures, alterations, installations or additions that are made a part of the building and structure you occupy, but do not own, and you acquired or made at your own expense but cannot legally remove.
- Business Income and Extra Expense is covered with options for monthly indemnification (3, 4, or 6 months).
- False Pretense - \$10,000.
- Funds Transfer - \$10,000.
- Inventory - Pledged (Pawned) and Unpledged (Owned) Items.
 - Pledged (Pawned) and Unpledged (Owned) items consist of:
 - Stock in trade including "jewelry", electronics, firearms, musical instruments and other stock used in your business.
 - "Inventory" sold but not yet delivered.
 - Property of others in your care, custody or control.
- Coverage is provided on a Special cause of loss basis including fire, lightning damage, theft (including robbery and burglary) and wind damage, subject to policy exclusions.
 - Specific exclusions include earthquake, pollution and flood.
- Base deductibles are \$1,000 for Block (Firearms & Jewelry) coverage, \$500 for All Other coverages. Insured may select higher deductible options.

Property Standard Coverage Extensions

<i>Standard Limit is automatically offered; higher limits available, subject to Authority Limit, for an additional premium.</i>	Standard Limit	Authority Limit
Accounts Receivable – \$25,000	\$25,000	\$200,000
Business Personal Property Off Premises - \$10,000	\$10,000	\$50,000
Consequential Loss - \$10,000	\$10,000	\$10,000
Dealer Memoing	\$2,500 (prev. \$1,000)	\$100,000
Fire Department Service Charge - \$2,500	\$2,500	\$10,000
Fire Extinguisher Recharge	\$5,000 (prev. \$2,500)	\$5,000
Inventory Off Premises - \$1,000	\$1,000	\$100,000
Key Replacement/Lock Repair	\$2,500 (prev. \$1,000)	\$1,000
Newly Acquired or Constructed Personal Property - \$100,000	\$100,000	\$250,000
Newly Acquired or Constructed Property – Building - \$250,000	\$250,000	\$1,000,000
Outdoor Property (\$250 limit for any one tree, shrub or plant)	\$2,500 (prev. \$1,000)	\$10,000
Personal Effects	\$15,000 (prev. \$10,000)	\$10,000
Property in Transit – Shipments - \$5,000	\$5,000	\$50,000
Registered Mail - \$25,000	\$25,000	\$50,000

Reward – per Authority	5% or \$10,000	5% or \$10,000
Sewer Back-up - \$5,000	\$5,000	\$50,000
Show Windows – Non-Business Hours - \$1,000	\$1,000	\$50,000
Valuable Papers and Records	\$25,000 (prev. \$10,000)	\$200,000

Property – Theft - Standard Coverage Extensions

<i>Standard Limit is automatically offered; higher limits available, subject to Authority Limit, for an additional premium.</i>	Standard Limit	Authority Limit
Money Orders and Counterfeit Paper Currency	\$2,000 (prev. \$1,000)	\$10,000
Forgery and Alteration	\$2,500	\$100,000

Optional Additional Coverages

General Liability

<i>No automatic limit included; any coverage must be purchased for an additional premium.</i>	Authority Limit
Limited Pledged Auto Liability	Same as GL Limits
Hired and Non-Owned Auto	Same as GL Limits
Employee Benefits Liability	\$1,000,000 per employee / \$2,000,000 aggregate
Products and Completed Operations Coverage on Guns	\$300,000
Garagekeepers Legal Liability	\$100,000/\$25,000 per car

Property

<i>No automatic limit included; any coverage must be purchased for an additional premium.</i>	Authority Limit
Business Computer - Hardware	\$100,000
Business Computer - Software	\$100,000
Employee Dishonesty	\$50,000
Glass - Exterior	Included in Building Limit
Glass - Interior	Included in BPP limit
Inflation Guard	8%
Ordinance or Law - Demolition Cost	\$150,000
Ordinance or Law - Increased Cost of Construction	\$150,000
Outdoor Signs	\$100,000 per sign
Mechanical Breakdown (Equipment Breakdown Protection)	Up to building limit
Money & Securities	\$100,000/\$50,000

Coverage Notes

General Liability

- **Products coverage on Guns, Firearms and Ammunition** must be excluded unless Amendment- Limits of Insurance - Firearms, Guns and Ammunition, form P536-PS is attached and a premium charge has been made. Use P533-PS to exclude Products coverage on Guns, Firearms and Ammunition.
- **Products/Completed Operations may be excluded.** Use Endorsement CG 21 04.
- **Combination Endorsement S267-CG** is required on every policy.
- **Assault or Battery:** If the insured has had any previous Assault or Battery claims, exclude Assault or Battery. Use Endorsement S23-CG.
- **Exclude Participants and Contestants** on any policy that sponsors a team or has a potential athletic exposure. Use Endorsement S1156-CG.

Property

- **BVS** is required to be performed on each risk. If value is within coinsurance percentage, it is acceptable; if the limit is outside this range, the value needs to be increased or the risk needs to be written at ACV.
- **Protective Safeguards:** Protective safeguard endorsement P1573-PS should be used if the risk has either a burglar or fire alarm for which they are receiving a credit.
- **Theft Protection of burglary-rated safe:**
 - A. Up to \$150,000 total pledged/unpledged firearms and jewelry requires TL-15 or better safe, or equivalent. Greater than \$150,000 total pledged/unpledged firearms and jewelry requires TL-30 or better safe, or equivalent. At least 70% of all hand guns and jewelry must be stored in these safes when the operation is closed. Long guns are not included in the safe storage percentage, but must be secured by another method instead of a safe, such as cabling, cage, gun room, or any method which is equally secure.
 - B. A local fire alarm is required for all insured risks where theft coverage is being provided on firearms and jewelry.
- **Minimum Deductibles:** are \$1,000 for block (firearms and jewelry) coverage and \$500 for all other coverages.
- **Replacement Cost Coverage:** is available on Buildings and Business Personal Property. Tenants Improvements and Betterments coverage is automatically provided on a Replacement Cost basis, if repairs are promptly made.
- **Pledged and Unpledged - Firearms and Jewelry:** Must be stored as indicated on the application while the business is closed. Failure to do so will result in a penalty in the event of a loss, based on the actual percentage in storage versus the percentage stated on the application.
 - The limits for "pledged" and "unpledged" inventory should be adequate to reflect the valuation selected for the inventory.
 - Inventory records should be backed-up daily and copies stored off-site or in a safe (refer to guidance regarding fire resistance of safes above). Records should be maintained for a minimum of three years.
- **Watercraft:** If coverage is not to be provided on watercraft, use endorsement P521-PS. If coverage is to be provided, inventory limits must be increased to include coverage on watercraft.
- **Display Cases:** should be locked when the shop is open. The premises should be locked and secured prior to moving items from the safe to the display cases or vice versa.

Coverage-Specific Guidelines

The following Coverage Extensions have special underwriting guidelines applicable, either to offer higher limits (if the coverage form includes coverage at a specific limit) or to offer the coverage at all (if not included by default in the coverage form):

Accounts Receivable

1. This coverage is designed to pay the Accounts Receivable rendered uncollectible due to damage or destruction of accounting records. It does not pay for bad debts.
2. This coverage is included within the Pawnbrokers Coverage Form, P527-PS with a base limit of \$25,000. Options to increase this limit may be considered.
3. This forms covers:
 - o All amounts due from customers that the insured is unable to collect;
 - o Interest charges on any loan required to offset amounts the insured is unable to collect pending our payment of these amounts;
 - o Collection expenses in excess of the insured's normal collection expenses that are made necessary by the "loss"; and
 - o Other reasonable expenses that the insured incurs to re-establish his or her records of accounts receivable.
4. Duplicate records must be maintained off-site or in a Class A safe (refer to guidance regarding fire resistance of safes above).

Business Income and Extra Expense

1. The Business Income Coverage Form (P526-PS) provides for coverage for net income (net profit or loss before taxes), that the insured would have earned or incurred and continuing normal operating expenses incurred. Operating expenses include payroll and utilities. This coverage can be for business income including rental value, business income other than rental value, or rental value alone.
2. Options for coverage are 1/3, 1/4 or 1/6 Monthly Limits of Indemnity.
3. Rental value is the total anticipated rental income from tenant occupancy of the described premises as furnished and equipped by the insured, the amount of all charges which are the legal obligation of the tenants that would otherwise be the insured's obligation, and fair rental value of any portion of the described premises occupied by the insured.
4. P526-PS also covers extra expense. Extra expense is the necessary expense incurred during the period of restoration that would not have been incurred if there had not been a covered loss.
5. Underwriting Considerations:
 - o Since covered causes of loss are the same for Business Income as for Building and Personal Property, the underwriting of the perils should generally be handled the same for both.
 - o Adjacent exposures: a loss to another tenant could result in a loss to our insured, the tenant's exposure should also be underwritten (e.g. smoke or water damage).
 - o Length of time necessary for the insured to repair, rebuild or replace the structure.
 - o How long will it take to refurbish supplies and restock merchandise?
 - o What extra expenses may be necessary to reduce a loss and get the insured back in business more quickly?
 - o Are there seasonal fluctuations? The business income limit should reflect this.
 - o Are unique construction features present that would lengthen the time to rebuild?
 - Rebuilding in congested areas will likely take longer to accomplish due to the necessity of construction protective barricades and roofs over sidewalks for pedestrians.
 - Consider the length of time required to obtain a building permit.

- Does the insured have a disaster contingency plan that would reduce the length of time they would be out of business?

Computer Coverage

1. A schedule of all data processing equipment and data/media is required when total value exceeding \$50,000 must be attached to the application.
2. Coverage is provided on a special peril basis.
3. Actual Cash Value (ACV) or Replacement Cost coverage is available.
4. A \$500 deductible per occurrence applies.
5. Coverage also applies to additional acquired property for up to 30 days for 25% of the Limit of Insurance to a maximum of \$100,000.
6. Data means facts or information, including computer programs, which is in a form usable for processing or used in an automated or electronic manner. Media means the material on which data is stored, such as discs, CD'S or magnetic tapes. The appropriate limit for data and media should be determined based on the cost to restore data to the machine (re-keying of information) and the value of any media including prepackaged computer software.
7. Coverage for mechanical failure or breakdown to data processing equipment may be added by attaching form S1169-CM, Endorsement - Business Computer Coverage Extension. Electrical Interruption coverage is added by attaching P723-PS.

Dealer Memoing

1. Provides coverage for the Pawnbroker's inventory that is deposited with or in the custody of a dealer in a similar trade.
2. Coverage is included in the Pawnbrokers Property Coverage form, P527-PS, with a base limit of \$2,500. Options to increase this limit may be considered.

