



Underwriting Overview

**FLORIDA SURE
NON-ADMITTED BUSINESSOWNERS PROGRAM**

Program Manager and Servicing Agent:

SageSure Insurance Managers

Carrier:

SureChoice Underwriters Reciprocal Exchange (SURE)
Rated A, Exceptional, by Demotech

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Note: Active moratoriums, closures, and coverage/guideline changes communicated due to exposure management considerations may not be reflected in this Underwriting Overview. Current coverages and deductibles, availability and eligibility will be visible when quoting in the SageSure Agent Portal.

I. OVERVIEW

1. Property

Capacity to write locations up to \$10,000,000 of building plus business personal property limits. Locations greater than \$3,000,000 require underwriting approval. Policies totaling over \$25,000,000 for all locations require underwriting approval.

Note: Habitational classes have a maximum of \$5,000,000 per location.

Locations in the counties of Palm Beach, Broward, or Miami-Dade are further limited to \$5,000,000 per location and \$10,000,000 per policy. All habitational classes are ineligible in these three counties. In addition, locations in the counties of Broward and Miami-Dade do not have capacity for any building limit.

2. Liability

Primary limits are available at per occurrence limits of \$300,000, \$500,000, and \$1,000,000. General Aggregate is two times the per occurrence limit. Products and/or Completed Operations, Personal & Advertising Injury, Damage to Premises Rented by Insured and Medical Payments are included.

II. CONSIDERATIONS

The following factors will be considered:

1. Ownership Management

- a. Risks in business less than 3 years require underwriting approval.
- b. Ownership information must be obtained for risks with multiple named insureds to determine combinability.
- c. When under the same ownership, building and business personal property must be included under the same policy.
- d. All entity types are eligible, except:
 - (1) If entity type is Trust and risk is not a Lessor's Risk, underwriting approval is required
 - (2) Nonprofit organizations are ineligible

2. Financials

The insured's financial strength will be evaluated through the businessowner's personal TransUnion TrueRisksm Property score. In addition, risks referred to underwriting may be evaluated through the business' financial records.

3. Risk Classification

Risks will be classified based on the insured's primary operations and this classification will be used to determine eligibility. Additional operations greater than incidental (25%) will be separately classified and rated.

4. Classifications Requiring Approval

The following classifications require underwriter approval:

- a. Not Otherwise Classified:
 - (1) Office 65171
 - (2) Lessors' Risk Only 65171
 - (3) Condominium Office 65231
 - (4) Condominium - Office - Lessor's Risk Only 65231
- b. Retail stores (Not Otherwise Classified) 59999
- c. Take out only restaurants 09251 and 09261

5. Loss Experience

Hard copy, currently valued loss runs for a minimum five years must be obtained and kept in the agent's underwriting file. A signed no-loss statement may be substituted for risks in business less than five years. Threshold for losses is as follows, applicable to the less of the last five years or time in business:

- a. No losses, preferred
- b. One claim, acceptable
- c. Two or more claims, require underwriter approval
- d. Any one claim greater than or equal to \$25,000 requires underwriter approval.
- e. Risks with prior sinkhole losses are ineligible.
- f. Risks with professional liability claims require underwriter approval.
- g. Risks with equipment breakdown claims require underwriter approval.
- h. Risks with cyber claims, first or third party, require underwriter approval.
- i. Risks with employment practices liability claims require underwriter approval.

6. Loss Control

Inspections will be conducted on all risks.

Each survey will be reviewed by underwriter for risk acceptability. Adjustments may be made for discrepancies, changes in exposures or classifications, etc. If a risk does not meet standards a notice of cancellation or rescission may be issued to the insured and their agent.

7. OFAC

We will comply with all requirements of the Office of Foreign Assets Control (OFAC). All prospective named insureds will be screened. OFAC Screening will also be done for Named Insureds added during the policy period and at each renewal.

8. Terrorism

The Terrorism Risk Insurance Act (TRIA) expiration date was amended to December 31, 2027. A Signed Terrorism Acceptance/Rejection form must be retained in the agency's underwriting file. A signed form is required at each renewal. We will only allow one change from rejection to acceptance during the policy period and only if the request is made within 30 days after policy inception date.

