

Tow Truck and Garage Liability Underwriting Manual

Represented by:
Insurance Agents' Co-Operative, Inc.
8129 Ogden Ave.
Lyons, IL 60534
Phone: (708) 426-0123
Fax: (708) 426-0124

Towing and Garage Liability

General Underwriting Guidelines

Policy Term

All policies will be written on an annual basis.

Quoting

A personal interview with the applicant will determine eligibility. The application must be completed in its entirety and is essential in underwriting the risk. Once the application is received, a quote will be issued based strictly on the application. MVR's will not be ordered until a request to bind is received. For a firm quote, MVR's must be received with the submission.

On applications wherein it is determined the applicant has materially misrepresented facts, all coverage will be declared Null and Void.

Binding

New Business

Application(s) must be completed in its entirety. All incomplete applications will be returned with no coverage being afforded. All policies and endorsements will be forwarded to the producer for distribution.

Complete the following application(s):

- For Towing Only – the Tow Truck application is needed.
- For Towing w/Storage and Tow Truck/Garage – both applications are needed.
- For Garage Only – just the Garage application is needed.

Submit via fax/email the fully completed application(s). Upon approval, a policy number will be assigned and a fax/email confirm will be sent including the binding time and effective date. Once the confirmation is received, a certificate can be issued.

Within 7 days of binding the policy and receiving the policy number, the required documents (signed applications, loss run request form, exclusions, any certificates issued, proof of prior insurance and any other supporting docs) must be forwarded to the company.

Renewal Business

Requests for renewal must be submitted in writing via fax/email. A renewal confirmation will be sent back including the binding time and effective date. Once this is received, a certificate may be issued.

Policy Changes/ Endorsements

Please submit changes via fax/email. All changes are subject to Company approval. An endorsement confirmation will be sent back confirming the binding time and effective date of the change. Once this is received, a certificate may be issued.

Certificates of Insurance

COMPANY will be responsible for all policy servicing except for certificates of insurance.

The producer may issue certificates only after coverage has been bound and a policy number has been issued.

On new business, a copy of the certificate must be submitted along with the new business paperwork (signed application, etc) within seven (7) days.

For mid-term issued certificates, a copy must be sent to the company within three (3) days of issuance.

Inspection/MVR's

On all policies, a \$50.00 MVR fee will be charged at inception and each subsequent renewal, and is fully earned at policy inception.

The company will order inspections on all repair garages and storage operations.

Exclusions

COMPANY requires a signed Named Driver Exclusion on unacceptable drivers, when deleting surcharged drivers or any person involved in the day-to-day operations that is not listed as a driver.

Cancellations/Reinstatements

Cancellations

Requests for cancellation must be submitted in writing to COMPANY.
Insured's request for cancellation must be signed by the named insured.
All cancellations will be pro-rata.

Reinstatements

All Reinstatement requests must be submitted in writing and approved by COMPANY.
Reinstatement requests must be received within thirty (30) days of the cancellation effective date and is subject to underwriting approval.

Radius of Operations

All rates are based on a 100-mile radius of operation.
Any operations greater than a 150-mile radius must be referred to an underwriter.

ICC

If Applicant requires an ICC filing, we must insure all the commercial vehicles owned by the applicant. Questions on the tow truck application Underwriting Part B - Section 1 must be answered.

According to the ICC, Liability Limits for vehicles under 10,000 lbs require at least 300,000 CSL. A vehicle over 10,000lbs requires at least \$750,000 CSL.

Relocation Service

If Applicant is a relocation service, all underwriting questions on the tow truck application Underwriting Part B - Section 2 must be answered in full.

Claims

All incidents or claims must be immediately reported directly to COMPANY.
Producers are not authorized to negotiate claim settlements or approve repairs on behalf of COMPANY.

Broker of Record (BOR)

Broker of record letter is acceptable. Letter must be signed by Applicant and provide the policy term in question. The Company will notify the original Broker when letter is received. There will be no other obligation on Company behalf.

Direct Bill

Not available at this time.

Illinois Tow Truck And Flat Bed Car Carriers Underwriting Guidelines

Acceptable Risks

The following are required for the risk to be acceptable:

- Operators must be an Illinois resident holding a valid USA state issued driver's license for at least three (3) years.
- Operator's driver's license must be valid for the size and type of the vehicle(s) to be insured.
- The vehicle(s) must be titled in Illinois.

Ineligible Risks

Driving Record:

Drivers under the age of 21 and over 70.