Employee Benefits Liability

1. Employee benefits liability (EBL) coverage is designed to protect entities, their directors and stockholders (if any), their partners or joint venture members (if any), and their executive officers and employees who are authorized to act in the administration of their employee benefit program, in the event of a claim by or on behalf of present or former employees or their beneficiaries for damages because of a negligent act, error or omission in such administration. The coverage does not provide fiduciary liability protection; it is intended to dovetail and supplement the insured's fiduciary liability insurance, which covers, subject to certain limitations, the insured's failure to perform obligations under the Employee Retirement Income Security Act (ERISA).
2. There are three distinct areas of potential liability associated with the operation of employee benefits plans:
3. Liability resulting from errors or omissions in the administration of the plans.
4. Liability resulting from developing the plans.
5. Liability due to dishonest acts of those handling the assets of the plans.
6. EBL protection only covers the administration of the plan. It does not cover liability associated with developing the plans, or liability due to mishandling the assets of the plans.
7. We should not provide EBL insurance in any of the following circumstances:
 - If employee benefit programs are self-insured. If the insured self-insures their program, they should self-insure the E&O exposures as well.
 - If employee benefit plans are managed by a third party administrator (TPA). While coverage should be provided by the TPA's E&O policy on a primary basis, our insured may be held liable for the third party administrator's errors or omissions, and we may have no opportunity

- to underwrite the TPA.
 - If the carrier providing the benefits is not rated at least an A minus (A-) in the most recent Best's Rating Guide and the financial size of that company is not at least Class VIII in the same guide.
 - If our insured administers employee benefit plans for others.
 - If we do not write the General Liability coverage for the account.
 - If the insured has rejected the Workers Compensation Act. If EBL coverage is provided in states that allow rejection of the Act (OK, NJ and TX), first verify the existence of workers compensation coverage.
8. The retroactive date should be the first effective date of our coverage (i.e., the inception date of the first EBL coverage written by Travelers/Northfield). Do not advance the date on subsequent renewal policies.
 9. For risks with fewer than 50 employees, use the underwriting information obtained from the ACORD application, the D&B or other financial information, and Risk Control or rate/quote/issues platforms to evaluate the EBL exposure.
 10. For risks with more than 50 employees, an EBL application is required on new business and then every three years, unless there is a material change in conditions (at which point an updated application should be obtained).

Employee Dishonesty

1. Under the new filings, attaching form P1679-PS allows for coverage to be extended to loss or damage to covered property resulting directly from employee dishonesty, including theft and embezzlement. Coverage is not available under old filings.
2. Loss or damage must be sustained through acts committed or events occurring during the policy period.
3. Optional limits of \$5,000, \$10,000, \$25,000, \$50,000 or \$100,000 per occurrence are available.
4. Among potential background checks, criminal and financial checks are most relevant to Employee Dishonesty, particularly when hiring employees that will have access to the insured's accounts or funds.
5. One preventative measure for Employee Dishonesty is to require countersignatures on checks. If the insured has a low volume of checks being written, they should have every check countersigned; if they write a high volume of checks, they may have a threshold below which countersignature is not required, but that threshold should be relatively low (no higher than \$1k).
6. Separation of duties for sensitive transactions is a best practice (e.g. bank accounts being reconciled by someone not authorized to withdraw funds).
7. Knowing whether or not the employees handling the insured's funds are required to take vacation can be valuable underwriting information. Many internal frauds require manual intervention, so having the perpetrator take a vacation of at least a week aids in discovering the fraud (their substitute may question how the books were so badly handled, for example).
8. An Employee Dishonesty supplemental application, with satisfactory answers addressing the underwriting concerns listed above, must be obtained prior to offering coverage.

Forgery & Alteration

1. Coverage is included in the base form with a \$2,500 limit. No option to increase limits under the old filings. Optional limits of \$5,000, \$10,000, \$25,000, \$50,000 or \$100,000 are available under the new filings.
2. If there have been prior losses of this type in the past three years, and an optional limit is to be offered, the account must be referred to your Northfield Account Executive for approval. The referral should include details regarding the circumstances of the claim, along with a detailed

explanation of how the insured has taken measures to prevent or reduce the likelihood of another loss.

3. When offering optional higher limits, keep in mind that, as a best practice, insureds should regularly monitor and reconcile bank records (on a daily basis, if possible), in order to promptly identify any unauthorized transactions.

Garagekeepers Legal Liability

1. Covers pawnshops against direct damage or legal liability for damage to vehicles in pawn (i.e. the insured's care, custody or control).
2. Lots must be fenced and lighted. Minimum fence requirements - 6" feet high and chain link. Razor wire recommended.
3. Vehicles stored at an off-site location must have proper protective safeguards in place (locked, lighted and fenced (if outside)).
4. If the insured has more than ten vehicles on average in pawn, the risk must be submitted to your Northfield Account Executive for approval.
5. The minimum deductible is \$500.
6. Comprehensive, Specified Perils and Collision coverage is available on a direct, excess or legal liability basis.
7. Coverage is provided by attaching endorsement S2792-CG.
8. Resale of vehicles to the general public is an undesirable exposure and not intended to be covered under any circumstances.
9. The general public must not have access to the storage location.
10. Vehicles valued in excess of \$25,000 must be submitted to your Northfield Account Executive for approval.

Hired and Non-Owned Auto

1. HNOA coverage should not be provided for risks with owned autos that are insured elsewhere. The exception to this is for individual named insureds, whose owned vehicles are insured under a personal auto policy; for these individual named insureds, HNOA coverage may be provided.
2. For accounts where the HNOA exposure is incidental, there is no requirement to obtain a drivers list or MVRs, unless there are additional underwriting concerns.
3. For accounts where the HNOA exposure is moderate or severe, a complete drivers list and MVRs for all drivers must be obtained.
4. Definitions of level of exposure for hired and non-owned autos:
 - **Incidental:**
 - Hired - cost of hire is \$10,000 or less. No outside sales payroll or off-site installation exposure.
 - Non-owned - almost no exposure (less than 10%) from non-owned autos. If exposure is present, it consists of a small number of employees (less than 20%) running occasional errands using their own vehicles. The use of their own vehicles is not a condition of employment.
 - **Moderate:**
 - Hired - Cost of hire is \$100,000 or less. There may be some outside sales payroll and off-site installation.
 - Non-owned - means 20% - 50% of employees, volunteers, or other parties occasionally use their personal vehicles for company business, or a group of employees regularly use their personal vehicles for the insured. Included in moderate exposures are situations where employees are required to use their personal autos as a condition of their employment.

- **Severe:**
 - Hired - Cost of hire is greater than \$100,000.
 - Non-owned - means greater than 50% of employees regularly use their own auto on company business, or Moderate exposure where one or more of these additional conditions exist:
 - Vehicle operators are on-call 24-hours a day.
 - Vehicles operators deliver goods based on a stated or implied time delivery standard.
 - Non-owned vehicle operators with frequent operator/driver turnover.
 - Vehicle operators are not identified in advance or screened in advance (appropriate risk management driver screening and selection controls are not exercised by the insured).
- 5. When providing HNOA coverage in the following states, there is a risk that courts in those jurisdictions could rule that our GL policy be subject to state automobile financial responsibility laws, which would result in Northfield being required to provide mandatory automobile coverage, like UM/UIM or PIP coverage, as part of the GL contract.
 - **Illinois & Wisconsin:** HNOA is unavailable.
 - **Louisiana:** HNOA can be provided, however, a signed UM/UIM Selection form must be obtained.

Inventory Off Premises

1. Provides coverage on inventory while away from the premises. It does not provide coverage while in the custody of someone other than the insured or an employee of the insured.
2. This coverage is included within the Pawnbrokers Coverage Form, P527-PS with a limit of \$1,000. Options to increase this limit may be considered.
3. Consideration should be given to the loss control measure used by the insured to protect the property.

Limited Pledged Auto Liability

1. Provides limited excess auto liability coverage on a pledged auto operating between two distinct points.
2. Coverage is provided through attachment of endorsement P535-PS. This coverage amends the Business owners Liability policy to include limited auto liability.
3. The address of the pawnshop and the storage facility must be clearly stated on the endorsement.
4. One-way distances in excess of 20 miles must be submitted to your Northfield Account Executive for approval.
5. MVRs are required for any employees that regularly drive pledged autos.

Limited Products/Completed Operations Coverage on Guns, Firearms and Ammunition

1. Provides Products/Completed Operations coverage on guns, firearms and ammunition on a sublimit basis.
2. Coverage is prohibited if the insured engages in the selling of reloads or performs any firearms maintenance or modification.
3. Insureds with prior losses of this type in the past three years are not eligible for coverage. Insureds with losses of this type known to the GA and that occurred prior to the last three year period must be submitted to your Northfield Account Executive as a referral.
4. Coverage is provided through attachment of endorsement P536-PS. If coverage is provided, endorsements P520-PS or P533-PS must not be attached to the policy.
5. Limits up to \$1,000,000 are available.

6. Legal defense costs are outside the limit.

Money & Securities

1. If there have been prior losses of this type in the past three years, the account must be referred to your Northfield Account Executive for approval. The referral should include details regarding the circumstances of the claim, along with a detailed explanation of how the insured has taken measures to prevent or reduce the likelihood of another loss.
2. Only risks with a safe on premises are eligible if money is left overnight on the premises. Fire-resistance of safe should be contemplated in underwriting of this coverage.
3. Risks that have current financial problems or past financial problems, either known to the GA or evident from the submission, are not eligible.
4. Minimum deductibles of \$500 inside and \$500 outside are required.
5. All checks should be stamped "For Deposit Only" upon receipt.
6. Other considerations should include alarm protection, internal and external security, proper lighting, and the business location's neighborhood.
7. If coverage is desired for only Burglary and Robbery of Money and Securities, use endorsement P534-PS.
8. Coverage under the old filing is available at any limit up to \$100,000 inside and \$50,000 outside (except California and Utah). Under the new filing, there are no maximum filed limits; however, coverage is still subject to the authority limits indicated within this document, and any request to offer higher limits must be referred to your Northfield Account Executive.
9. California and Utah: Coverage for Money and Securities is available at the following optional limits, under the old filing:

	On Premises	Off Premises
	\$ 5,000	\$ 2,000
	\$ 10,000	\$ 2,000
	\$ 20,000	\$ 5,000
	\$ 20,000	\$ 10,000
	\$ 40,000	\$ 10,000

MVR Analysis

1. For those accounts that require MVR analysis (those with moderate or severe HNOA exposure), MVRs must be ordered as follows:
 - o **New Business**
 - Complete list of drivers, to include all employees that regularly drive pledged autos or their personal vehicles for the insured and/or for whom use of their personal vehicles is a condition of their employment.
 - All MVRs must be obtained and reviewed for acceptability prior to binding.
 - o **Mid-term driver changes**
 - All newly-added drivers must be reported by the named insured when they are hired.
 - MVRs must be ordered and reviewed for acceptability immediately upon being reported.
 - o **Renewals**
 - Verify no changes in drivers list at each renewal. If drivers have changed, an updated drivers list is required.
 - Order MVRs on drivers with no violations or activity every three years.
 - All MVRs must be obtained and reviewed for acceptability prior to binding.
 - MVRs should be no older than 90 days when reviewed for acceptability.