9. Eligible States

These guidelines apply only to locations in the state of Florida.

10. Underwriting Restrictions and Referrals

SageSure underwriters will review accounts that generate a referral during the quoting process.

III. PROPERTY

Maximum building and business personal property limits are described above in the Overview Section I.1. All buildings must be insured to value.

1. COPE

The likelihood and severity of a loss, especially fire losses, is directly related to a risk's construction, occupancy, protection, and external exposures (COPE). It is imperative these factors be closely evaluated when considering the property element of a multiline risk:

a. Construction

The construction of a building is determined by three essential factors:

- (1) Materials used for load-bearing portions of exterior walls
- (2) Materials used in the roof and floors
- (3) The fire-resistance rating of materials used in the building's construction

Building construction is divided into six classifications based on these factors:

- (1) **Frame (ISO Class 1)** - Buildings with exterior walls of wood or other combustible materials including construction where combustible materials are combined with other materials (such as brick veneer, stone veneer, wood ironclad, stucco on wood).
- (2) **Joisted Masonry (ISO Class 2)** - Buildings with exterior walls of adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile, or similar materials with combustible (wood or metal) floors and roofs
- (3) **Noncombustible (ISO Class 3)** - Buildings with exterior walls, floors and roofs constructed of, and supported by, asbestos, gypsum, or other noncombustible materials.
- (4) **Masonry/Noncombustible (ISO class 4)** - Buildings with masonry, as described in Joisted Masonry construction, exterior walls and metal or noncombustible floors and roof. These buildings typically have masonry walls, concrete floors, and metal roofs.
- (5) **Modified Fire Resistive (ISO Class 5)** - Buildings where the exterior walls, floors and roof are constructed of masonry or other fire-resistive materials with a fire resistance rating between one and two hours.
- (6) **Fire Resistive (ISO Class 6)** - Buildings with exterior walls, floors and roof of masonry or other fire resistive materials.

Incorrectly classified building construction affects pricing, TIV limits and possibly eligibility.

b. Occupancy

Occupancy refers to the insured's business at a covered location as well as the businesses of other tenants if the insured owns a multi-tenant structure. Both eligible and ineligible occupancies are outlined separately in the guidelines. Two factors to consider when evaluating occupancies are, combustibility (the ability of something to burn) and susceptibility (the extent to which it will burn).

c. Protection

Protection is the element present at any location that will mitigate the risk of loss. Protection includes town water source, fire suppression systems, smoke & heat detection alarms, burglar alarms, moisture detectors and high-quality locks.

d. External Exposures

External Exposures refer to the hazardous nature of occupancies near a building, e.g., a warehouse adjacent to a bulk oil or pyrotechnics storage facility. Underwriters must be aware of External Exposures and understand controls in place to reduce loss from that external exposure.

2. Additional Considerations

a. Building Age

- (1) The age of a building is an important consideration. While our preference is buildings of newer construction, we will consider buildings over 25 years old provided the electricity, HVAC, plumbing, and roof have all been updated within the past 25 years.
- (2) Businesses in the counties of Palm Beach County, Miami-Dade County and Broward County are eligible for buildings no older than 15 years of age since originally constructed. This applies for lessors risk, owner occupied and tenant occupancies
- (3) Historic buildings are ineligible.

b. Business Personal Property

Risks with business personal property limit at one location greater than \$500,000 must have a central station burglar alarm on the premises.

c. Roof Guidelines

- (1) Roofs must be less than 20 years old
- (2) Composite Shingle roofs:
 - (a) Must be less than 10 years if 3-tab shingles
 - (b) Must be less than 15 years if architectural
- (3) Wood Shingle or Light Metal roofs are ineligible

3. Deductible

- a. Minimum all other perils (AOP) deductible is \$1,000.
- b. Windstorm or Hail deductible must be greater than or equal to the Hurricane deductible.
- c. For Hurricane deductible, refer to Section 7 - Coastal Guidelines below.

4. Business Income and Extra Expense (time element/indirect damage)

- a. Business Income is provided on an Actual Loss Sustained basis up to 12 months and is not subject to a limit except when a limit is required as defined in the Coastal Guidelines.
- b. Additional available options include 6, 9 and 18 months.

