



## ***Apartment Program Underwriting Guidelines***

The program is open to commercial apartment buildings, garden apartments, condominiums and cooperative apartments subject to the following constraints:

### ***Size of Risk***

- Accounts must have a minimum of 4 habitational units (5 in CA) or 2 habitational units plus ground floor mercantile.

### ***Age***

- No age restriction
- Building roofs must have been updated within the last 20 years

### ***Construction***

- All classes are acceptable
- High rises must be masonry non-combustible or better
- Wood shake shingle roofing is not acceptable

### ***Protection Class***

- Classes 1-8

### ***Fire Protection***

- Smoke detectors necessary
- Fire extinguishers necessary
- Credit may be given for fire alarms and sprinkler systems.

### ***High Rise Fire Protection***

- High rise buildings greater than 6 stories but less than 16 stories
  1. Construction: Non combustible or fire-resistive
  2. Must have at least standpipes and fire hoses.
  3. Alarm Systems: Local system (gong) is acceptable
  4. Life Safety: Evacuation plans should be posted. There should be secure egress from the building – fire escapes, protected stairwells, etc. Fire alarm annunciator panels must be present
- High rise buildings greater than 15 stories but less than 26 stories
  1. Construction: Fire-resistive
  2. Sprinkler Systems: Must be completely sprinklered – 100%; stand-pipes and fire hoses are not acceptable substitutes
  3. Alarm Systems: Central Station alarm system
  4. Life Safety: Evacuation plans should be posted. There should be secure egress from the building – fire escapes, protected stairwells, etc. Fire alarm annunciator panels must be present

## **Apartment Program Underwriting Guidelines**

### ***Electrical Systems***

- Aluminum wiring is not acceptable

### ***Stories***

- 25 stories or less are acceptable
- More than 6 stories must comply with high rise fire protection standards

### ***Occupancy Rate***

- Must be at least 85%.
- Occupancy rate does not include temporary change in tenancy
- Occupancy rate for brand new construction - should be 75% within 90 days

### ***Tenancy***

- Nursing home and assisted living communities are not acceptable
- In excess of 25% student housing is not acceptable
- In excess of 25% HUD housing is not acceptable

### ***Losses***

- A minimum of 3 years currently valued, hard copy loss runs will be reviewed.
- No account will be accepted that has a loss frequency problem.
- Shock losses will be reviewed on a case-by-case basis and handled according to the nature of the loss.

### ***Mercantile Exposure***

- Accounts with less than 50% mercantile exposure as measured by the total area of the account are acceptable
- Mercantile tenants that operate with commercial cooking operations (restaurants, catering facilities, pizza shops, etc.) must have appropriate fire protection including but not limited to ansmul systems that are serviced quarterly.

### ***Financial Status***

- Insured entities must not be in bankruptcy
- Debtor-in-Possession is not acceptable

### ***Parking Lots***

- Subterranean parking lots require a separate charge

### ***Swimming Pools***

- Pools must be fenced with a self-latching gate.
- Pools must not have a diving board
- Pools must have depths clearly marked

### ***Escrow Business***

- All escrow submissions must provide a copy of the escrow closing papers or contract of sale prior to binding.

### ***Railings***

- The spacing between railings cannot exceed 6"

## Apartment Program Underwriting Guidelines

### ***Bars on Windows***

- Bars on any means of egress must have functional breakaway release mechanisms.

### ***Security Guards***

- Properties with armed security guards are not acceptable risks
- Unarmed security guards are acceptable provided we can document that the insured is named as an additional insured on the security firm's insurance policy

### ***Inspections***

- All locations for all accounts are subject to inspection
- Compliance with any issued recommendation is handled on a case-by-case basis by the underwriter.

### **Property**

#### ***Standard Coverage***

- Scheduled limits as per statement of values
- \$20,000,000 property limit TIV
- Special Form excluding flood and earthquake
- \$2,500 minimum deductible to \$100,000 maximum deductible

#### **Extensions/Sub-limits:**

- \$10,000 - Valuable Papers
- \$10,000 - Accounts Receivable
- \$10,000 - Personal Property of Others
- \$500,000 - Newly Acquired Location
- \$10,000 - Outdoor Signs
- \$10,000 - Debris Removal
- \$5,000 - Fire Department Service Charge
- \$50,000 - Trees, Shrubs and Plants
- \$25,000 - Off Premises Power

### **General Liability**

#### ***Standard Coverage***

##### **Limits:**

- \$1,000,000 Per occurrence
- \$2,000,000 General aggregate
- \$1,000,000 Products and completed operations
- \$1,000,000 Personal and advertising injury
- \$50,000 Fire Damage
- \$5,000 Medical Payments

##### **Exclusions:**

- Abuse or molestation
- Employment related practices

## Apartment Program Underwriting Guidelines

- Pollution - absolute
- Punitive damages
- Asbestos – absolute
- Lead – absolute
- Earth movement
- Assault and battery
- Known or unknown loss or defect
- Mold

### **Endorsements:**

- Designated premises
- Non stacking of limits
- Per location endorsement

### ***Coverage Options***

- \$1,000,000 in employee benefits liability can be added for an additional charge
- \$1,000,000 Stop Gap coverage in monopolistic states
- \$1,000,000 Hired and Non Owned Automobile
- Other ISO exclusions/limitations utilized as needed

### **Commercial Crime**

#### ***Employee Dishonesty Forgery and Alteration***

- Limit not to exceed \$100,000
- Deductibles available: \$1,000, \$2,500 and \$5,000

#### ***Theft, Disappearance and Destruction Robbery and Safe Burglary Premises Burglary***

- Limit not to exceed \$100,000
- Deductibles available: \$1,000, \$2,500 and \$5,000

**Submit applications, along with 3 years currently valued loss runs, to:**

### **ION General Insurance Services, Inc.**

Attention: Chad Bitterlich  
2107 N. Broadway, Suite 107  
Santa Ana, CA 92706  
(877) 300-4466  
FAX (714) 783-3291  
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