2. MVRs must be ordered every year on drivers who have any one of the following characteristics:
 - All new drivers on the drivers list (unless ordered in the last six months)
 - Two or more moving violations in the last three years
 - Less than three years driving experience
 - License type held less than three years
 - At-fault accidents in the last five years
 - Family members of owners or employers, who use company vehicles
 - Any one of the driver decline triggers (below) where an exception was made by referral at the prior renewal term
3. Accounts with drivers having the following violations within the past five years should be declined or referred to your Northfield Account Executive with detailed reasons warranting an underwriting exception:
 - Driving while intoxicated or impaired or under the influence of drugs
 - Criminal conviction (e.g., felony, negligent homicide, manslaughter, hit & run, etc.)
 - Speed in excess of 25 MPH over the speed limit
 - Two or more at-fault accidents and/or other moving violations in the past year
 - Three or more at-fault accidents and/or other moving violations in the past three years
 - Driving with a suspended or revoked license
 - Reckless driving
4. While it is considered a sound underwriting practice to order MVRs on every driver for a commercial auto risk, it is important to remember that MVRs, and their specific content, should not be shared with insureds or their brokers for any reason. MVRs are for internal underwriting purposes only. They should be marked "confidential" and filed as appropriate. Information gleaned from the MVRs may be shared with Risk Control Consultants. MVRs may not be shared with parties other than Northfield employees or UL&C underwriters, and may only be shared with those employees who require access to MVRs to perform their job duties.
5. We do not use Named Driver Exclusions. Our approach is to address the driver situation directly with the insured and either accept or reject the risk.

Ordinance or Law

1. Ordinance or Law Coverage (P547-PS) provides coverage for:
 - a. Loss to the undamaged portion of the building;
 - b. Demolition cost coverage; and/or
 - c. Increased cost of construction coverage.
2. The insured is not obligated to purchase all three coverages.
3. Coverage for the undamaged portion of the building is subject to the building limit.
4. Applicable limits of insurance for demolition cost coverage and for increased cost of construction are shown in the endorsement. Neither coverage is subject to coinsurance.
5. Replacement cost coverage is required if the insured selects Increased Cost of Construction coverage.
6. Loss recovery under Business Income and Extra Expense forms ends on the date the damaged property would have been repaired had there been no ordinance affecting the construction.

Peak Season Limit of Insurance

1. Increases the pledged and unpledged inventory limit of insurance for a specified period of time.
2. Coverage is provided through attachment of endorsement P523-PS.

Property In-Transit/Shipments

1. Provides coverage for pledged and unpledged Inventory while in the course of transit by the U.S. Postal Service registered mail, armored car service or merchant parcel delivery service. Coverage by other modes must be submitted to the company.

Show Windows - Non-Business Hours

1. Provides coverage for inventory which is displayed in show windows and lost due to theft or attempted theft that involves the smashing or cutting of the show windows.
2. This coverage is included within the Pawnbrokers Coverage Form, P527-PS with a base limit of \$1,000. Options to increase this limit may be considered.
3. The deductible is the same as the Firearms & Jewelry deductible.
4. Careful consideration must be given to proper protection of the show windows (i.e. bars on the show window). Unprotected risks must be submitted to your Northfield Account Executive before binding coverage.

Stop Gap (Employers Liability)

1. Four states - North Dakota, Ohio, Washington, and Wyoming - have Monopolistic State Funds which are the exclusive writers of Workers Compensation for the state. The Monopolistic State Funds do not provide full Employers Liability coverage. However, employers in these states have exposures to employee lawsuits similar to other states where Employers Liability coverage is automatically provided as part of the WC policy.
2. In general, Stop Gap coverage should be provided by the WC policy. However, where no WC policy is available because the risk is in a single monopolistic state (or a multi-monopolistic only state exposure, such as Ohio and Washington), we can provide coverage under the GL. Insureds must still meet WC guidelines for the program in order to qualify for Stop Gap coverage.
3. Under NO circumstances should we provide Stop Gap coverage under GL if there is a multistate WC policy written by another carrier. This exposure should go to that carrier.

Valuable Papers and Records

1. This coverage provides for the cost of replacing written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts.
2. This coverage is included within the Pawnbrokers Coverage Form, P527-PS with a base limit of \$25,000. Options to increase this limit may be considered.
3. Optional coverages include:
 - o Loss outside the premises;
 - o Additional insurance;
 - o Additional insurance for specified days; and
 - o Additional insurance for specified months.
4. If paper or records cannot be replaced, the basis for determining the agreed amount must be provided.
5. If written on an agreed value, you must determine if the amount for each item is fair and reasonable. The intrinsic or book value and purchase price are seldom a reasonably sound basis for determining actual insurable value. Substantially valued items should be appraised by a qualified appraiser.
6. The protection provided by the receptacle should be determined. If no receptacle or container is used the method of storing the valuable papers must be carefully analyzed. If a container or receptacle is not used, the property must be considered unprotected.
7. Risks that have a substantial amount of engineering blueprints and specifications that are not

stored in a container or receptacle at night should be declined.

8. Duplicate records must be maintained off-site or in a UL Class A safe (refer to guidance regarding fire resistance of safes above).

Coastal Guidelines

Coastal anomalies bring additional exposures to all property. High winds, wind driven rain, soil and beach erosion can add damages to property even along inland waterways like the Great Lakes. When you consider the additional exposures of hurricanes in the South and East Coast states, this exposure becomes quite heavy and even catastrophic for the largest corporations. Consequently, great care and concern are put into any authority for writing property business in the seacoast areas.

The Coastal States identified below should always be the first source of information regarding Northfield's requirements for screening and covering property on the coasts. Many factors are taken into consideration, including capacity and reinsurance agreements.

Coastal States

- [Alabama](#)
- [Connecticut](#)
- [Delaware](#)
- [Florida](#)
- [Georgia](#)
- [Hawaii](#)
- [Louisiana](#)
- [Maine](#)
- [Maryland](#)
- [Massachusetts](#)
- [Mississippi](#)
- [New Hampshire](#)
- [New Jersey](#)
- [New York](#)
- [North Carolina](#)
- [Rhode Island](#)
- [South Carolina](#)
- [Texas](#)
- [Virginia](#)

General Guidelines for All Areas

- No property should be written within 1,500 feet of the shoreline, except if Windstorm or Hail Coverage is Excluded (see state-specific links for details).
- No property should be written for businesses or risks built on piers or docks.
- The file must contain documentation which includes distance from intercoastal water/shoreline either through inspection or another credible source.

Hurricane Guidelines

Binding authority is subject to the following limitations during hurricane season.

Once a severe storm warning has been issued for an area in your territory as defined above, no Northland Company is to be bound on new business or coverage increased involving windstorm liability. This restriction will continue until the time the warning is withdrawn by the U.S. Weather Bureau.

The term "severe storm warning" is intended to include any similar type warning used commonly in the area to indicate a similar storm threat, such as:

- Gale Warning: Issued when 38-55 mph winds are expected.
- Storm Warning: Added when winds of 55-74 mph are anticipated.
- Hurricane Warning: Added when hurricane conditions are expected within 24 hours.

Renewals of expiring policies may be written, providing there is no increase in coverage.

Any questionable situation must be cleared with your Northfield Account Executive.

For All States

Windstorm or Hail Coverage Included

- No new business or renewals that are situated on piers, pilings, over water or located on barriers islands. Coverage on an ex-wind basis is available.
- No new or renewal business may be written in any county when that county's maximum aggregate capacity is exceeded. Renewals must be non-renewed until in-force values are within specified county capacity limits. Your Northfield underwriter will notify you when your aggregate limits are getting close to the cap.
- The file must contain documentation which includes distance from coast, intercoastal, water/shoreline either through inspection or another credible source (MapRisk).
- 72 hours BI waiting period mandatory.

Aggregate Wind Capacity Limitation

- Your aggregate capacity is subject to change. Your Northfield underwriter will notify you when your aggregate limits are getting close to the cap. Until notified, you have the authority to continue writing new business and renewing expiring accounts.
- For your information, at any time, you can verify your aggregate values by High Hazard County under the Reports tab in NorthlandOnline. This information is updated on a monthly basis.

Windstorm or Hail Coverage Excluded

New and Renewal Business

- Coverage on an Ex-Wind Basis is available throughout the State. Please include the Windstorm or Hail Exclusion P729-PS in your quote, binder and on the Policy.

Forms

Title	Numbers
Windstorm or Hail Percentage Deductible	P727-PS (10/13)
Windstorm or Hail Exclusion	P729-PS (10/13)
Multiple Deductible Form (This form can be used in conjunction with Form S1538 CP Business Income Changes Time Period)	P1667-PS (10/13)
Limitations on Coverage for Roof Surfacing	S3013-CP

*Yellow highlight indicates work that needs to be performed by Northfield to get the forms available in DocuCorp.

State Specific:

Alabama

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 3 miles from the coast. Coverage on an ex-wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 50 miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard counties: **Baldwin and Mobile.**
- For buildings with roofs that are older than 15 years, please add the Limitations on coverage for roof surfacing endorsement S3013-CP to the Policy.

Windstorm or Hail Deductibles

The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
3 miles to 10 miles	5% subject to \$5,000 minimum	3% subject to \$2,500 minimum
10 miles to 25 miles	3% subject to \$2,500 minimum	2% subject to \$2,500 minimum
25 miles to 50 miles	1% subject to \$2,500 minimum	\$2500 minimum applicable only in the High Hazard Counties listed above.
Over 50 miles	\$2500 minimum	\$2500 minimum

- Mobile County East of I-65 and South of I-10 is defined as less than 5 miles from water.

Connecticut

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 1 mile from the coast. Coverage on an ex-wind basis is available.

- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within three miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Fairfield, Middlesex, New Haven, New London.**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

New London & Middlesex Counties:

Distance from Coast*	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
3 miles to 5 miles	2% subject to \$2,500 minimum in New London, \$1,000 minimum in Middlesex	1% subject to \$2,500 minimum in New London, \$1,000 minimum in Middlesex
Over 5 miles	\$1,000 minimum	\$1,000 minimum

New Haven & Fairfield Counties:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
Over 3 miles	\$1,000 minimum	\$1,000 minimum

Delaware

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 1 mile from the coast. Coverage on an Ex-Wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 5 miles to the coast. Coverage on an ex-wind basis is available except for Builder’s Risk.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Kent and Sussex.**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Construction

Distance from Coast	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	5% subject to \$5,000 minimum	2% subject to \$2,500 minimum for all Counties
3 mile to 5 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
5 miles to 10 miles	\$2,500 minimum	\$1,000 minimum
Over 10 miles	\$1,000 minimum	\$1,000 minimum

Florida

Windstorm or Hail Coverage Included

- No new or renewal business with wind coverage for all risks that are:
 - Less than **3** miles from the coast in the Tri-County and Panhandle areas (See list of Counties below).
 - Less than **1** mile to the Coast for the Rest of the State.
 - In Monroe County.
 - Of frame construction in the Tri-County area
 Coverage is available on an ex-wind basis.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 100 miles to the coast. Coverage on an ex-wind basis is available.