5. Florida Sinkhole Guidelines

If Sinkhole coverage is desired, the insured must obtain, at their own cost, and submit a Sinkhole Inspection from a certified Sinkhole Inspection Service prior to binding coverage.

- a. A structural sinkhole inspection of the building by a professional engineer, geologist or other individual or entity recognized as having experience and expertise in the identification of sinkhole activity as well as other potential and geologic causes of structural damage is required to be completed and submitted to underwriting. Underwriting will review and approve the inspection prior to adding the coverage.
- b. The insured has the right to select the inspector, although the company must approve the inspector. An inspection from an unapproved inspection service may be submitted by the insured for consideration. However, this inspection must be completed by a professional engineer, a professional geologist, a geotechnical engineer, or other individual or entity possessing the necessary qualifications to properly complete the inspection.
- c. The complete cost of the inspection is at the insured's expense. The cost of the inspection will not be refunded by the company regardless of the underwriting decision made by the company.
- d. The structural sinkhole inspection must be completed prior to binding coverage.
- e. All renewing policies that do not have sinkhole coverage and request to add sinkhole coverage on renewal are subject to re-inspection.
- f. We reserve the right to verify any sinkhole inspection completed by a qualified inspector by ordering an independent inspection.

g. Binding and effective date of coverage

(1) New business policies

- (a) The sinkhole inspection must be received by underwriting prior to binding any new business policy.
- (b) All new policies will be issued without Sinkhole Coverage, unless the inspection is received and approved prior to the new business effective date.
- (c) If the inspection is received after coverage is bound, Sinkhole Coverage will be added by endorsement with the effective date of the underwriting approval.

(2) Renewal policies

- (a) If coverage was not requested on the new business policy, coverage may only be added to the renewal policy if a sinkhole inspection is submitted at least 90 days prior to the renewal effective date.
- (b) If approved by underwriting, the Sinkhole Coverage Endorsement will be added on the renewal effective date.

h. Mid-term changes

- (1) Sinkhole coverage cannot be requested or added midterm, except for new policies where the request is initially made with the new business policy.
- (2) Sinkhole coverage may be removed mid-term.

i. Any requests to remove sinkhole loss coverage must be completed by the producer and acknowledged, in writing, by the insured.

j. The following conditions make a risk ineligible for the Businessowners' Program:

- (1) Risks within .05 mile of a sinkhole
- (2) Risks with prior sinkhole losses

6. Protection Class

Locations in Public Protection Classes 9 or 10 are ineligible.

7. Coastal Guidelines

We will consider risks in coastal proximity as outlined in the tables below.

Coastal Guidelines for all counties <u>except</u> Palm Beach, Miami-Dade and Broward Counties			
Extreme Hazard Locations (EHL)	High Hazard Locations (HHL)	Moderate Hazard Locations (MHL)	Low Hazard Locations (LHL)
Any location with any of the following characteristics are ineligible: <ul style="list-style-type: none"> • In Monroe County; • On a Barrier/Resort Island; • Less than 0.1 miles of a Primary Shoreline including Front or First Row; • 0-1 miles of a "Primary Shoreline" and Frame Construction or Roof Age > 10 years; > 1 miles of a Primary Shoreline & Roof Age > 10 yrs for 3-tab, > 15 yrs for Architectural, > 20 yrs. for all others • Wood Shingle or Light Metal roofs; • 0 to .04 miles of an Inner Shoreline 	Any location not designated as EHL and: <ul style="list-style-type: none"> • 0.1 to 2 miles of a Primary Shoreline and other than Frame Construction; • 1 to 5 miles of a Primary Shoreline and Frame Construction 	Any location not designated as EHL or HHL and: <ul style="list-style-type: none"> • 2 to 5 miles of a Primary Shoreline and other than Frame Construction; • 5 to 10 miles of a Primary Shoreline and Frame Construction 	Any location not designated as EHL, HHL, or MHL
Minimum Hurricane Deductible			
Ineligible	5%	3%	2%
Business Income and Extra Expense Limit			
Ineligible	Required w/max of \$150,000	Required w/ max of \$250,000	All Options Available

