

Filing at a Glance

Company: Austin Mutual Insurance Company
Product Name: Supermarket/Grocers Program SERFF Tr Num: MEDJ-125241279 State: Arkansas
TOI: 17.0 Other Liability - Claims SERFF Status: Closed State Tr Num: AR-PC-07-025600
Made/Occurrence
Sub-TOI: 17.0020 Commercial Umbrella & Co Tr Num: AMJ-AR-2007-CUR01 State Status:
Excess
Filing Type: Rule Co Status: Reviewer(s): Betty Montesi, Edith
Roberts, Brittany Yielding
Authors: Melanie French, John Disposition Date: 08-01-2007
Spain, Terrel Madsen
Date Submitted: 07-26-2007 Disposition Status: Exempt from
Review
Effective Date Requested (New): On Approval Effective Date (New):
Effective Date Requested (Renewal): Effective Date (Renewal):

General Information

Project Name: Status of Filing in Domicile: Authorized
Project Number: Domicile Status Comments: Minnesota is not in
the trade area for the Supermarket/Grocery
Stores Program at this time. Territory is
currently limited to AR, IL, KS, MO & OK.
This manual is filed in Minnesota for other risks.
Reference Organization: ISO Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 08-01-2007
State Status Changed: 07-27-2007 Deemer Date:
Corresponding Filing Tracking Number:

Filing Description:

Austin Mutual Insurance Company is entering the supermarket/grocers insurance market in several Midwestern states to aid retailers in securing property and liability coverages for their operations. Beginning in March of 2007, another insurer that wrote a significant block of business for grocery retailers began non-renewing its entire block of retail grocery/supermarket business coverage. In the absence of that insurer, only a few specialty carriers remain.

Austin Mutual is partnering with a Kansas City-area based general agency (Med James, Inc. MJJ) to underwrite and service this business. MJJ has employed several insurance professionals previously associated with the carrier that non-renewed its book of business. Accordingly, significant knowledge of coverage, underwriting and service can be replicated for Austin Mutual.

This submission represents the initial filing of Austin Mutual for this business segment. The coverage is designed to closely recreate a product which the retailers desire and have purchased historically

Commercial Umbrella forms are ISO-based. This filing contains the exceptions. The company is filing its own manual.

Company and Contact

Filing Contact Information

John Spain, spainj@medjames.com
8595 College Blvd, Ste. 200 (913) 663-5500 [Phone]
Overland Park, KS 66210 (913) 663-2014[FAX]

Filing Company Information

Austin Mutual Insurance Company	CoCode: 13412	State of Domicile: Minnesota
10 Second Street NE, Suite 300	Group Code:	Company Type: Property/Casualty
Minneapolis, MN 55413-2282	Group Name:	State ID Number:
(612) 378-8600 ext. [Phone]	FEIN Number: 41-0134100	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	\$100 for each filing

Make check payable to "The State Insurance Department Trust Fund".

Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
28562	\$100.00	07-26-2007

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	08-01-2007	08-01-2007

Disposition

Disposition Date: 08-01-2007

Effective Date (New):

Effective Date (Renewal):

Status: Exempt from Review

Comment:

Rate data does NOT apply to filing.

Created by SERFF on 08-01-2007 02:51 PM

Item Type	Item Name	Item Status	Public Access
Supporting Document	Authority Letter	Accepted for Informational Purposes	Yes
Rate	Commercial Umbrella Manual	Accepted for Informational Purposes	Yes

Rate Information

Rate data does NOT apply to filing.