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Tri-County Area: Dade, Palm Beach and Broward Counties

Distance from Coast	Construction	
	JM, NC (Not available for Frame Construction)	MNC, MFR, Fire Resistive
3 miles to 5 miles	5% subject to \$5,000 minimum	5% subject to \$2,500 minimum
5 miles to 10 miles	3% subject to \$2,500 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
Over 25 miles	1% subject to \$2,500 minimum	\$2,500 minimum

Upper State excluding the Panhandle: Alachua, Baker, Bradford, Clay, Columbia, Duval, Gilchrist, Hamilton, Lafayette, Lake, Marion, Nassau, Orange, Putnam, Seminole, Sumter, Suwannee, Union

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 miles to 3 miles	5% subject to \$5,000 minimum	3% subject to \$2,500 minimum
3 miles to 10 miles	3% subject to \$5,000 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$5,000 minimum	1% subject to \$2,500 minimum
25 miles to 50 miles	1% subject to \$2,500 minimum	\$2,500 minimum

Over 50 miles	\$2,500 minimum	\$2,500 minimum
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Rest of State (All other Counties):

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 miles to 3 miles	5% subject to \$5,000 minimum	5% subject to \$2,500 minimum
3 miles to 5 miles	5% subject to \$5,000 minimum	3% subject to \$2,500 minimum
5 miles to 10 miles	3% subject to \$2,500 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
25 miles to 50 miles	1% subject to \$2,500 minimum	\$2,500 minimum
Over 25 miles	\$2,500 minimum	\$2,500 minimum

Panhandle Area: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Franklin, Liberty, Gadsden, Leon, Wakula, Madison, Taylor, Jefferson, Counties

Distance from Coast	Construction	
	JM, NC (Not available for Frame Construction)	MNC, MFR, Fire Resistive
3 miles to 5 miles	5% subject to \$5,000 minimum	5% subject to \$2,500 minimum
5 miles to 10 miles	3% subject to \$2,500 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
Over 25 miles	1% subject to \$2,500 minimum	\$2,500 minimum

Georgia

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than **3** miles from the coast. Coverage on an ex-wind basis is available
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within **25** miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Brantley, Bryan, Camden, Charlton, Chatham, Effingham, Glynn, Liberty, Long, McIntosh and Wayne**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
3 miles to 10 miles	5% subject to \$5,000 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
25 miles to 50 miles	1% subject to \$2,500 minimum	\$2,500 minimum

Hawaii

Windstorm or Hail Coverage Included

- No wind or hail authority for new or renewal business for that State. Please refer to your Northfield Underwriter.

Louisiana

Windstorm or Hail Coverage Included

- No new business or renewals with wind coverage for all risks that are in the following Parishes:
 - **Tier 1) Terrebonne, Saint Mary, Iberia, Vermillion, Cameron, Lafourche, Saint Charles, Plaquemines, Saint Bernard**
- No new business or renewals with wind coverage for all risks that are less than 10 miles from the coast in the following Parishes:
 - **Tier 2) Orleans, Assumption, St. Martin, St. James, St. John Baptist, Jefferson, St. Tammany, Tangipahoa, Washington, Jefferson Davis, Acadia, Lafayette.**
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 50 miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the Tier 2 Parishes (see list above) to your Northfield underwriter.
- **For buildings with roofs that are older than 15 years, please add the Limitations on coverage for roof surfacing endorsement S3013-CP to the Policy.**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
10 miles to 25 miles	3% subject to \$2,500 minimum	3% subject to \$2,500 minimum
25 miles to 50 miles	2% subject to \$2,500 minimum	1% subject to \$2500 minimum applicable
Over 50 miles	\$2500 minimum	\$2500 minimum

Maine

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 1000 feet from the coast. Coverage on an ex-wind basis is available.

- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York.**

Windstorm or Hail Deductibles

- Minimum Windstorm or hail deductible of \$1,000 in all designated High Hazard Counties

Maryland

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 1 mile from the coast. Coverage on an Ex-Wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within five miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Calvert, Dorchester, Saint Mary’s, Somerset, Wicomico, Worcester.**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	5% subject to \$5,000 minimum	2% subject to \$2,500 minimum for all Counties
3 mile to 5 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
5 miles to 10 miles	\$2,500 minimum	\$1,000 minimum
Over 10 miles	\$1,000 minimum	\$1,000 minimum

Massachusetts

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 1 mile from the coast. Coverage on an ex-wind basis is available.

- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within three miles to the coast. Coverage on an ex-wind basis is available except for Builder’s Risk.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard counties: **Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth, Suffolk**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Barnstable, Dukes, Nantucket:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 5 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
Over 5 miles	\$2,500 minimum	\$2,500 minimum

Bristol and Plymouth:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	2% subject to \$2,500 minimum	2% subject to \$2,500 minimum
3 miles to 5 miles	1% subject to \$1,000 minimum	1% subject to \$1,000 minimum
Over 5 miles	\$1,000 minimum	\$1,000 minimum

Essex, Suffolk, Norfolk:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	1% subject to \$1,000 minimum	1% subject to \$1,000 minimum
Over 3 miles	\$1,000 minimum	\$1,000 minimum

Mississippi

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 3 miles from the coast. Coverage on an ex-wind basis is available
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 50 miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **George, Stone, Pearl River, Jackson, Harrison, Hancock**
- For buildings with roofs that are older than 15 years, please add the Limitations on coverage for roof surfacing endorsement S3013-CP to the Policy.

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
3 miles to 5 miles	5% subject to \$5,000 minimum	3% subject to \$2,500 minimum
5 miles to 10 miles (Building constructed before 2006)	5% subject to \$5,000 minimum	3% subject to \$2,500 minimum
5 miles to 10 miles (Building constructed after 2006)	3% subject to \$2,500 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
25 miles to 50 miles	1% subject to \$2,500 minimum	\$2500 minimum applicable only in the High Hazard Counties listed above.
Over 50 miles	\$2500 minimum	\$2500 minimum

New Hampshire

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than **1** mile from the coast. Coverage on an ex-wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within one mile to the coast. Coverage on an ex-wind basis is available except for Builder's Risk.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in **Rockingham County** to your Northfield underwriter.

Windstorm or Hail Deductibles

- Minimum Windstorm or hail deductible of \$1,000.

New Jersey

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than **1** mile from the coast. Coverage on an Ex-Wind basis is available.
- No New Business or renewals with wind coverage in the following areas: **Beach Haven, Long Beach Township, Surf City, Harvey Cedars, Barnegat Light, Seaside Heights, Sandy Hook**. Coverage on an Ex-Wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within **3** miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Atlantic, Burlington, Cumberland, Monmouth, Ocean, Cape May**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	5% subject to \$5,000 minimum for all Counties except for Cape May County	2% subject to \$2,500 minimum for all Counties except for Cape May County which is not available
3 mile to 5 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
5 miles to 10 miles	\$2,500 minimum	\$1,000 minimum
Over 10 miles	\$1,000 minimum	\$1,000 minimum

New York

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than **1** mile from the coast. Coverage on an Ex-Wind basis is available.
- No New Business or renewals with wind coverage in the following areas: **Rockaway, Atlantic Beach, Lido Beach, Long Beach, Jones Beach, Fire Island**. Coverage on an Ex-Wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within **3** miles to the coast. Coverage on an ex-wind basis is available except for Builder’s Risk.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Kings, Nassau, Queens, Richmond, Suffolk**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	5% subject to \$5,000 minimum for Suffolk County 2% subject to \$2,500 minimum for all other Counties	3% subject to \$2500 minimum for Suffolk County 2% subject to \$2500 minimum for all other Counties
3 mile to 5 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
5 miles to 10 miles	\$2,500 minimum	\$1,000 minimum
Over 10 miles	\$1,000 minimum	\$1,000 minimum

North Carolina

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 3 miles from the coast. Coverage on an ex-wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 25 miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Sampson, Tyrell, Washington.**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
3 miles to 10 miles	5% subject to \$5,000 minimum	2% subject to \$2,500 minimum
10 miles to 25 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
25 miles to 50 miles	1% subject to \$2,500 minimum	\$2500 minimum

Rhode Island

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than 1 mile from the coast. Coverage on an ex-wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within 3 miles to the coast. Coverage on an ex-wind basis is available except for Builder’s Risk.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Bristol, Newport and Washington**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Washington and Newport:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 5 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum
5 miles to 10 miles	1% subject to \$1,000 minimum	\$1,000 minimum

Over 10 miles	\$1,000 minimum	\$1,000 minimum
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Bristol and Kent:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
1 mile to 3 miles	2% subject to \$2,500 minimum	2% subject to \$2,500 minimum
3 miles to 10 miles	1% subject to \$1,000 minimum	1% subject to \$2,500 minimum
Over 10 miles	\$1,000 minimum	\$1,000 minimum

Providence:

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
Over 1 miles	1% subject to \$1,000 minimum	1% subject to \$2,500 minimum
Over 3 miles	\$1,000 minimum	\$1,000 minimum

South Carolina

Windstorm or Hail Coverage Included

- No new business or renewals for all risks that are less than **3** miles from the coast. Coverage on an ex-wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within **25** miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:
 - High Hazard Counties: **Berkeley, Beaufort, Charleston, Colleton, Dorchester, Florence, Georgetown, Hampton, Horry, Jasper, Marion, Williamsburg.**

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
3 miles to 10 miles	5% subject to \$5,000 minimum	3% subject to \$2,500 minimum
10 miles to 25 miles	3% subject to \$2,500 minimum	2% subject to \$2,500 minimum
25 miles to 50 miles	2% subject to \$2,500 minimum	1% subject to \$2,500 minimum

Texas

Windstorm or Hail Coverage Included

- No new business in designated Tier 1 High Hazard Counties:

- **Tier 1 Counties: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jackson, Jefferson Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy**
- Monoline property coverage is prohibited in Tier 2 High Hazard Counties and all Zones of Harris County
 - **Tier 2 Counties: Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells, Liberty, Live Oak, Newton, Orange, Victoria, and Wharton**
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within **50** miles to the coast. Coverage on an ex-wind basis is available.
- For buildings with roofs that are older than 15 years, please add the Limitations on coverage for roof surfacing endorsement S3013-CP to the Policy.

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the distance from the coast and the construction of the building.