Drivers with more than two (2) accidents in the past thirty-six (36) months.

Any driver currently suspended and/or revoked.

Any physical or mental impairment.

Any driver with any major violations. Major violations, include, but are not limited to:

- Driving a motor vehicle while under the influence of alcohol or drugs.
- Illegal transportation of intoxicants or drugs.
- Manslaughter (whether voluntary or involuntary), reckless homicide or assault out of the use of an automobile.
- Failure to stop report or identify oneself when involved in a motor vehicle accident.
- Lending operator, chauffeur's license or motor vehicle registration to another.
- Reckless driving.
- Eluding or attempting to elude an officer.

Towing Operations

Any vehicles over 20 years old. Acceptable with mechanical inspection and pictures of both sides, front and back.

Towing radius over 150 miles.

Vehicles with GVW over 45,000 lbs.

Any risk that use Police scanners or "Chasing."

Any risk engaging in up righting, extracting or towing vehicles containing or leaking hazardous materials or substances.

Any risk towing vehicles that weigh over 16,000 lbs.

Any risk that use guard dogs or armed guards to protect its premises.

Physical Damage

No physical damage coverage on vehicles over 10 years old. Acceptable with pictures of both sides, front and back.

No physical damage only policy will be written

Any vehicles over \$70,000 current value.

Towing and rental reimbursement coverage is not available.

A certified tow manufacturer must produce all tow bodies.

All claims will be settled on the actual cash value (ACV) of the vehicle at the time of loss.

Coverage does not apply to optional equipment such as special am/fm radios, tape recording/playback devices, special wheels or wheel covers, camper shells, pick up bed covers, telephones, or transmitters/receivers not permanently installed.

Drivers

There will be no coverage for any driver not listed on the policy. On all subsequent drivers added to the policy after inception, a MVR will determine the drivers' acceptability.

Limits/Coverages

Liability coverage of \$500,000, \$750,000 or \$1,000,000 (CSL) Combined Single Limit

Uninsured/Underinsured Motorist of \$20,000/40,000 (no underinsured motorist available), \$500,000 or \$750,000 (CSL) Combined Single Limit

On Hook coverage of \$25,000, \$50,000, \$75,000 or \$100,000

On Hook deductibles of \$500, \$750 or \$1,000

Comprehensive & Collision deductibles of \$1,000 and \$2,500

Uninsured/Underinsured Motorist Bodily Injury (UMBI/UIMBI)

On requests for UMBI/UIMBI limits lower than the BI liability limits, a UMBI/UIMBI motorist waiver signed by the titleholder/applicant is required. If the waiver is not signed, the UMBI/UIMBI limits will be equal to the BI liability limits not exceeding the maximum defined limits.

Tow Truck and Flat Bed Car Carriers Class Descriptions

Category 1 - A Tow Truck with Gross Vehicle Weight (including load) under 21,000 lbs.

Category 1 - A Flat Bed Car Carrier capable of transporting only one vehicle.

Category 2 - A Tow Truck with Gross Vehicle Weight (including load) 21,000 to 40,000 lbs, or with double rear axles.

Category 2 - A Flat Bed Car Carrier capable of transporting two vehicles, one on the flat bed and the other towed behind.

Category 3 - A Tow Truck with Gross Vehicle Weight (including load) over 40,000 lbs.

Category 3 - A Flat Bed Car Carrier capable of transporting more than two vehicles.

*SPECIAL NOTE: Category 3 vehicles are on a "submit to company only" basis.

Moving Violations

New business - Moving violations are surcharged at the time of policy issuance.

Renewal business - The policy will be surcharged on the next renewal immediately following the date of the occurrence.

The charge for a specific accident or violation is determined by assigning the following point values to the occurrence(s), then referring to the Surcharge Table for the appropriate surcharge factor.

Accidents/Claims

Definition of a chargeable accident/claim - Any accident/claim where the insured is at fault or the insured or the insured's company has made any payments under the policy will be considered chargeable. An accident surcharge will only be waived if the Applicant can supply documentation that shows the accident/claim was not at fault and, in the opinion of the underwriter, proof gives sufficient detail to support a not-at-fault status.

Credits

Prior Claim Free Loss History

If the applicant can sign an affidavit supplied by COMPANY, the above credits will apply. A signed "Loss Run Request" must accompany application. COMPANY will order Loss Runs at their discretion.