Coastal Guidelines for Palm Beach County, Miami-Dade County and Broward Counties <u>only</u>			
Extreme Hazard Locations (EHL)	High Hazard Locations (HHL)	Moderate Hazard Locations (MHL)	Low Hazard Locations (LHL)
Any location with any of the following characteristics are ineligible: <ul style="list-style-type: none"> On a Barrier/Resort island; 0-0.5 miles of a Primary Shoreline including Front or First Row; Any building with an original construction age greater than 15 years; 0-2 miles of a Primary Shoreline and Frame Construction or Roof >10 years old; Wood shingle or light metal roofs; 0-0.4 miles of an Inner Shoreline; All Habitational classes 	Any location not designated as EHL and: <ul style="list-style-type: none"> 0.5-2 miles of a Primary Shoreline and other than Frame Construction Within 2-5 miles of a Primary Shoreline and Frame Construction 	Any location not designated as EHL or HHL and: <ul style="list-style-type: none"> 2-5 miles of a Primary Shoreline and other than Frame Construction 5-10 miles of a Primary Shoreline and Frame Construction 	Any location not designated as EHL, HHL, or MHL
Minimum Hurricane Deductible			
Ineligible	5%	3%	2%
Minimum Hurricane Deductible			
Ineligible	Required w/max of \$150,000	Required w/ max of \$250,000	All Options Available

Coastal definitions for the entire state of Florida:

a. "Primary Shoreline":

- (1) The ocean or gulf shoreline
- (2) The shoreline of the larger open bays, sounds and marshlands between:
 - (a) Barrier/Resort islands and the main coastline
 - (b) The main coastline and the open ocean

b. "Inner Shoreline":

- (1) Shoreline for inlets, bays, river mouths, intercoastal waterways, etc. that extend from or are near the ocean
- (2) The mainland side of a barrier island

8. Assignment of Benefits (AOB) Exclusion

An Assignment of Benefits exclusion will be attached to every policy. A mandatory AOB exclusion acknowledgment form will be attached to the new business policy and must be signed by the insured as part of the acceptance of our policy terms. This document must be received within 30 days of issuance, preferably prior to policy issuance.

9. Surplus Lines Disclosure and Acknowledgment Form and Diligent Effort

- a. Florida requires that E&S providers retain a signed Surplus Lines Disclosure Form for all Commercial policies, ensuring that the insured is aware of the terms and conditions of a surplus lines versus an admitted market policy
- b. This is a mandatory form that is attached to the new business policy and must be signed by insured as part of the acceptance of our policy terms.
- c. This document must be received within 30 days of issuance, preferably prior to policy issuance.
- d. Additionally, Florida requires the agent to follow state diligent effort requirements for all habitational classes of business. The agent will be required to confirm compliance with state diligent effort requirements in Agency Portal in order to receive a bindable quote.

10. Managed Repair Network Endorsement

We have identified qualified, licensed contractors in the state of Florida who comply with our established service protocols. As an added endorsement to our policy, by purchasing the SURE FL BOP the insured is accepting that they agree to use a contractor from our managed repair network in the event of a covered loss. The form does not require signature or specific acknowledgment from the insured, as acceptance of the policy constitutes acceptance of our managed repair network terms. Should the insured choose to opt out from using an in-network contractor, per endorsement form language loss condition limitations will apply.

11. Wave Wash Flood Exposure

Due to Florida's severe weather exposure, wave wash flooding can cause significant property damage. Our coastal underwriting guidelines exclude any risk on a barrier or resort island, or any property within 0.5 miles of a primary shoreline (including front or first row) with programmed rules to prevent new business risks from receiving a quote. While we believe our coastal underwriting guidelines will mitigate much of the wave wash Flood exposure, we have underwriting rules tied to a subject risk's distance to coast, Flood zone and elevation that will refer to underwriting as an additional risk management step where a subject risk may clear our primary coastal guidelines.

Where we have wave wash Flood zone exposed risks referred to underwriting:

- a. We will require proof that the insured already has Flood coverage in place via a copy of their Flood declarations page and upload it to our records. This document must be received within 30 days of issuance, preferably prior to policy issuance.
- b. We will require that the insured initial the Important Notice form, stating that they are aware that SURE is not providing any Flood coverage on their policy, and that they have a duty to maintain Flood insurance elsewhere. This document must be received within 30 days of issuance, preferably prior to policy issuance.