Distance from Coast	Construction	
	Frame, JM, NC	MNC, MFR, Fire Resistive
Tier 2 East Counties – Liberty, Hardin, Jasper, Newton, Orange	5% subject to \$5,000 minimum	1% subject to \$1,000 minimum
Tier 2 West Counties Bee, Brooks, Fort Bend, Goliad, Hidalgo, Jackson, Jim Wells, Live Oak, Victoria, Wharton	1% subject to \$2,500 minimum	1% subject to \$2,500 minimum

Harris County:

- No new business in Zone 1 of Harris County (see Harris County Map below).



Windstorm or Hail Deductibles – Harris County

- The following minimum Windstorm or Hail Deductibles are based on the Zone displayed in the map above.

Construction		
Zones:	Frame, JM, NC	MNC, MFR, Fire Resistive
Zone 1	No wind or Hail	No wind or Hail
Zone 2	5% subject to \$5,000 minimum	2% subject to \$2,500 minimum
Zone 3	3% subject to \$3,000 minimum	2% subject to \$2,500 minimum
Zone 4	2% subject to \$2,500 minimum	2% subject to \$2,500 minimum

Virginia

Windstorm or Hail Coverage Included

- No new or renewal business for all risks that are less than **3** miles from the coast. Coverage on an Ex-Wind basis is available.
- No Wind or hail coverage on light noncombustible steel buildings (steel frame - NCII) within **25** miles to the coast. Coverage on an ex-wind basis is available.
- For monoline property coverage including windstorm or hail coverage, please submit the risks that are in the following High Hazard counties to your Northfield underwriter:

Accomack	Mathews	Poquoson City
Chesapeake City	Middlesex	Portsmouth City
Cloucester	Newport News City	Suffolk City
Hampton City	Norfolk City	Virginia Beach City
Isle of Wight	Northampton	York
Lancaster	Northumberland	

Windstorm or Hail Deductibles

- The following minimum Windstorm or Hail Deductibles are based on the County, the distance from the coast and the construction of the building.

Construction		
Distance from Coast	Frame, JM, NC	MNC, MFR, Fire Resistive
3 miles to 5 miles	5% subject to \$5,000 minimum	2% subject to \$2,500 minimum
5 miles to 10 miles	1% subject to \$2,500 minimum	\$1,000 minimum
Over 10 miles	\$1,000 minimum	\$1,000 minimum

Binding Requirements

Characteristic	Requirement
Inspections	Each risk new to Northfield will need to be inspected and include a photograph. It is your responsibility to review the inspection, evaluate any

	<p>recommendations that have been made and/or make your own recommendations and communicate them (in writing) to the retail agent/insured.</p> <p>Inspections will be maintained in your office; but a copy must be provided to Northfield.</p> <p>Renewals must be re-inspected once every four years or more frequently if required by these Guidelines or the Northfield Account Executive, or if deemed to be appropriate by the GA Underwriting Manager.</p> <p>Note: Risks first bound with Travelers National Programs are required to be re-inspected after 3rd year of continuity with Travelers and/or Northfield.</p> <p>Cost You will be responsible for the cost of the inspections.</p> <p>Timing Must be performed on all risks and all recommendations must be completed within 90 days of the policy effective date.</p> <p>Frequency Inspections are required for every new business risks and every 4th year thereafter for renewals.</p>
Application	<p>A signed & dated UL&C Applications is required on every risk, and should be updated at minimum every 3 years.</p> <p>An ACORD is acceptable for Lessors Risk only risks. It is important to confirm that all tenants have valid insurance in place with equal or greater limits.</p>

Forms & Applications

Common Forms	Number	Usage
Commercial Insurance Policy Jacket	P531-PS (7/09)	Mandatory
Pawnbrokers Policy Declarations	P529-PS (11/13)	Mandatory
Pawnbrokers Policy Supplemental Declarations	P539-PS (10/13)	Mandatory
Blank Endorsement	S106-IL (R3/92)	Referral
Cap on Losses from Certified Acts of Terrorism	IL T4 14 (01/15)	Required
Common Policy Conditions	P1676-PS (10/13)	Required
Federal Terrorism Risk Insurance Act Disclosure	IL T3 68 (01/15)	Required
Nuclear Energy Liability Exclusion Endorsement (Broad Form)	IL 00 21 (09/08)	Required
Pawnbrokers Policy Changes	P761-PS (10/13)	Optional
Calculation Of Premium	IL 00 03 (09/08)	Optional
Amendment of Common Policy conditions – Prohibited Coverage – Unlicensed Insurance and Trade or Economic Sanctions	S2965-IL (3/15)	Required
Policy Changes	S101-IL (12/13)	Referral

Service of Suit	S1030-IL (07/08)	Required
General Liability	Number	Usage
Commercial General Liability Coverage Form	CG 00 01 (12/07)	Mandatory
Additional Insured - Controlling Interest	CG 20 05 (11/85)	Optional
Additional Insured - Designated Person or Organization	CG 20 26 (07/04)	Optional
Additional Insured - Grantor of Franchise	CG 20 29 (11/85)	Optional
Additional Insured - Lessor of Leased Equipment	CG 20 28 (07/04)	Optional
Additional Insured - Lessor of Leased Equipment Automatic Status When Required in Lease Agreement With You	CG 20 34 (07/04)	Optional
Additional Insured - Managers or Lessors of Premises	CG 20 11 (01/96)	Optional
Additional Insured - Mortgagee, Assignee or Receiver	CG 20 18 (11/85)	Optional
Additional Insured - Owners, Lessees or Contractors - Scheduled Person or Organization	CG 20 10 (07/04)	Optional
Additional Insured - Vendors	CG 20 15 (07/04)	Optional
Amendment - Limits Of Insurance - Guns, Firearms And Ammunition (Products-Completed Operations Hazard)	P536-PS (10/13)	Optional
Combination Endorsement - Bodily Injury and Property Damage Liability	S267-CG (6/14)	Required
Combination Endorsement - Personal and Advertising Injury Liability	S2623-CG (6/14)	Required
Contractual Liability Limitation	CG 21 39 (10/93)	Required
Designated Location(s) General Aggregate Limit (Required When General Aggregate Limit is Applied)	CG 25 04 (03/97)	Optional
Earlier Notice of Cancellation Provided By Us (May Be Applied Upon Request)	CG 02 24 (10/93)	Optional
Employee Benefits Liability Coverage	S2576-CG (5/08)	Optional
Endorsement - Deductible Liability Insurance (Required if a GL Deductible is on the Policy)	S21-CG (6/16)	Optional
Exclusion - Aircraft, Auto or Watercraft	S2582-CG (5/08)	Required
Exclusion - All Hazards In Connection With Designated Premises	CG 21 00 (07/98)	Optional
Exclusion - Assault or Battery (Exclusion may be removed if no prior A or B losses/claims/incidents AND located in a ZIP code having a Violent Crime Rating less than 70, as determined by bestplaces.net)	S23-CG (1/13)	Required
Exclusion - Athletic or Sport Participants (Required if Exposure Exists)	S1156-CG (1/96)	Optional
Exclusion - Canine	S1189-IL (12/06)	Required
Exclusion - Coverage C - Medical Payments (Refer to Authority for Limits)	CG 21 35 (10/01)	Optional
Exclusion - Damage to Premises Rented To You (Refer to Authority for Limits)	CG 21 45 (07/98)	Optional
Exclusion - Designated Products	CG 21 33 (11/ 85)	Optional

Exclusion - Designated Work	CG 21 34 (01/87)	Optional
Exclusion - Employees and Volunteer Workers As Insureds	S2699-CG (5/08)	Optional
Exclusion - Guns, Firearms or Ammunition (May be Replaced with P536-PS (Limitation) or P533-PS (Products) is on the Policy)	P520-PS (10/13)	Required
Exclusion - Guns, Firearms or Ammunition (Products-Completed Operations Hazard)	P533-PS (10/13)	Optional
Exclusion - Liquor - Absolute	S354-CG (2/14)	Mandatory
Exclusion - New Entities	CG 21 36 (03/05)	Required
Exclusion - Personal and Advertising Injury (Required if Excluding Coverage)	CG 21 38 (11/85)	Optional
Exclusion - Products-Completed Operations	S2943-CG (1/13)	Optional
Exclusion - Professional Services	S311-CG (3/11)	Required
Exclusion - Punitive or Exemplary Damages (Required in CA, CO, CT, FL, IL, KS, MN, MA, MN, NE, NJ, NY, OK, PA, RI, UT, MO, OH).	S43-CG (10/04)	Required
Exclusion - Subsidence	S523-CG (5/08)	Optional
Exclusion - Tobacco	S524-CG (2/03)	Required
Garagekeepers Coverage	S2792-CG (1/07)	Optional
Hired Auto Liability - Non-Owned Auto Liability	S1244-CG (2/07)	Optional
Limitation of Coverage to Designated Premises or Project	CG 21 44 (7/98)	Optional
Primary and Noncontributory - Other Insurance Condition	CG 20 01 (4/13)	Optional
Total Pollution Exclusion	S2845-CG (2/09)	Required
Total Pollution Exclusion With Exceptions For Building Heating, Cooling or Dehumidifying Equipment and Hostile Fire	S42-CG (2/09)	Required
Inland Marine (Usage presumes coverage is selected)	Number	Usage
Business Computer Coverage Form	S1170-CM (3/98)	Mandatory
Endorsement - Electrical Interruption Coverage	P723-PS (12/13)	Optional
Endorsement - Mechanical Failure, Defects and Errors Coverage	P1666-PS (12/13)	Optional
Federal Terrorism Risk Insurance Act Disclosure	CM T3 98 (1/15)	Mandatory
Property	Number	Usage
Business Income (And Extra Expense) Pawnbrokers Coverage Form	P526-PS (10/13)	Optional
Pawnbrokers Property Coverage Special Form	P527-PS (10/13)	Mandatory
Pawnbrokers Amendatory Endorsement	P1695-PS (11/16)	Mandatory
Endorsement - Alarm Warranty	P1516-PS (10/13)	Optional
Endorsement - Extended Period of Indemnity	P681-PS (10/13)	Optional
Endorsement - Inventory In Transit - Trip	P1535-PS (10/13)	Optional
Endorsement - Long Guns	P1590-PS (10/13)	Optional
Endorsement - Peak Season Limit Of Insurance	P523-PS (10/13)	Optional
Endorsement - Property In Transit	P1665-PS (10/13)	Optional