3+ years claim free loss history - 15% credit

2 years claim free loss history - 10% credit

1-year claim free loss history - 5% credit

No loss history - rates listed in manual

Renewal Credit

1st year with COMPANY loss free 2.5%

2 years with COMPANY loss free 5%

3 years with COMPANY loss free 7.5%

4 years or more with COMPANY loss free 10%

Preferred Transfer Credit

A preferred transfer credit between 2% and 20% is available for the exceptional risk. This credit is available at the underwriter's discretion.

Surcharges

Driver Age Surcharge

Drivers between the ages of 21 and 25 will be surcharged 25% if acceptable.

Drivers between the ages of 60 and 64 must obtain a satisfactory medical statement verified by a physician. If acceptable, the surcharge will be forgiven until the insured reaches 65.

Drivers between the ages of 65 and 70 must obtain a satisfactory medical statement verified by a physician. If acceptable, a 25% surcharge will apply.

If requested by the insured, age changes will be allowed mid term only to benefit the insured. All other age changes will be done at the policy renewal.

Snow Plowing Surcharge

If operations include Snow Plowing, the following surcharges will apply based on % of their total operations:

0 – 5% - No additional charge

6% - 10% - 10% Surcharge

11% or more - Not acceptable

Radius Of Operation Surcharge

Published rates are for radius of operation of up to 100 miles.

A 15% surcharge will be added to operations with a radius of 101 – 150 miles.

A 25% surcharge will be added to operations with a radius of 151 – 200 miles, if acceptable.

A 40% surcharge will be added to operations with a radius of 201 – 300 miles, if acceptable.

If the radius of operation exceeds 150 miles, the risk is subject to underwriting approval. If acceptable, the above surcharges will be applied.

Accident/Driving Record Surcharge

Each chargeable accident/claim is two (2) points.

First chargeable violation is one (1) point and two (2) points for each additional violation.

Each charge applies for a period of three (3) years.

Points	0	1	2	3	4	5	6
Surcharge	0%	0%	15%	20%	45%	145%	Unacceptable

The base premium for bodily injury liability, property damage, comprehensive and collision are subject to the preceding discounts and surcharges.

Non-Dealers Garage Liability Underwriting Guidelines

Acceptable Risks

The following are required for the risk to be acceptable:

- Operators must hold a valid USA state issued driver's license for at least three (3) years.
- Operator's driver's license must be valid for the size and type of the vehicle(s) to be insured.

Ineligible Risks

Driving Record:

Drivers under the age of 21 and over 75.

Drivers with more than two (2) accidents in the past thirty-six (36) months.

Any driver currently suspended and/or revoked.

Any physical or mental impairment.

Any driver with any major violations. Major convictions, including but not limited to:

- Driving a motor vehicle while under the influence of liquor or drugs.
- Illegal transportation of intoxicants or drugs.
- Manslaughter (whether voluntary or involuntary), reckless homicide or assault out of the use of an automobile.
- Failure to stop report or identify oneself when involved in a motor vehicle accident.
- Lending operator, chauffeur's license or motor vehicle registration to another.
- Reckless driving.
- Eluding or attempting to elude an officer.

Business Operations:

Franchised, non-franchised or antique dealers.

Dealers in kit cars or truck kits.

Any risk dealing in or repairing ATV's/ snowmobiles.

Truck stops.

Quick oil change operations.

Drive-away contractors.

Garage risk that owns, sells, sponsors or repairs race cars.

Garages that Customize vehicles or convert vehicles. Cosmetic customizing is acceptable. (e.g. Stereo's, seats, etc.) Nothing that alters the handling or performance of the vehicle. (e.g. changing the suspension, adding hydraulics, etc).

Garages repairing emergency vehicles.

Any risk that stores vehicles for others, other than those being repaired in the normal course of the business operation.

Any risk recapping tires or specializing in the sale of recaps.

Any risk involving frame straightening unless (1) it is a floor model (bench type equipment is acceptable)

Any risk that sells, rents, or loans vehicles to anyone.

Any risk that has servicing pits.

Any risk that installs trailer hitches or engage in trailer rentals.

Any risk that performs work on airbags-refer to underwriter.

Any risk that has a spray booth that is NOT UL approved.

Any risk that does not have procedure in place to keep vehicles keys secured.

Any risk that stores any non-owned vehicles other than inside or within a well-lighted, fenced lot is unacceptable for garage keeper's legal.

Any risks that repair vehicles with damages totaling more than 60% the Actual Cash Value of the vehicle.

Any risk that buys salvaged titles for reconstruction or sells salvaged titles.