12. Wind Exclusion (Optional)

Option to purchase our Florida E&S BOP without Wind coverage.

- a. While we expect most customers will opt for Wind coverage as part of our BOP package, we are willing to offer our Florida SURE E&S BOP without Wind if the customer chooses to purchase Wind coverage on a standalone basis elsewhere.
- b. If the customer elects to purchase our BOP without wind coverage (wind exclusion), **the following documents below are required and must be received prior to policy issuance:**
 - (1) We require proof that the insured already has standalone Wind coverage in place via a copy of their Wind policy declarations page and upload it to our records.
 - (2) We require that the insured sign a Wind Exclusion Acknowledgment form that they are aware that SURE is not providing any Wind coverage on their policy, and that they have a duty to maintain Wind insurance elsewhere.

IV. LIABILITY

Primary general liability is available for all eligible classes listed in the Florida SURE Non-admitted BOP Class List. Liability and Medical Expense coverage is provided on an occurrence basis for operations, premises owned, operated or leased and products &/or completed operations. Coverage includes bodily injury, property damage, personal and advertising injury, medical expenses and damage to premises rented to the named insured.

1. Limits Available

- a. Liability & Medical Expenses limit starts at \$300,000 and includes Personal & Advertising Injury Liability. Incremental limits of \$500,000 and \$1,000,000 are available.
- b. General Aggregate and Products and/or Completed Operations Aggregate are 2x the occurrence limit up to \$1,000,000.
- c. Damage to Premises Rented by You limit is \$50,000 (higher limits are available).
- d. Medical Expenses limit is \$5,000; alternate limit of \$10,000 is available.

2. Professional Liability (Errors & Omissions)

Professional liability coverage is designed to cover businesses in the event they are sued by third parties who claim loss due to professional negligence.

This coverage is only available for the following classifications:

- a. Barbershops and Hair Salons
- b. Beauty Salons
- c. Funeral Directors
- d. Optical and Hearing Aid Establishments
- e. Pharmacists
- f. Printers
- g. Veterinarians

V. ELIGIBILITY

Following are eligible and ineligible occupancies/classes, coverages and restrictions

1. Eligible Occupancies

The following are eligible occupancy groups for the Businessowners Program subject to the criteria listed below. Specific classes within these groups are further defined and listed in the Businessowners Classification Table. Limitation of Coverage to Designated Premises, Project, or Operation endorsement will be attached for all locations.

a. Habitational Risks including Apartments, Residential Condominium Associations and Townhouse or similar Associations

- (1) Habitational risks are limited to \$5M TIV per location. Counties of Palm Beach, Broward and Miami-Dade are ineligible for all habitational classes.
- (2) One and two family dwellings are ineligible
- (3) Swimming Pool exposure requires underwriting approval
Note: Swimming Pools with diving boards or slides are ineligible
- (4) Playground exposure requires underwriting approval
- (5) Buildings with aluminum wiring are ineligible
- (6) Vacation rentals including timeshares, short-term rentals, and Airbnb are ineligible
- (7) Owner-occupancy rate greater than 85% is required for Condominium and Townhouse or similar Associations
- (8) Lease agreements for a minimum of 6 months must be used

b. Lessor's Risk only (LRO)

- (1) Written leases or agreements must be used that require limits at least equal to the insured's, contain hold harmless language in favor of the insured and require Additional Insured status for the named insured.
- (2) The only eligible occupancies are ones that would be eligible if written on their own.
- (3) All occupancy classes that occupy 25% or more than of the building must be listed separately and a separate liability premium charge will apply. Incidental (up to 25%) occupancies are included with the largest occupancy class.
- (4) Governmental agency occupancies are ineligible.

c. Condominium Commercial Unit-Owners

Business personal property of owners of condominium units that are used for eligible mercantile, wholesaler, processing, service, or office occupancies are permitted.

d. Commercial Condominium Associations

The only eligible occupancies are ones that would be eligible if written on their own.

e. Convenience Food Stores, Grocery Stores and Supermarkets

(1) Definitions

- (a) A convenience food store is an establishment where the primary activity is the retail sale in limited amounts of a variety of canned goods, dairy products, prepackaged meats, and other incidental grocery items. (Newspapers, magazines, refreshment items, cigarettes, beer, wine, and novelties may also be sold.)
- (b) A grocery store or supermarket is an establishment where the primary activity is the retail sale of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. (Items typically sold in a convenience food store may also be sold.)