Endorsement - Property Not Covered - Watercraft	P521-PS (10/13)	Optional
Endorsement - Property on Show Windows - Pawnbrokers	P514-PS (4/09)	Optional
Endorsement - Property Storage	P1584-PS (10/13)	Optional
Endorsement - Protective Safeguards (May be Removed if Exposure does not Exist)	P1573-PS (10/13)	Required
Endorsement - Revised Loss Conditions - Market Value Pledged Inventory - Firearms and Jewelry	P1654-PS (10/13)	Optional
Endorsement - Revised Loss Conditions - Market Value Pledged Inventory - Other Than Firearms and Jewelry	P1655-PS (10/13)	Optional
Endorsement - Revised Loss Conditions - Market Value Unpledged Inventory - Firearms and Jewelry	P1657-PS (10/13)	Optional
Endorsement - Revised Loss Conditions - Market Value Unpledged Inventory - Other Than Firearms and Jewelry	P1656-PS (10/13)	Optional
Endorsement - Revised Loss Conditions - Unpledged Inventory	P1596-PS (10/13)	Optional
Endorsement - Revised Loss Conditions Pledged and Unpledged Inventory	P725-PS (10/13)	Optional
Endorsement - Revised Loss Conditions Pledged Inventory	P532-PS (10/13)	Optional
Endorsement - Revised Loss Conditions Pledged Inventory Agreed Value	P1599-PS (10/13)	Optional
Endorsement - Revised Loss Conditions Unpledged Inventory Agreed Value	P1641-PS (10/13)	Optional
Endorsement - Theft and Robbery Limitation	P728-PS (10/13)	Optional
Endorsement - Windstorm or Hail Exclusion	P729-PS (10/13)	Optional
Employee Dishonesty	P1679-PS (12/13)	Optional
Exclusion - Bullion	P1586-PS (10/13)	Optional
Exclusion - Consigned Property	P1589-PS (10/13)	Optional
Exclusion - Pledged Inventory	P1587-PS (10/13)	Optional
Exclusion - Theft	P936-PS (10/13)	Optional
Exclusion - Theft	P722-PS (10/13)	Optional
Exclusion - Unpledged Inventory	P1588-PS (10/13)	Optional
Exclusion of Loss Due to Fungus, Wet Rot or Dry Rot	P1664-PS (10/13)	Mandatory
Exclusion of Loss Due to Virus or Bacteria	P1663-PS (10/13)	Mandatory
Federal Terrorism Risk Insurance Act Disclosure	CP T3 81 (1/15)	Optional
Limitations on Coverage for Roof Surfacing	S3013-CP (10/16)	Optional
Loss Payable Provisions	CP 12 18 (10/12)	Optional
Multiple Deductible Form	P1667-PS (10/13)	Optional
Ordinance or Law Coverage	P547-PS (10/13)	Optional
Outside The Premises Robbery of Money and Securities	P1668-PS (10/13)	Optional
Pledged Inventory - Vehicles Held As Collateral	P1566-PS (10/13)	Optional

Robbery and Safe Burglary Coverage – Money and Securities	P534-PS (10/13)	Optional
Table of Contents - Pawnbrokers Property Coverage Special Form	P1677-PS (10/13)	Mandatory
Warranty - Locked Showcase	P754-PS (10/13)	Optional
Windstorm or Hail Deductible Percentage	P727-PS (10/13)	Optional
Applications & Notices	Number	Usage
Application for Insurance – Pawnbrokers	P512-PS (10/08)	Optional
Pawnshop Program Loss Reporting Information Form	N-3413 (4/09)	Optional
Renewal Application for Insurance - Pawnbrokers	P538-PS (4/97)	Optional
Supplemental Application for Insurance - Pawnbrokers (Multiple Locations)	P537-PS (6/98)	Optional
Terrorism Risk Insurance Act Disclosure	N-3335 (6/15)	Mandatory
Proposal Disclosure/coverage Disclaimer	N-3610 NF (4/09)	Mandatory
Important Notice Regarding Compensation Disclosure	N-3384 (7/08)	Mandatory
Notice of Change In Policy Terms (Mandatory if P526-PS is on Policy)	N-3732 (8/14)	Required
Notice of Change in Policy Terms (Relates to P527-PS)	N-3740 (8/14)	Mandatory

State Amendatory Forms/Endorsements and Policy Holder Notices

Title	Number	State	Usage	Affected Line
Important Notice – Insurance Representative Notice (Except IA, MA, MO) Attach to all policies, proprietary apps, quotes, proposals and binders that could be provided to our customers or prospects).	N-3384 (7/08)	All States except IA, MA, MO	R	GL, Prop, IM
Proposal Disclosure / Coverage Disclaimer	N-3610 NF (4/09)	All States	M	GL, Prop, IM
Alaska				
Alaska Changes - Appraisal	IL 01 76 09 07	AK	M	Prop, IM
Alaska Changes – Cancellation And Nonrenewal	IL 02 80 09 08	AK	M	GL, Prop, IM
Alaska Changes - Loss Payment	IL 01 07 02 02	AK	R	Prop
Alaska Changes	CP 01 55 10 12	AK	M	Prop
Amendment – Limited Attorney Fee Coverage - Alaska	S478-IL (8/96)	AK	R	GL
Alaska Notice	N-3596 (9/08)	AK	R	GL, Prop, IM
Alabama				
Alabama Changes	CP 01 45 10 12	AL	M	Prop
Alabama Changes - Actual Cash Value	IL 01 90 04 15	AL	O	Prop
Arkansas				
Arkansas Changes	IL 01 63 09 07	AR	M	Prop, IM
Arkansas Changes – Cancellation and Nonrenewal	IL 02 31 09 08	AR	M	GL, Prop, IM

Arkansas Changes – Definitions of Pollutants	S2775-CG AR (1/16)	AR	M	GL
Arkansas Changes - Amendment of Occurrence Definition for Bodily Injury of Property Damage Resulting from Faulty Workmanship	S2893-CG (6/11)	AR	M	GL
Arizona				
Arizona Changes	CP 01 32 06 04	AZ	M	Property
California				
California Changes	CG 32 34 01 05	CA	M	GL
Notice (Provide to all applicants)	D-1 (7/11)	CA	R	GL, Prop, IM
Notice (Attach to all issued policies)	D-2 (7/11)	CA	R	GL, Prop, IM
California Response To Reinstatement Request (Upon receipt of a request to reinstate from a lender, within 15 calendar days form needs to be sent out advising the insured, agent and lender of acceptance or rejection of reinstatement)	N-3434 (10/06)	CA	R	GL, Prop, IM
Colorado				
Colorado Changes – Civil Union	IL 01 25 11 13	CO	M	GL
Colorado Changes – Concealment, Misrepresentation or Fraud	IL 01 69 09 07	CO	M	Prop, IM
Connecticut				
Connecticut Changes – Cancellation And Nonrenewal	IL 02 60 02 10	CT	M	GL, Prop, IM
Connecticut Changes – Civil Union	IL 01 40 09 08	CT	R	GL
Connecticut Changes	CP 01 80 03 12	CT	M	Prop
Ordinance Or Law Coverage – Connecticut	P1690-PS (8/15)	CT	O	Prop
District of Columbia				
None				
Delaware				
Delaware Changes – Civil Union	IL 01 51 01 12	DE	M	GL
Florida				
Florida Changes – Cancellation And Nonrenewal	CG 02 20 03 12	FL	M	GL
Florida Changes – Cancellation And Nonrenewal	IL 02 55 03 16	FL	M	Prop, IM
Florida Changes – Legal Action Against Us	IL 01 75 09 07	FL	M	Prop, IM
Florida Changes	CP 01 25 02 12	FL	M	Prop
Georgia				
Georgia Changes	CP 01 31 03 13	GA	M	Prop
Georgia Changes	P1684-PS (8/15)	GA	M	Prop
Georgia Endorsement – Protective Safeguards	P1573-PS (7/15)	GA	O	Prop
FAQ’s About Your Surplus Lines Policy	SLQA-GA (2/14)	GA	R	GL, Prop, IM
Iowa				

None				
Idaho				
None				
Illinois				
Illinois Changes	P1691-IL (9/15)	IL	M	Prop
Illinois Changes – Cancellation And Nonrenewal	IL 02 84 12 05	IL	M	Prop
Illinois Changes – Civil Union	IL 01 47 09 11	IL	M	GL
Illinois Changes – Defense Costs	IL 01 62 09 08	IL	O	GL
Illinois Changes – Mine Subsidence	IL 09 12 10 11	IL	O	Prop
Indiana				
Indiana Changes – Amendment Of Definition Of Pollutants	IL 01 96 02 08	IN	O	Prop
Indiana Changes – Coal Mine Subsidence	IL 09 31 07 02	IN	O	Prop
Indiana Changes – Concealment, Misrepresentation, or Fraud	IL 01 56 09 07	IN	M	Prop, IM
Indiana Changes – Pollution	IL 01 92 02 08	IN	M	Prop
Indiana Changes – Workers Compensation Exclusion Endorsement	IL 01 17 12 10	IN	R	GL
Indiana Changes - Rights of Recovery	CP 01 52 07 96	IN	O	Prop
Important Announcement To Indiana Prospective, New And Current Policyholders	N-2353 (11/15)	IN	M	Prop
Notice To Indiana Policyholders	N-1566 (5/05)	IN	R	GL, Prop, IM
Kansas				
Kansas Changes – Concealment, Misrepresentation Or Fraud	IL 01 60 01 16	KS	O	GL, Prop, IM
Kansas Changes	CP 01 01 01 12	KS	M	Prop
Kentucky				
Kentucky Changes	CP 01 66 09 00	KY	R	Prop
Kentucky Changes – Mine Subsidence	IL 09 25 12 10	KY	O	Prop
Louisiana				
Louisiana Policy Changes	IL 12 03 04 06	LA	O	GL, Prop, IM
Louisiana Changes – Legal Action Against Us	CG 01 18 12 04	LA	R	GL
Louisiana Changes	P1685-PS (8/15)	LA	M	Prop
Ordinance Or Law Coverage – Louisiana	P1689-PS (8/15)	LA	O	Prop
Massachusetts				
Massachusetts Changes	P1699-PS (1/17)	MA	M	Prop
Maryland				
Important Notice	N-3326 (4/02)	MD	R	GL, Prop, IM
Maryland New Policy Notice	N-3433 (10/06)	MD	R	GL, Prop, IM
Maryland Changes	IL 02 07 01 15	MD	M	Prop, IM
Maine				
Maine Changes – Post Judgment Interest	IL 01 88 06 09	ME	M	Prop, IM
Maine Changes - Concealment, Misrepresentation or Fraud	IL 01 89 09 07	ME	O	Prop