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Commercial Umbrella Manual		New	AM Commercial Umbrella Manual.pdf

AUSTIN MUTUAL

COMMERCIAL UMBRELLA COVERAGE PROGRAM MANUAL

COMMERCIAL UMBRELLA INDEX

GENERAL PAGES	PAGE(S)
Annual Minimum Premium Per Limit	CUL-4
Application	CUL-2
Cancellation or Reduction of Coverage	CUL-3
Change Endorsement	CUL-3
Eligibility	CUL-1
Ineligible Risks	CUL-1
Limits of Liability	CUL-2
Minimum Required Underlying Liability Limits	CUL-3
Policy Period	CUL-3
Premium Determination	CUL-3
Renewal Application	CUL-2
Retained Limit	CUL-2
Underwriting Authority	CUL-1

IMPORTANT NOTICE

SECTION 13B - Commercial Umbrella

TO: All Agents

The Federal Terrorism Risk Insurance Extension Act of 2005

The Terrorism Risk Insurance Extension Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act is triggered when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The act provides that a certified act of terrorism must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest.

Policyholder Disclosure Notice CL 1055 can be used for offers of terrorism coverage provided with quotes for new or renewal policies. It will allow for the offer of terrorism coverage as covered under the Act with the required disclosure of premium and program details. Copies of CL 1055 are available from our Supply Department.

To determine the additional premium charge for the portion of certified terrorism loss coverage, multiply the total policy premium for all exposures by the factor shown below for the applicable program.

Program	Terrorism Coverage Rating Factor
Commercial Umbrella	.020

AUSTIN MUTUAL INSURANCE COMPANY

COMMERCIAL UMBRELLA LIABILITY

The Commercial Umbrella Liability program is designed to provide coverage for the liability insurance needs of the business community as respects to small to medium sized commercial entities. Eligible commercial accounts should be ones that reflect both a profitable loss history, without a frequency or severity loss history and, whose exposure to loss is properly controlled by adequate underlying insurance limits and by appropriate loss control efforts on the part of the Insured.

UNDERWRITING AUTHORITY

Agents do not have binding authority. A completed commercial liability application must be submitted to and approved by the Company before coverage is effective.

ELIGIBILITY

It is required that all eligible primary policies be written by Austin Mutual with the commercial umbrella policy for which it is licensed and normally writes in the course its business. Those eligible policies covering acceptable exposures(s), which Austin does not write, must be written by a B+ or better A.M. Best rated Domestic Insurer on standard forms.

Habitational: Apartment/Condominium underwriting guidelines:

1. Not greater than five (5) stories in height
2. Age/construction/height/presence of smoke detectors, must be documented

Motel underwriting guidelines:

1. 100 rooms maximum
2. Not greater than three stories in height
3. No seasonal operations (risks that are closed for more than 30 consecutive days)
4. Minimum of 3 years of management experience
5. No outdoor swimming pools or waterfront beaches
6. Indoor pools must be secured and lighted with no slides or diving boards, safety equipment must be easily assessable
7. Indoor pools and workout rooms must be limited to guests with pass keys
8. No recreational vehicles can be available

INELIGIBLE RISKS

A. Insurance policies classified as, or covering:

1. Fiduciary Liability
2. S.E.C. (Security and Exchange Liability)
3. Directors and Officers (Except for Churches & Condominiums)
4. ERISA Liability
5. Boiler and Machinery
6. Environmental Impairment Liability/Pollution Liability
7. Aggregate Workers' Compensation
8. Products Integrity, Impairment or Products Recall
9. EPL (Employment Practices Liability)

B. Risks classified as, or whose principal exposure to loss are categorized by the following:

1. Asbestos manufacturing, handling, or distribution
2. Automobile exposure relative to:
 - a) Automobile drivers with more than two moving violations or at-fault accidents in a three-year period or any convictions for DUI
 - b) Automobile racing and race tracks
 - c) Automobile vehicle leasing or rental agencies
 - d) Automobile – Taxicabs, Buses, School buses or any public livery
 - e) Automobile – Transporting of Explosives, Munitions, or Chemicals, not limited to Gasoline, Liquefied Petroleum gasses, Butane, or Propane (except gasoline, if incidental to insured's principal operations)
 - f) Truckmen/Common Carriers
 - g) Automobile Fleets consisting principally (51% or greater) of heavy (20,001-45,000 lbs. GVW) or extra heavy (45,001 lbs. GVW and up) licensed power units
3. Boiler or Pressure Vessels, manufacture, service, or assembly thereof
4. Chemicals, Fertilizers, Insecticides, Herbicides, Animal Feed, either manufacturing, blending, mixing, or application thereof