(2) Eligibility - Convenience Food Stores

Eligible convenience food store risks, with or without eligible limited cooking or fast food restaurants (see Florida SURE Non-admitted BOP Class List), are eligible for the Businessowners Program subject to the following additional requirements:

- (a) No sale of gasoline
- (b) No automobile service or repair operations
- (c) No car wash operations
- (d) No propane or kerosene tank filling operations
- (e) No sale of e-cigarettes or vaping products

(3) Eligibility - Grocery Stores/Supermarkets

Eligible grocery store or supermarket risks are eligible for the Businessowners Program subject to the following additional requirements:

- (a) No sale of gasoline
- (b) No automobile service or repair operations
- (c) No car wash operations
- (d) No propane or kerosene tank filling operations
- (e) No sale of e-cigarettes or vaping products

f. Mercantile Risks

Building and business personal property for mercantile risks are eligible for coverage under the Businessowners Program as listed in the Florida SURE Non-admitted BOP Class List.

- (1) No more than 25% of sales are derived from internet sales.
- (2) If Business Personal Property limit is greater than \$500,000, a central station burglar alarm is required.

g. Motels

Building and business personal property for motel risks are eligible for coverage under the Businessowners Program subject to the following additional eligibility requirements:

- (1) No limitation applies to floor area
- (2) Motels with eligible restaurant occupancies are permitted
- (3) No seasonal operations (locations that are closed 30 consecutive days, or more, throughout the year)
- (4) No hourly rentals
- (5) No bar or cocktail lounge permitted in total floor area

h. Offices (Including Office and Commercial Condominium Associations)

The only eligible occupancies are ones that would be eligible if written on their own.

i. Processing and Service Risks

Building and business personal property for processing and service risks listed in the Florida SURE Non-admitted BOP Class List are the only types of processing and servicing risks eligible under the Businessowners Program. No more than 25% of annual gross sales may be derived from off-premises operations.

j. Restaurants

Building and business personal property for the following types of restaurants and those listed in the Florida SURE Non-admitted BOP Class List are the only restaurants eligible for coverage under the Businessowners Program.

(1) Limited Cooking Restaurants

(a) Definition

Limited cooking restaurants are those where foods are prepared cold or cooked using appliances which do not emit smoke or grease-laden vapors that require an exhaust system (for example, electric sandwich grills, toasters, warming ovens, roller warmers, infrared snack warmers, microwave ovens, domestic ranges, domestic ovens, and pizza ovens).

No grilling, open broiling, deep fat frying, roasting, barbecuing, solid fuel cooking (for example, mesquite, charcoal, or hardwood) or other processes capable of producing grease-laden vapors requiring an exhaust system are permitted.

(b) Additional Eligibility Requirements

Limited cooking restaurants are subject to the following additional eligibility requirements:

- (i) No more than 7,500 square feet in total floor area
- (ii) Seating capacity no greater than 75
- (iii) No liquor sales other than beer or wine. Sales of beer and wine not greater than 25% of total sales.
- (iv) No bar or cocktail lounge
- (v) Catering service (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales
- (vi) No seasonal operations (risks that are closed for more than 30 consecutive days).

(2) Fast Food Restaurants

(a) Definition

Fast food restaurants may include limited cooking type appliances and only the following cooking processes capable of producing grease-laden vapors requiring an exhaust system: grilling, enclosed broiling, deep fat frying, roasting or barbecuing. Open broiling and solid fuel cooking (for example, mesquite, charcoal, or hardwood) are not permitted.