Insurance Inspection Services Exemption From Liability	IL 09 13 04 98	ME	R	Prop
Maine Changes - Actual Cash Value	P1703-PS (1/17)	ME	O	Prop
Maine Changes - Cancellation	S3011-IL (2/17)	ME	M	Prop, GL, IM
Michigan				
Michigan Changes	CP 01 20 10 12	MI	O	Prop
Michigan Changes	CG 01 68 12 04	MI	R	GL
Minnesota				
Minnesota Changes	CP 01 08 10 12	MN	R	Prop
Minnesota Changes	CG 26 05 02 07	MN	O	GL
Minnesota Premium Finance Notice To Policyholder	N-2382 (8/94)	MN	R	GL, Prop, IM
Missouri				
Missouri - Changes	IL 01 01 11 13	MO	M	Prop
Missouri Changes - Pollution	IL 01 05 10 08	MO	M	Prop
Missouri - Calculation Of Additional Premium	CP 01 28 07 00	MO	M	Prop
Mississippi				
Mississippi Changes	IL 01 19 01 07	MS	M	Prop, IM
Mississippi Lapse Notice (Must be sent to insured and all mortgagees in the event of a policy lapse).	N-3435 (11/06)	MS	R	Prop
Mississippi Summary Of Cancellation And Return Premium Report For Premium Financed Policy (Notice is to be used any time an insurer is returning unearned premium which has been premium financed).	N-3659 (7/10)	MS	R	GL, Prop, IM
Montana				
Montana Changes - Conformity With Statutes	IL 01 67 09 08	MT	M	GL, Prop, IM
Montana Changes - Concealment, Misrepresentation or Fraud	IL 01 80 09 07	MT	O	Prop
Montana Changes Endorsement	P1686-PS	MT	M	GL, Prop, IM
Montana Changes - Non-Binding Arbitration	CG 24 30 02 14	MT	O	GL
Montana Changes - Binding Arbitration	CG 24 31 02 14	MT	O	GL
Montana Changes - Medical Payments	CG 26 61 10 01	MT	O	GL
North Carolina				
North Carolina Notice	N-3428 (9/06)	NC	M	Prop
Flood Insurance Notice - North Carolina	N-3299 (4/01)	NC	M	Prop
North Carolina - Endorsement - Alarm Condition	P1516-PS NC (5/15)	NC	O	Prop
North Carolina - Locked Showcase - Condition	P754-PS NC (5/15)	NC	O	Prop
North Carolina Changes	P1704-PS (1/17)	NC	M	Prop
North Dakota				

North Dakota Changes – Examination Of Your Books And Records	IL 01 65 09 08	ND	O	GL, Prop, IM
North Dakota Changes	CP 01 14 11 15	ND	M	Prop
North Dakota Notice	N-3670 (7/11)	ND	R	GL, Prop, IM
Nebraska				
Nebraska Changes	CP 01 24 07 00	NE	R	Prop
Nebraska Changes - Actual cash Value	IL 01 22 09 07	NE	O	Prop
Nebraska Changes - Appraisal	IL 01 64 07 02	NE	O	Prop
New Hampshire				
New Hampshire Changes – Concealment, Misrepresentation Or Fraud	IL 01 87 09 07	NH	O	GL, Prop, IM
New Hampshire Changes – Amendment Of Representations Condition	CG 26 55 11 08	NH	M	GL
New Hampshire Changes – Binding Arbitration	CG 33 87 10 14	NH	O	GL
New Hampshire Changes	P1700-PS (1/17)	NH	M	Prop
New Jersey				
New Jersey Changes	IL 01 11 11 03	NJ	M	Prop, IM
New Jersey Changes – Civil Union	IL 01 41 09 08	NJ	R	GL
New Jersey Changes – Loss Information	CG 26 20 10 93	NJ	O	GL
New Jersey Changes - Cancellation	S3032-IL (2/17)	NJ	M	GL, Prop, IM
New Mexico				
New Mexico Changes	CP 01 36 03 00	NM	R	Prop
New Mexico Changes – Property Settlement	IL 01 78 09 07	NM	M	Prop, IM
Nevada				
Nevada Changes – Concealment, Misrepresentation, Or Fraud	IL 01 10 09 07	NV	M	Prop, IM
Nevada Changes – Domestic Partnership	IL 01 15 01 10	NV	R	GL
New York				
New York Changes – Fraud	IL 01 83 08 08	NY	M	Prop, IM
New York Changes – Calculation Of Premium	IL 01 85 07 02	NY	O	GL, Prop, IM
New York Changes	CP 01 33 09 15	NY	R	Prop
New York Changes - Windstorm Protective Devices	CP 12 06 02 00	NY	O	Prop
New York – Amendment – Limited “Pledged” Auto Liability Coverage	P535-PS NY (4/16)	NY	O	GL
New York Changes – Commercial General Liability Coverage Form	CG 01 63 07 11	NY	R	GL
New York Changes – Reward Coverage	P1681-PS (6/15)	NY	M	Prop
Ohio				
Ohio Changes	P1701-PS (1/17)	OH	M	Prop
Oklahoma				

Oklahoma Changes – Appraisal	IL 01 74 07 05	OK	M	Prop
Oklahoma Changes – Cancellation And Nonrenewal	IL 02 36 09 07	OK	M	GL, Prop, IM
Oklahoma Changes – Concealment, Misrepresentation Or Fraud	IL 01 77 1010	OK	O	GL, Prop, IM
Oklahoma Exclusion Of Trustor As Named Insured Endorsement	IL 01 93 07 02	OK	M	Prop, IM
Oklahoma Notice	IL 01 79 04 94	OK	R	GL, Prop, IM
Oregon				
Oregon Changes	IL 01 39 12 02	OR	R	GL, Prop, IM
Oregon Changes – Cancellation And Nonrenewal	IL 02 79 09 08	OR	O	GL, Prop, IM
Oregon Changes – Domestic Partnership	IL 01 42 09 08	OR	R	GL
Oregon Changes – Your Right To Claim Information	CG 33 81 07 11	OR	M	GL
Pennsylvania				
Pennsylvania Changes – Cancellation And Nonrenewal	IL 02 46 09 07	PA	M	GL, Prop, IM
Pennsylvania Changes - Actual Cash Value	IL 01 66 09 07	PA	O	Prop
Pennsylvania Changes	IL 01 72 09 07	PA	R	Prop
Pennsylvania Notice	IL 09 10 12 03	PA	R	GL, Prop, IM
Rhode Island				
Rhode Island Changes	CP 01 29 03 04	RI	M	Prop
Rhode Island Changes	IL 01 97 09 08	RI	M	Prop
Rhode Island Notice To Policyholders Concerning Flood Insurance	IL P 004 01 06	RI	R	Prop
Rhode Island Changes – Prejudgment Interest	IL 01 28 09 08	RI	R	GL
Rhode Island Changes – Civil Union	IL 01 61 03 12	RI	R	GL
South Carolina				
South Carolina - Potential Eligibility for Windstorm Loss Mitigation Premium Discounts Advisory Notice to Policyholders	CP P 008 11 07	SC	M	Prop
South Carolina - Information on Windstorm Loss Mitigation Features and Available Premium Discounts Advisory Notice to Policyholders	CP P 009 07 08	SC	O	Prop
South Carolina Changes – Cancellation And Nonrenewal	IL 02 49 09 08	SC	M	GL, Prop, IM
South Carolina Changes – Legal Action Against Us	IL 01 94 10 12	SC	M	Prop
South Dakota				
South Dakota Changes – Appraisal	IL 01 84 09 07	SD	M	Prop, IM
South Dakota Changes	CP 01 19 10 09	SD	M	Prop
South Dakota Changes	CG 01 44 10 11	SD	R	GL
Tennessee				
None				

Texas				
Texas Changes	CG 01 03 06 06	TX	R	GL
Texas Changes – Amendment of Cancellation Provisions or Coverage Change	CG 02 05 12 04	TX	O	GL
Texas Changes	CP 01 42 03 12	TX	M	Prop
Texas Changes - Cancellation and Nonrenewal	CP 02 02 02 96	TX	O	Prop
Texas Changes - Duties	IL 01 68 03 12	TX	R	GL
Texas Important Notice	N-3314 (6/15)	TX	M	GL, Prop, IM
Guaranty Fund Notice (For agents that have this notice on the declaration, disregard)	N-2599 (4/09)	TX	R	GL, Prop, IM
Utah				
Utah Changes	CG 01 86 12 04	UT	R	GL
Utah Changes	P1702-PS (1/17)	UT	R	Prop
Virginia				
Virginia Changes - Policy Period	IL 00 44 06 90	VA	R	Prop
Virginia Form SLB-9	SLB-9 (9/96)	VA	M	GL, Prop, IM
Virginia Changes	CG 01 79 07 10	VA	M	GL
Virginia Changes	CP 01 30 10 15	VA	M	Prop
Important Notice – Virginia	N-2747 (5/15)	VA	M	GL, Prop, IM
Notice To Virginia Policyholders Exclusion Of Flood Coverage	N-3203 (5/04)	VA	M	
Important Notice - Virginia	N-3745 (5/15)	VA	M	Prop
Vermont				
Vermont Changes – Civil Union	IL 01 09 09 08	VT	R	GL
Vermont Changes – Statutory Liability	IL 01 26 09 08	VT	R	GL
Washington				
Washington Changes Endorsement – Defense Costs	IL 01 23 11 13	WA	M	GL, Prop
Washington Changes Endorsement – Domestic Abuse	CP 01 60 12 98	WA	M	Prop
Washington Changes Endorsement	CP 01 26 10 12	WA	M	Prop
Washington Changes	CG 01 81 05 08	WA	R	GL
Washington Changes – Who Is An Insured	CG 04 50 05 08	WA	R	GL
Washington Changes – Binding Arbitration	CG 24 29 09 13	WA	O	GL
Washington Changes Endorsement	P1692-PS	WA		
Washington Changes Endorsement	P1693-PS	WA		
Wisconsin				
Wisconsin Changes – Amendment of Policy Conditions	CG 01 24 01 93	WI	R	GL
Surplus Lines Endorsement Form (Attach to all policies)	OCI 55-20 (1/92)	WI	R	GL, Prop, IM
West Virginia				
West Virginia Changes – Loss Payment	CP 01 12 09 02	WV	R	Prop

Flood Coverage Advisory Notice To Policyholders	N-3395 (6/05)	WV	R	Prop
Wyoming				
Wyoming Changes - Defense Costs	IL 01 14 09 08	WY	R	GL
Wyoming Changes	CG 01 60 07 98	WY	R	GL
Wyoming Changes	CP 01 11 10 12	WY	M	Prop

APPENDIX

Controls/Procedures – Premises Alarm Systems

1. Types of Equipment

Local

The alarm sounds only at the installed location. While these alarms typically act as a suitable deterrent to Theft and/or Burglary, they do not include a system to notify the police. Therefore, risks with local only alarms typically do not qualify for Theft coverage in this program and require referral to the TRV AE.

Police Connect

System is directly connected to a police station. When the alarm is activated at the premises, a signal is transmitted to the police station. The local alarm may sound immediately, or it may be delayed to allow the police time to arrive. The use of Police Connect alarms, where the insured is connected directly to their local police station without a monitoring company as an intermediary, is not necessarily better protection than a monitoring company. As such, this system is only acceptable for risks with inventory of guns and jewelry less than \$250,000.

Central Station

This is the preferred system from an underwriting standpoint. The alarm is connected to a central location that monitors it. If the alarm is activated, a signal is transmitted to the central station, which may verify that the activation is not a false alarm prior to contacting the police, and which may also dispatch its own guards to the premises. A combination central station and local alarm includes both a local alarm and a system to transmit the signal to the central station.