5. Contractors engaged in/or involving construction of:
 - a) Chimney (commercial type)
 - b) Demolition or wrecking
 - c) Erection of iron and steel (over 3 stories)
 - d) Excavation below ground level of abutting or adjoining structures
 - e) Petroleum and/or chemical, including service type
 - f) Wastes sites
6. Drugs, Pharmaceuticals and Vitamins, Cosmetics, Hair, and Skin Products manufacturing or importing, other than retail stores
7. Fumigating or Exterminating
8. Liquor Liability other than for eligible restaurants whose liquor receipts are less than 25% of total sales
9. Installation or manufacture of Sprinklers, Fire Alarms, Burglar Alarms, or any other such safety devices other than smoke detectors
10. Liquefied Petroleum Gas – distribution, handling, manufacturing, or storage of, except for small propane tank exchange exposure, which is eligible
11. Power Equipment rented to others
12. Professional Liability – except for the following:
 - a) Barbers Shops
 - b) Beauty Shops
 - c) Druggists
 - d) Funeral Directors
 - e) Hearing Aid Stores
 - f) Opticians
 - g) Optometrists
 - h) Printers
 - i) Veterinarians (pet type only)
13. Publishing and Advertising operations
14. Security Guards or Detective Agencies

APPLICATION

A completed and signed commercial umbrella application is required for each risk and must include complete information for all underlying insurance. Use the Company's Commercial Umbrella Application B-11; or the Acord Commercial Insurance Application 125, with Acord Umbrella Section 131. Incomplete information on the application will delay approval and issuance of the policy. Coverage is not effective until the Company approves the application.

RENEWAL APPLICATION

The nature of commercial umbrella liability coverage is such that the risk must be reviewed annually to determine changes in exposure and coverage requirements. Because of this, a commercial umbrella liability policy will not automatically be renewed.

Each year a letter will be mailed to the agent approximately 90 days prior to renewal date with instructions to contact the policyholder and complete a renewal questionnaire (Form 52-75A) or an application. We will ask for a fully completed renewal application every three years or a renewal questionnaire completed in the intervening years.

A Commercial Umbrella application B-11 or the two part renewal application (Acord Commercial Insurance Application 125 and Acord Umbrella Section 131) must be completed, every three years with current information, including underlying insurance (company, policy number and coverage limits), and sent to the Company for processing.

State statutes require that if a policy is not to be renewed, a nonrenewal notice must be given the policyholder a minimum of 30-60 days (depending on the state) prior to renewal date. Because of this requirement, a nonrenewal notice is mailed 70 days prior to renewal date on all expiring policies. This notice reminds the policyholder to contact the agent regarding the renewal requirements.

If a renewal application has not been submitted, the commercial umbrella coverage will expire. To avoid a lapse in coverage, a completed renewal application/questionnaire must be received prior to the expiration date.

LIMITS OF LIABILITY

The commercial umbrella liability program has a basic policy limit of \$1,000,000. Increased limits up to a total policy limit of \$5,000,000 are available.

RETAIN LIMIT

The commercial umbrella liability limits contemplate that the basic Self-Insured Retention (Deductible) shall be \$10,000 of the ultimate net loss.

Commercial umbrella liability coverage requires that the insured retain (self-insure) a certain portion of each claim not covered by any underlying insurance. This applies only to a claim for which there is no underlying insurance.

The retained limit does not apply between underlying limits (for covered losses) and the commercial umbrella coverage.

MINIMUM REQUIRED UNDERLYING LIABILITY LIMITS

The following minimum limits for underlying insurance must be maintained in effect during the term of the commercial umbrella liability policy.