(b) Additional Eligibility Requirements

Fast food restaurants are subject to the following additional eligibility requirements:

- (i) No more than 7,500 square feet in total floor area
- (ii) Seating capacity no greater than 150
- (iii) No table service
- (iv) No liquor sales other than beer or wine. Sales of beer and wine not greater than 25% of total sales.
- (v) No bar or cocktail lounge

- (vi) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales.
- (vii) No seasonal operations (risks that are closed for more than 30 consecutive days)
- (viii) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96

(c) National Fire Protection Association Standard For Ventilation Control And Fire Protection Of Commercial Cooking Operations (NFPA Standard #96)

NFPA Standard #96 includes the following:

- (i) An automatic extinguishing system covering hoods, ducts and all surfaces of grills, ranges, deep fat fryers and broilers.
- (ii) A contract for semi-annual inspection and maintenance for the extinguishing system, hood, and ducts.
- (iii) A manual release in the path of exit from the cooking area.
- (iv) Temperature settings of systems with detectors above the filters or temperature settings of systems with detectors below the filters set at specified levels.
- (vi) Portable fire extinguishers of the type described in NFPA Standard #96, and compatible with the extinguishing agent of the hood and duct fire protection system, must be available in the kitchen.
- (vi) All deep fat fryers must be equipped with separate high limit controls to shut off fuel when the temperature reaches the level described in NFPA Standard #96.
- (vii) A minimum clearance of 18 inches between the hood and duct and combustible construction as described in NFPA Standard #96.

(3) Casual or Family-Style Dining Restaurants

(a) Definition

Casual or Family-Style dining restaurants serve moderately priced food in a casual atmosphere to patrons who generally order and are served while seated and pay after eating. Take-out service and the use of a buffet may also be available. These restaurants may serve no alcoholic beverages; serve beer and wine only; or serve beer, wine, and liquor.

(b) Additional Eligibility Requirements

Casual dining restaurants are subject to the following additional eligibility requirements:

- (i) Sales of beer, wine or liquor is not greater than 50% of total sales
- (ii) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales
- (iii) No seasonal operations (risks that are closed for more than 30 consecutive days)
- (iv) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96, as described in Paragraph 2(c)(i) above
- (v) No dancing permitted
- (vi) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment
- (vii) No bar operations during hours when full table service is not also available. Bar operations for the sole purpose of consuming alcoholic beverages are not permitted.

(4) Fine Dining Restaurants

(a) Definition

Fine dining restaurants provide quality food and alcoholic beverages prepared by highly trained chefs and served with a great deal of attention to customers by waitstaff. These restaurants typically have valuable business personal property consisting of furniture, tableware, lighting, art, and other items of décor.

(b) Additional Eligibility Requirements

Fine dining restaurants are subject to the following additional eligibility requirements:

- (i) Sales of beer, wine or liquor no greater than 50% of total sales
- (ii) Catering (that is, service involving serving of food and alcoholic beverages away from the insured's premises) must not exceed 15% of total sales
- (iii) No seasonal operations (risks that are closed for more than 30 consecutive days)
- (iv) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96, as described in Paragraph 2(c)(i) above
- (v) No dancing permitted
- (vi) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment
- (vii) Bar operations for customers who are seated, or waiting to be seated, in the restaurant only

k. Self-Storage Facilities

Building and business personal property for self-storage facilities are eligible under the Businessowners Program. The following additional eligibility requirements apply:

- (1) No limitation applies to floor area
- (2) No cold storage or storage of industrial materials, chemicals, pollutants, and waste
- (3) No storage of any type of motorized vehicles, including campers, boats, motorcycles, and recreational vehicles

l. Wholesale Risks

Building and business personal property for wholesale businesses listed in the Florida SURE Non-admitted BOP Class List are the only types of wholesale risks eligible for the Businessowners Program. Eligible classifications do not include the operations of manufacturers' representatives or contractors.

- (1) Repackaging or relabeling of products is ineligible.
- (2) Internet sales greater than 25% are ineligible.
- (3) Manufacturer's Representatives are ineligible
- (4) If Business Personal Property limit is greater than \$500,000, a central station burglar alarm is required.
- (5) Imported products are ineligible.