1. Extent of Protection

- *Interior Protection*

Protection applies at the building's walls, ceilings, floors and points of entry. This equipment sounds when doors are opened or walls, ceilings or floors are touched.

- *Area*

Provides protection for specific areas within the building. These systems, which include motion detectors, are usually used with an interior protection system to provide depth of protection. They can also be used as an alternative to the high cost of complete perimeter protection.

2. Installation Type

- *Installation #1*

Complete Interior Protection - walls, ceilings, floors, and all points of entry are alarmed. This type of system is usually found in banks.

- *Installation #2*

Limited Interior Protection - protection is directed at point of entry with some interior protection, such as motion detectors.

- *Installation #3*

Point of Entry - only points of entry are protected.

3. Alarm Grade

This grade is based on two factors; guard response time and the presence of line security. These are reflected on the UL certificates when a system has been UL rated.

- *Line Security*

Refers to an electrical device that monitors the signal being transmitted from the risk to the

monitoring location. If the alarm is tampered with, the transmission along the line is changed and the station is alerted. Line security can be standard or encrypted. Encryption “scrambles” the signal, and requires a decoder in order to read the signal, making it the stronger of the two types of security. Systems with line security are preferred to those without line security.

- *Guard Response Time*
 Maximum amount of time between the alarm sound and arrival of the guard on the scene.
4. Enhanced Verification and Cross Zoning
- *Enhanced Verification* is the attempt by monitoring facility personnel to verify that no emergency appears to exist at the monitored premises, by means of more thorough procedures such as two (2) or more verification calls, live audio or video, cross zoning, or a combination of these procedures.
 - *Cross Zoning* is the use of redundant detection devices, generally covering the same area, which reduces false alarms by requiring that two or more alarm input devices be activated within a specific time in order to begin an alarm sequence.
 - *Enhanced Verification and Cross Zoning* assist with reducing false alarms, including those due to weather events, vandalism or power interruptions, and generally result in quicker response times from law enforcement in the event of a call for service from the Central Station. As such Central Station systems that use Enhanced Verification and/or Cross Zoning are preferred.

Safe Alarm

1. *Type of Alarm* is graded in the same manner as premises alarms.
2. Extent of Protection refers to how the safe is protected.
 - *Complete - top, bottom, all sides, and the outer doors of the safe or vault are protected.*
 - *Partial - only the outer doors of the safe are protected.*

2. Types of Safes

Fire Resistive	These safes are not suitable for protection of jewelry or guns because they are not resistant to burglary attempts - these are graded as A, B or C. Walls and doors need to be a minimum of 4" thick to resist burglary.
TL-15	This safe protects against common hand tools for 15 minutes. It will resist entry for a total working time of 15 minutes when attacked on the door only with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms.
TL-30	This safe protects against expert burglary by common burglary mechanical tools for 30 minutes. It will resist entry for a total working time of 30 minutes when attacked on the door only with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms.
TL-30X6	A relatively new rating. It indicates the safe will resist entry for a total working time of 30 minutes when attacked on any of its six sides with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms.

TRTL-30	This safe protects against expert burglary by common mechanical tools and cutting torches for 30 minutes. It will resist entry for a total working time of 30 minutes when attacked on the door only with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas).
TRTL-15X6	The safe will resist entry for a total working time of 15 minutes when attacked on any of its six sides with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas).
TRTL-30X6	The safe will resist entry for a total working time of 30 minutes when attacked on any of its six sides with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas).
TRTL-60	This safe protects against expert burglary by common mechanical tools and cutting torches for 60 minutes. It will resist entry for a total working time of 60 minutes when attacked on the door only with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas).
TXTL-60	This safe protects against expert burglary by common mechanical tools, cutting torches and high explosives for 60 minutes. It will resist entry for a total working time of 60 minutes when attacked on the door only with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas), and nitroglycerin or other high explosives.
TRTL-60x6	This safe protects against expert burglary by common mechanical tools and cutting torches for 60 minutes. It will resist entry for a total working time of 60 minutes when attacked on any of its six sides with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas).
TXTL-60x6	This safe protects against expert burglary by common mechanical tools, cutting torches and high explosives for 60 minutes. It will resist entry for a total working time of 60 minutes when attacked on any of its six sides with common hand tools, picking tools, mechanical or portable electric tools, grinding tools, carbide drills and pressure-applying devices or mechanisms, abrasive cutting wheels and power saws, oxy-fuel gas cutting or welding torches (quantity of gas consumed in one test limited to 1,000 cubic feet, combined total oxygen and fuel gas), and nitroglycerin or other high explosives.

There are three methods of rating safe types - U.L, SMNA and ISO. Following is a cross reference:

U.L.	SMNA	ISO
TL-15	Group U6	ER
TL-30	Group U5	F
TRTL-30	Group U4	H
TRTL-60	Group U2	I
TXTL-60	Group U1	I

3. Vaults

Many pawn shops will eschew the use of safes, instead favoring vaults as a means to securing high-value items; some will place one or more safes inside a vault, as an extra layer of protection. The alarm criteria for vaults and locks are the same as criteria for safes.

U.L. Standard 608 governs the burglary resistance of vault doors and modular panels:

Rating	Time to Breach Vault
Class M	15 minutes
Class I	30 minutes
Class II	60 minutes
Class III	120 minutes

Testing Procedures

The bulk of U.L. testing involves physical attack on walls and doors. Penetration is recorded when a two-square-inch hole has been created with cutting torches and tools. Vault breach is recorded when a 96-square-inch hole has been created in the door or wall, or if locking bolts are broken to allow the door to open.

Other Tests Performed

1. A jamb test focuses the attack on the gap on the hinge side of the door which is generally considered the weakest point of a safe.
2. A mechanical check on the safe’s bolt work. Including the dead bolts - non-moving hardware on the hinge side of the door - and the live bolts, which move when the safe handle is turned.
3. Tests involving specific attempts to pick and release the lock mechanism are performed separately and may be contracted out to specialists. The locks are usually Group 2 listed and have undergone a series of picking tests.

Specialized equipment is not used during testing; all the tools used are readily available to the public. U.L. tests only prototype models, not every safe produced. A comprehensive follow-up program includes field representatives who make unannounced factory inspections to ensure that every product is built to the specifications of the test model. These spot checks can be daily and are performed at least four times a year per manufacturer.

Fire Ratings

Fire ratings are based on the maximum allowable temperature in the safe interior. A Class 350 safe means the interior cannot exceed 350 degrees Fahrenheit during the fire exposure test. Class 350 safes are designed to protect paper documents. Class 150 safes protect magnetic tape and photographic film. Class 125 safes protect floppy disks. In addition to the class rating, the safes are given an hourly rating (e.g. 30 minutes to four hours) indicating the time the device can withstand a

typical fire of controlled extent and severity.

Definitions

Actual Cash Value

Actual cash value (ACV) means the present day value of property measured in cash, determined by deducting depreciation brought about by physical wear and tear and obsolescence from the "replacement cost".

Auctioning and Consignment Services

Auction houses typically accept items to be auctioned from customers, then conduct auctioning services (i.e. establishing the date and time of the auction, the auction rules, determining which item(s) are to be included in the auction, registering bidders, taking payments, and delivering the goods to the winning bidders) in order to sell those goods to the highest bidder. Consignment shops typically accept items to be sold from customers into their care, custody and control; once the items are sold, the customer is provided with an agreed-upon percentage of the proceeds. While auction and consignment services are provided for a wide variety of property, those that are eligible for this program deal in used goods similar to those found in a pawn shop (and are, in fact, often connected to a pawn shop); any operations involving the auctioning or consignment of livestock, heavy machinery, the contents of storage units or containers, or other specialty services (auctioning unclaimed baggage for an airline, for example), are not eligible for this program.

Business Personal Property

Contents owned by the pawnbroker and used in the pawn brokering business other than pledged or unpledged inventory.

Buy/Sell/Trade Stores

Similar to pawn shops in the nature of their operations, buy/sell/trade stores typically deal in used goods and, as the name implies, will buy, sell, or even trade goods with consumers. These stores differ from pawn shops in that they do not make collateralized loans; however, similar to a pawn shop, any customer that sells goods to a buy/sell/trade store must be given a period of time (specified by statute) within which they may purchase back the goods, at a specified price. Some states (such as New York) have less favorable laws regarding interest rates that may be charged on pawn loans, which may lead an insured that would otherwise act as a pawn shop to instead act as a buy/sell/trade. The goods these stores deal in are similar to those within pawn shops; also, similar to pawn shops, they must obtain a secondhand dealer license, report transactions to law enforcement, etc. Buy/sell/trade operations may encompass several types of specialty stores that are similar to or related to a typical pawn shop's operations (gold buying, coin shops, musical instruments, etc.), and thus within the scope of this program.

Check Cashing (Payday Lending)

Check cashing operations will provide short-term unsecured loans to be repaid at the borrower's next payday (payroll advances), and/or will cash checks for a fee.

Inventory

"Inventory" means the goods normally accepted or held for sale within the pawnbroking trade as evidenced by the amount declared on the inventory, stock books, stock papers, lists, pawn tickets, or loan agreements maintained by the pawnbroker.

Pledged Inventory

"Pledged inventory" means items of "inventory" not owned by you and being held as collateral.

Replacement Cost

The amount needed to cover the actual amount of repairs or replacement without deduction for depreciation.

Unpledged Inventory

"Unpledged inventory" means items of "inventory":

- a. Other than "pledged inventory", owned by others and in your care, custody or control for storage, repair, safekeeping or sale on a consignment basis; or
- b. Owned by you and held for sale.

Valuations

Replacement Cost

Available on Buildings, Business Personal Property, and Tenants Improvements and Betterments. If replacement cost valuation is elected, the limits should not be less than 100% of the actual cash value or 80% of the replacement cost value of the property. A Coinsurance penalty will be incurred if limits are less than 80% of the replacement cost.

Actual Cash Value

Available on Buildings, Business Personal Property, and Unpledged Inventory. If actual cash value is elected the limit should not be less than 80% of the actual cash value of the property.

Pledged Items

With respect to "pledged inventory", we will determine the value of such Covered Property as follows:
The lesser of:

- The amount loaned on the "pledged inventory", including any legally accrued interest and legally collectible fees for up to the term stipulated by applicable state statute; or
- The cost of repairing or replacing the lost or damaged "pledged inventory".

We may adjust losses with the owners of lost or damaged "pledged inventory". If we pay the owners, such payments will satisfy your claims against us for the owners' "pledged inventory". We will not pay the owners more than their financial interest in the "pledged inventory".

Coverage options are:

- Loan value only (standard coverage)
- Loan value plus interest
- Two times loan value plus interest
- Three times loan value plus interest
- Market value

Unpledged Items

The value of inventory owned by the pawnbroker, other than Business Personal Property, which are being held for sale should be at 100% of the "inventory" value as normally accepted within the pawn brokering business.