A. General Liability including Personal Injury, and Contractual written as part of a:

1. Comprehensive General Liability Policy
2. Commercial Multi-Peril – Section II Policy with Comprehensive General Liability
3. Businessowners Policy

\$500,000 Each Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate

B. Commercial/Business Automobile Liability

1. Private Passenger autos and light trucks (10,000 pounds GVW or less) and medium trucks (10,001 to 20,000 pounds GVW)

\$1,000,000/1,000,000 Bodily Injury
\$100,000 Property Damage or

\$1,000,000 Combined Single Limit

2. Heavy trucks (20,001 to 45,000 pounds GVW) and Extra Heavy trucks (45,001 and greater)

\$1,000,000/1,000,000 Bodily Injury
\$100,000 Property Damage or

\$1,000,000 Combined Single Limit

3. Non-owned Auto must be written at the same minimum underlying limits as required on owned vehicles

C. Employers Liability *

\$100,000 Each Accident - Bodily Injury by Disease
\$500,000 Policy Limit - Bodily Injury by Disease
\$100,000 Each Employee

D. Directors & Officers * (Church & Condo Only)

\$1,000,000 Per Occurrence
\$1,000,000 Aggregate

E. Employee Benefits Liability

(Claims made – no retro date prior to inception – no supplemental Extended Reporting Period)

\$500,000 Per Occurrence
\$500,000 Aggregate

F. Liquor Legal Liability (for eligible risks only)

\$500,000 Each Person
\$500,000 Each Common Cause

- * Employers Liability and Directors & Officers required underlying limits are not available through Austin Mutual. These coverages must be written with another company, as indicated in the Eligibility rule.

POLICY PERIOD

Commercial Umbrella liability policies are written for a one-year term. A new declarations page is issued each renewal date. If forms or endorsements are revised, the current forms and endorsements apply and are made part of the policy. A complete new policy contract is issued on the sixth anniversary date.

The effective date of commercial umbrella liability coverage must be concurrent with the underlying general liability coverage effective date.

CHANGE ENDORSEMENT

When a policy is changed, a revised policy declarations page is issued; an asterisk (*) designates the item(s) revised. The premium adjustment information and effective date of change will appear on the declarations.

CANCELLATION OR REDUCTION OF COVERAGE

If coverage is reduced or canceled, the return premium shall be computed on a pro rata basis. The original current declarations page or a properly signed policy release must be returned to the Company as evidence for cancellation.

It is not permissible to cancel any of the required coverages in the policy unless the entire policy is canceled.

PREMIUM DETERMINATION

A completed commercial umbrella liability application must be submitted to the Company for rating and policy premium determination, which is subject to a policy annual minimum premium as indicated below.

Annual Minimum Premium Per Limit

	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000
Risks with no underlying automobile liability exposure (no receipt limitation)	400	800	1,200	1,600	2,000
Fleets with less than 6 owned automobile, exposure (PPT/LT/MED) and receipts of under \$5,000,000.	500	900	1,300	1,700	2,100
All other commercial risks exceeding the above.	750	1,150	1,550	1,950	2,350

Supporting Document Schedules

Satisfied -Name: Authority Letter

Review Status:

Accepted for Informational 08-01-2007
Purposes

Comments:

Attachment:

AR Filing Letter.pdf



AUSTIN MUTUAL INSURANCE COMPANY

Street Address: 10 Second Street NE, Suite 300, Minneapolis, MN 55413-2282

Mailing Address: PO Box 401, Minneapolis, MN 55440-0401

612-378-8600 Fax: 612-378-8653

May 14, 2007

HONORABLE JULIE BENAFIELD BOWMAN
COMMISSIONER OF INSURANCE
ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK AR 72201-1904

Re: Filing Authority
Grocer's Program

With this letter, Austin Mutual Insurance Company authorizes Med James, Inc. to prepare and submit on its behalf rate, rule and form filings for use with its Grocer's Program.

This authorization remains in effect until amended or terminated.

Please contact me should you have any questions at 612-378-8613 or
tmadsen@autinmutual.com.

Thank you.

Sincerely,

Terrel Madsen, CPCU, ARe
VP – Compliance and Product Development