

Commercial Lines Agency Manual

COMMERCIAL  
BINDING AUTHORITY



Iowa

Notice: 11-1

**Changes are applicable to policies written on or after::**

October 1, 2011

Updates are described below. See reverse for Page Checklist of ALL current page numbers and their effective or edition dates.

**Rule      Update**

Binding Authority for Commercial Inland Marine and Commercial Auto Physical Damage Cost  
New – increased to \$100,000

Commercial Lines Agency Manual  
Commercial Binding Authority Manual Page Checklist

Iowa

This Page Checklist displays the latest page numbers and effective or edition dates as of:

October 2011

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<u>Page Number</u>	<u>Eff./Ed. Date</u>	<u>Reprint</u>
B-1 – B-2	10-11	
B-3	1-09	

**IMPORTANT NOTICE:**

***APPLICABLE TO AGENCIES WHO RECEIVE EMC PAGES FOR MULTIPLE STATES:  
DUE TO THE STRUCTURE OF EMC'S OPERATING TERRITORIES, AGENCIES WHO  
RECEIVE PAGES FOR MULTIPLE STATES MUST USE THE APPROPRIATE BINDING  
AUTHORITY FOR THE STATE WHERE YOUR SERVICING BRANCH IS LOCATED.  
(REGARDLESS OF WHERE YOUR AGENCY IS DOMICILED OR WRITES BUSINESS).***

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**A. COMMERCIAL PROPERTY**

EMC agents have authority to bind up to \$200,000 Total Insurable Value, on risks except those included in the prior approval list below:

1. Amusement Parks, Exhibition and Race Track properties
2. Bowling Alleys (non-sprinklered)
3. Country Clubs (non-sprinklered or unprotected)
4. Dance Halls, Rink and Sporting Arenas
5. Greenhouses
6. Mill and Elevator risks
7. Night Clubs
8. Plastic Manufacturers
9. Restaurants (non-sprinklered)
10. Sales Barns
11. Supermarkets (non-sprinklered)
12. Taverns
13. Vacant Property
14. Woodworkers (non-sprinklered)

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**B. BUSINESSOWNERS**

EMC agents have authority to bind up to \$200,000 Total Insurable Value on risks that qualify for the Businessowners Program.

Prior approval is needed for the risks listed below:

1. Buildings over 35 years old that do not have utilities updated
2. Buildings over 75 years old that have not been completely renovated
3. Converted dwellings
4. Risks that have an uninsured Professional Liability exposure

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**C. CRIME**

EMC agents have authority to bind limits up to:

1. \$2,500 In / \$2,500 Out – Coverage C – Theft, Disappearance, and Destruction Coverage Form.
2. All other coverages and limits may not be bound without prior company approval.

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**D. INLAND MARINE**

EMC agents have authority to bind up to \$100,000 on risks for which ISO maintains controlled forms and rules and contractors equipment coverages.

**E. EARTHQUAKE**

EMC agents have authority to bind Earthquake coverage in ISO Zones 4 and 5 up to \$200,000. Earthquake coverage in Zones 1, 2 and 3 are not eligible to be bound. Binding authority is withdrawn for seven days following an earthquake measuring 4.0 or higher on the Richter Scale.

**F. FLOOD**

EMC Agents have no authority to bind flood coverage. All requests for flood coverage should be referred to the company.

**G. HURRICANE**

Section G. does not apply.

**H. PARAMETERS FOR CASUALTY BINDING**

**1. Maximum Casualty Limits EMC Agents May Bind**

<b>a. Commercial Auto</b> Physical Damage Liability	\$ 100,000 Cost New 1,000,000 Each Accident
<b>b. Garage</b> Garagekeepers Dealers Physical Damage Auto Liability Garage Operations Liability	\$ 300,000 300,000 1,000,000 Each Accident 1,000,000 Each Accident 2,000,000 Aggregate
<b>c. General Liability</b>	\$1,000,000 Each Occurrence 2,000,000 Aggregate
<b>d. Employers Liability</b>	\$ 100,000 Bodily Injury by Accident (Each Accident) 100,000 Bodily Injury by Disease (Each Employee) 500,000 Bodily Injury by Disease (Policy Limit)
<b>e. Employee Benefits Liability</b>	\$1,000,000 Each Claim 2,000,000 Aggregate

**2. Casualty Exposures EMC Agents May Not Bind**

- a. Manufacture of explosive substances
- b. Natural or manufactured gas utility
- c. Manufacture of flammable gases
- d. Operation or navigation of ships other than small pleasure crafts
- e. Gas and oil drilling operations
- f. Underground mining
- g. Asbestos mining, manufacturing and distribution including asbestos installation and removal contractors
- h. Taxi cabs, public liveries, and public inter-city buses
- i. Aircraft operations or manufacture (including manufactured aircraft parts)
- j. Amusement parks or circuses
- k. Railroad operations

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**H. PARAMETERS FOR CASUALTY BINDING (Cont'd.)**

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- l. Construction or maintenance of tunnels
- m. Manufacture of drugs
- n. Operations employing the process of nuclear fission or fusion or handling radioactive material
- o. Operations with employments subject to USL and HW Act, FELA, or Admiralty Law

**3. Casualty Coverages EMC Agents May Not Bind**

Due to the company's need to arrange reinsurance or carefully underwrite unique exposures, agents may not bind the following without prior authorization:

- a. Commercial Umbrella Policies
- b. Linebacker Policies
- c. Railroad Protective Liability Policies
- d. Owners and Contractors Protective Liability Policies
- e. Policies with Deductibles over \$25,000
- f. Retention Plan Policies
- g. Retrospective Policies

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**I. TIME FRAME**

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The Company must receive written notice within three business days after the date the property and/or casualty coverage was first bound.

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**J. EMCASCO INSURANCE COMPANY**

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Risks cannot be bound in EMCASCO Insurance Company without the company's approval.

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**K. CERTIFICATES OF INSURANCE**

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Certificates of Insurance are non-binding documents that contain language stating the certificate confers no rights to the certificate holder. Based on this fact, EMC will not accept or review certificates prepared by our agencies.

Agencies have authority to issue, at the request of any policyholder, certificates of insurance; provided, such certificates of insurance are unaltered ACORD 25 S forms. The information on the certificate should accurately reflect the coverage provided by the referenced policy at the time the certificate is issued. Certificates of insurance are not contracts. Changes to the policy cannot be made by use of a certificate of insurance. All coverage changes must be made by standard policy change request.