Any risk that engages in dismantling or junking of vehicles.

Operations with valet services.

Any risk in bankruptcy or legal reorganization.

Any risk that use guard dogs or armed guards to protect its premises.

Any risk which keeps firearms on the premise.

Other Conditions

All owners/employees must be listed on the policy either as a driver or excluded driver. There will be no coverage for anyone not listed on the policy that is involved in the day-to-day operations of the business.

Owned Automobile Guidelines

Owned auto, other than Tow Trucks, refer to Commercial Auto guidelines and rates.

Limits

Liability Coverage:

- Split Limits: Bodily Injury \$100,000/300,000 and Property Damage \$50,000
- Combined Single Limits (CSL) of \$350,000, \$500,000, \$750,000 or \$1,000,000.

Uninsured/Underinsured Motorist:

- Split Limits: Bodily Injury \$20,000/40,000 (underinsured motorist not available), \$25,000/50,000, \$50,000/100,000, \$100,000/300,000,
- Combined Single Limits (CSL) of \$350,000 and \$500,000

Medial Payments of \$1,000, \$2,000, \$5,000 and \$10,000

Garagekeeper's Legal of \$25,000 or \$50,000 or \$75,000* or \$100,000*

Garagekeeper's Legal Liability Deductibles of \$500, \$750 or \$1,000

*If applicant is a relocater the maximum limit that can be bound without inspection is \$50,000. After Inspection, if qualified, limit can be increased up to \$100,000.

Uninsured/Underinsured Motorist Bodily Injury (UMBI/UIMBI)

On requests for UMBI/UIMBI limits lower than the BI liability limits, a UMBI/UIMBI motorist waiver signed by the titleholder/applicant is required. If the waiver is not signed, the UMBI/UIMBI limits will be equal to the BI liability limits not exceeding the maximum defined limits.

Moving Violations

New business - Moving violations are surcharged at the time of policy issuance.

Renewal business - The policy will be surcharged on the next renewal immediately following the date of the occurrence.

The charge for a specific accident or violation is determined by assigning the following point values to the occurrence(s), then referring to the Surcharge Table for the appropriate surcharge factor.

Accidents / Premise Claims

Definition of a chargeable accident/claim - Any accident/claim where the insured is at fault or the insured or the insured's company has made any payments under the policy will be considered chargeable. An accident surcharge will only be waived if the Applicant can supply documentation that shows the accident/claim was not at fault and, in the opinion of the underwriter, proof gives sufficient detail to support a not-at-fault status.

Credits

Prior Claim Free Loss History

If the applicant can sign an affidavit supplied by COMPANY, the above credits will apply. A signed "Loss Run Request" must accompany application. COMPANY will order Loss Runs at their discretion.

3+ years claim free loss history - 15% credit

2 years claim free loss history - 10% credit

1-year claim free loss history - 5% credit

No loss history - rates listed in manual

Renewal Credit

- 1st year with COMPANY loss free 2.5%
- 2 years with COMPANY loss free 5%
- 3 years with COMPANY loss free 7.5%
- 4 years or more with COMPANY loss free 10%

Preferred Transfer Credit

A preferred transfer credit between 2% and 20% is available for the exceptional risk. This credit is available at the underwriter’s discretion.

Surcharges

Driver Age Surcharge

Drivers between the ages of 21 and 25 will be surcharged 25% if acceptable.
 Drivers between the ages of 60 and 64 must obtain a satisfactory medical statement verified by a physician within 30 days of binding and every year, thereafter. If acceptable, the surcharge will be forgiven until the insured reaches 65.
 Drivers between the ages of 65 and 70 must obtain a satisfactory medical statement verified by a physician within 30 days of binding and every year, thereafter. If acceptable, a 25% surcharge will apply.

If requested by the insured, age changes will be allowed mid term only to benefit the insured. All other age changes will be done at the policy renewal. The surcharges are applicable to owned and non-owned autos and tow trucks* .

*For all Tow Truck(s) see Tow Truck guidelines.

Accident/Driving Record Surcharge

Each chargeable accident is two (2) points.
 First premises claim is two (2) points; Second premises claim within 3 years makes risk unacceptable.
 First chargeable violation is one (1) point and two (2) points for each additional violation.
 Each charge applies for a period of three (3) years.

Points	0	1	2	3	4	5	6
Surcharge	0%	0%	15%	20%	45%	145%	Unacceptable

The base premium for liability coverage’s is subject to the preceding discounts and surcharges.