



As an Agent of **Merchants Insurance Group**, you are authorized to bind those lines of insurance for which a commission is specified in Schedule A – Commissions, attached to your Agency Agreement, subject to the provisions of your Agency Agreement and further subject to the following qualifications.

TERRITORY

You may bind only those risks located in the state(s) in which your agency is appointed with Merchants Insurance Group.

ALL LINES

- A. You may bind any risk that qualifies according to the rules and guidelines in Merchants Insurance Group product manuals and this document.
- B. Upon binding any risk, the Agent shall submit to Merchants Insurance Group, within ten (10) business days:
 - 1. A complete application;
 - 2. All appropriate underwriting information;
 - 3. The appropriate deposit or premium payment; and
 - 4. Any other information required or requested by Merchants Insurance Group with respect to the applicant or risk.
- C. Coverages that have been previously canceled, declined, or non-renewed by Merchants Insurance Group or another company must be submitted to the company for prior approval.
- D. Risks with high hazards or unusual exposures must be submitted to the company for prior approval. As a complete listing of referral risks is impractical, prior approval should be obtained in all cases of reasonable doubt.
- E. Binding authority is extended to the agent with respect to named insured(s) only. Additional insureds may be added to the policy only with the prior written approval of an authorized Merchants representative. Certificates of insurance issued by [the agent] will not bind Merchants and will not obligate Merchants to provide additional insured status to any person or organization.
- F. No property coverage can be bound on any risk located within 1 mile of coastal waters. Coastal water is defined as oceans, bays, the Long Island Sound and any other tidal waters.
- G. **Suspension of Authority**
Binding authority for new and/or additional property coverages, including automobile physical damage, is suspended automatically at the time of a hurricane watch or warning as designated by the National Weather Service, and/or when the National Weather Bureau plots a tropical storm or hurricane with winds in excess of 60 mph, west of longitude 55° and north of latitude 30°. Authority is automatically reinstated 24 hours after the hurricane watch or warning is lifted.
- H. All risks are subject to final approval by Merchants Insurance Group.



COMMERCIAL LINES

- A. Merchants Advantage Plus® Businessowners, Merchants Advantage Plus® Auto Repair/Collision, Merchants Advantage Plus® Contractors Package, and Workers' Compensation:

You may bind any risk that qualifies according to the rules and guidelines in the Merchants Insurance Group Commercial Lines Product Manuals for these programs, except there is no binding authority for \$2,000,000 / \$4,000,000 limits in MAP Contractors Package® for operations doing business in the five boroughs of New York City.

These documents are located on the Merchants' web site: www.merchantsgroup.com

- B. Commercial Umbrella – You may bind any risk that meets the following guidelines:
 1. Merchants must write the underlying General Liability and Commercial Automobile Liability coverage with minimum underlying limits of \$1,000,000. The underlying General Liability must be either a MAP® BOP, MAP® Contractor or MAP® Auto Repair policy.
 2. The Commercial Auto underlying policy can be a Merchants' Commercial Auto policy or Non-owned/Hired Car coverage on a Merchants' MAP® policy. The Commercial Auto underlying policy can cover up to four (4) power units. These power units can be light or medium trucks or private passenger type vehicles.
 3. Maximum Umbrella limit is \$2,000,000, except there is no binding authority for contracting risks, doing business in the five boroughs of New York City.
- C. All Other Product Lines

Policy limits in excess of the following require prior approval from Merchants Insurance Group

1. General Liability		
Combined Single Limit:	\$1,000,000 \$2,000,000 \$2,000,000	per occurrence general aggregate products aggregate
2. Property	Frame	Other Than Frame
Fire, other property coverages, including time element, but excluding flood and earthquake	Frame \$2,000,000 None	Other Than Frame \$4,000,000 None
Auto Physical Damage	\$75,000	per vehicle
3. Crime		
Includes employee dishonesty; money, securities and credit card slips; and forgery or alteration coverages (Written only as part of a CMP policy)	\$50,000	
4. Inland Marine	\$50,000 \$100,000	per item per schedule



COMMERCIAL LINES (CONTINUED)

- D. Coverage Exceptions – No authority is granted to bind the following:
1. Commercial Automobile
 2. Surety Bonds
 3. Fidelity Bonds
 4. Boiler & Machinery (excluding Equipment Breakdown on BOP)
 5. Professional Liability (except as part of BOP)
 6. Ocean Marine
 7. Monoline Inland Marine or Monoline Crime
 8. Pollution Coverage
 9. Workers' Compensation Coverages for the Jones Act, USL&H, and FELA
 10. Stacked Uninsured Motorists and Underinsured Motorist Coverages
 11. Risks located in ISO Public Protection Class 8, 9, or 10
 12. Earthquake Coverage
 13. Flood Coverage
 14. Unsupported Workers' Compensation Coverage
 15. For all coverages, any operations or premises related to:
 - a. Shipyards/Ship Building
 - b. Underground work greater than 10 feet, including Tunneling, Mining, Quarrying, and Excavation
 - c. Aircraft, Airports, or Aviation Products
 - d. Automotive Parts Manufacturing
 - e. Oil or Oil Refineries, Natural Gas, Gasoline, or Liquid Propane Gas
 - f. Railroads, including Railroad Protective Policies
 - g. Entertainment Venues including, but not limited to, Amusement Parks or Devices, Carnivals or Circuses, Sports or other Entertainment Events, Arenas, Grandstands, or Stadiums.
 - h. Wrecking or Demolition
 - i. Governmental Entities, not including Owners and Contractors Protective Policies
 - j. The manufacture or importation of:
 - i. Cosmetic, Hair, or Skin Products,
 - ii. Drugs, or Pharmaceuticals, and
 - iii. Chemicals
 - k. Explosives, Ammunition, Arms, Fireworks, or any other Explosive Devices
 - l. Asbestos Products, including removal
 16. Property Coverage for:
 - a. Difference in Conditions
 - b. Growing Crops
 - c. Mobile Homes
 - d. Mortgage Impairment
 17. Inland Marine Coverage for:
 - a. Animal Mortality
 - b. Bridges and Tunnels
 - c. Fine Arts
 - d. Furriers Block
 - e. Jewelers Block
 - f. Motor Truck Cargo
 - g. Towers
 - h. Watercraft



PERSONAL LINES

A. LIMITS – Policy amounts in excess of the following require prior approval from Merchants Insurance Group:

1. Automobile Liability			
	Bodily Injury	\$250,000	per person
		\$500,000	per occurrence
	Property Damage	\$250,000	per occurrence
	Combined Single Limit	\$500,000	per occurrence
	Maximum Vehicle Value	\$100,000	per vehicle
2. Homeowners			
	Coverage A	\$1,500,000	Protection 1 – 8
		\$375,000	Protection 9
		\$500,000	secondary residence
	Coverage E	\$500,000	per occurrence
3. Dwelling Fire		\$500,000	Protection 1 – 8
		\$375,000	Protection 9
4. Pleasure Craft (as part of Homeowners)		\$30,000	(subject to maximum length of 26')
5. Inland Marine (as part of Homeowners)		\$100,000	total schedule (subject to individual item limitations per Underwriting Guidelines)
6. Personal Umbrella		\$1,000,000	

B. COVERAGE EXCEPTIONS – No authority is granted to bind the following:

1. Personal Umbrella with limits \$2,000,000 and higher
2. Any Personal Umbrella with a Merchants Flexible Choice Version 1 Auto policy rated in tiers H through X or Flexible Choice Version 2 Auto policy rated in tiers 290 through 510.
3. Risks located in ISO Public Protection Class 10
4. Earthquake Coverage
5. Flood Coverage