2. Ineligible Occupancies

a. General

The following operations are not eligible for the Businessowners Program:

- (1) Vehicle sales, repair, service, or parking operations including gasoline stations, car washes, and tire re-treading
- (2) Home-based businesses

- (3) Bars, pubs, taverns, dancing, or live entertainment including karaoke and axe throwing
- (4) The following types of restaurants are ineligible:
 - (a) Sushi or raw food
 - (b) Hibachi or Teppanyaki
 - (c) Buffets
 - (d) Flaming drinks or meals
 - (e) Tableside or at-table cooking
 - (f) Outdoor cooking (grills, smokers, etc.)
- (5) Beauty parlors, barbershops or hair salons that offer the following services, unless incidental (less than 10% of sales):
 - (a) Nail services (manicure, pedicure, nail extensions, etc.)
 - (b) Spa services (tanning, massage, facial, skin treatments, etc.)
 - (c) Tattoos or permanent makeup
- (6) Buildings occupied in whole or in part by any manufacturing operations not listed in the Florida SURE Non-admitted BOP Class List
- (7) Any equipment rental operations
- (8) Household/Residential personal property
- (9) Places of amusement
- (10) Banks, building and loan associations, savings and loan associations, credit unions, stockbrokers and similar financial institutions
- (11) Software and Application Developers
- (12) Seasonal operations
- (13) Houses of worship, including churches, temples, and mosques
- (14) 24-hour operations
- (15) Vacant Buildings
- (16) Any contracting risks
- (17) Any governmental agency office, office buildings or Lessor's Risk Only buildings occupied by any governmental agency
- (18) Any classification not listed as eligible in the Florida SURE Non-admitted BOP Class List

VI. APPENDIX

1. Premium Audit

Policies may be subject to premium audit.

2. Computation Of Floor Areas

Do not include basement areas not open to the public in computing floor areas.

3. Post-bind Endorsements

Post-bind endorsements will be issued in accordance with the current, in-force policy rates, terms & conditions and are calculated on a pro-rata basis based on effective date.

- a. New locations are subject to all underwriting guidelines.
- b. Additional Named Insureds are subject to OFAC screening.

4. Cancellations

Policies may be cancelled by the insured at any time. A signed, written request is required. If a policy is cancelled by us, a notice, stating reasons, will be issued in accordance with the respective state regulations. The notice will be sent to the insured and the agent.

- a. Pro-rata cancellation will apply when the policy is cancelled by us.
- b. Short-rate cancellation may apply when the policy is cancelled at the request of the insured or their designated representative.
- c. Policies cancelled for nonpayment of premium may be reinstated up to five (5) days after the cancellation effective date, by customer service representatives in the policy services area, provided full payment is received & verified and a signed statement of no losses from the insured is submitted. Underwriting will have authority to reinstate policies up to 15 days after cancellation effective date.

5. Renewals

Renewal processing is automatic unless non-renewal is requested by us or the insured.

- a. Renewal Process will start 120 days prior to expiration date.
- b. Any renewal notices will be issued in accordance with state regulations.
- c. Property limits may be increased based on the inflation guard percentage listed on the declaration page, or current market conditions.
- d. OFAC screening is required at each renewal.
- e. Underwriting guidelines must be adhered to.

6. Non-Renewals

Policies may be non-renewed at the request of the insured or by us. The insured or their designated representative must submit a written request to non-renew policy. If a policy is selected for non-renewal by us a notice, stating reasons, will be issued in accordance with the respective state regulations and sent to the insured and the agent.

7. Short-Term Policies And Backdating Coverage

Policies are issued for 12 months. Short-term policies may be issued with underwriting approval.

Requests to backdate coverage may only be granted on an exception basis. All requests to backdate coverage must be referred to underwriting and must include the reason for backdating of coverage and a signed statement of no losses.

8. Cancel/Rewrite And Cancel Reissue

Policies may be cancelled and rewritten as needed by underwriting.

9. Installment Plans

Installment Plans payable monthly, quarterly, and semi-annually are available. A per installment surcharge will apply, unless EasyPay is selected.

- a. Monthly: 25% down payment and 9 installments of 8.3%
- b. Quarterly: 40% down payment and 3 installments of 20%
- c. Semi-annual: 60% down payment and 1 installment of 40%

EasyPay (ACH) is required if the monthly plan is selected. Installment plans are not available on policies with premium less than \$1,000 and short-term policies issued for less than one year.



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