



ELIGIBILITY

A. 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 Section of this Manual. Unless otherwise noted, eligible risks may not exceed:

- 25,000 square feet in total floor area
- \$3,000,000 in annual gross sales at each location.
- Storage buildings (including business personal property) occupied by the insured, incidental to an eligible risk and not exceeding 25,000 square feet, may also be included.

1. Condominium Commercial Unit-Owners

Business personal property of owners of condominium units that are used for eligible mercantile, wholesale, processing, service, office or contractor occupancies. Residential condominiums are not eligible.

2. Contractors

- a. Contractors listed in the Businessowners Classification Table Section of the manual are the only types eligible for the Businessowners Program. Any of the contractors engaged in the trades described in the Businessowners Classification Table Section of the manual are ineligible if they engage in any combination of activities or types of operations described as ineligible operations.
- b. Contractors are subject to the following additional eligibility requirements:
 - (1) No more than \$500,000 of annual payroll;
 - (2) No work at a height of over three stories;
 - (3) The total cost of subcontracted work cannot exceed more than 10% of the contractor's total annual gross sales;
 - (4) No renting or leasing equipment to others; and
 - (5) Sales unrelated to installation, service or repair cannot exceed 25% of annual gross sales.
- c. Contractors are subject to a minimum liability property damage deductible of \$500:

3. Mercantile Risks

Building and business personal property for mercantile risks are eligible for coverage under the Businessowners Program as listed in the Businessowners Classification Table.



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4. Offices (including Office Condominium Associations)

a. Buildings occupied principally for office purposes each of which does not exceed 6 stories in height or 100,000 square feet in total floor area are eligible for coverage. The following incidental occupancies are permitted

(1) Eligible wholesale, mercantile, processing and service occupancies and contractors, which in total do not exceed 25,000 square feet, and

(2) Contractors which do not occupy more than 7,500 square feet or more than 15% of the total area, otherwise, classify as a contractor office.

b. Business personal property in offices that do not occupy more than 25,000 square feet in one building is eligible for coverage.

5. Processing And Service Risks

Building and business personal property for processing and service risks listed in the Businessowners Classification Table 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.

6. Restaurants

Building and business personal property for the following types of restaurants and those listed in the Business-owners Classification Table Section of the manual are the only restaurants eligible for coverage under the Businessowners Program.

All restaurants, except Limited Cooking Restaurants, must have an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96.

NFPA Standard #96 includes the following:

- (a) An automatic extinguishing system covering hoods, ducts and all surfaces of grills, ranges, deep fat fryers and broilers.
- (b) A contract for semi-annual inspection and maintenance for the extinguishing system, hood and ducts.
- (c) A manual release in the path of exit from the cooking area.
- (d) Temperature settings of systems with detectors above the filters or temperature settings of systems with detectors below the filters set at specified levels.
- (e) 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.
- (f) 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.



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- (g) A minimum clearance between the hood and duct and combustible construction as described in NFPA Standard #96.

a. Limited Cooking Restaurants

(1) 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.

(2) Additional Eligibility Requirements

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

- (a) No more than 7,500 square feet in total floor area;
- (b) Seating capacity no greater than 75;
- (c) With or without table service;
- (d) Sales of beer or wine only. Sales of beer and wine no greater than 25% of total sales. No other liquor sales;
- (e) No bar or cocktail lounge;
- (f) Catering service (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales; and
- (g) No seasonal operations (risks that are closed for more than 30 consecutive days).

b. Fast Food Restaurants

(1) 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.

(2) Additional Eligibility Requirements

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

- (a) No more than 7,500 square feet in total floor area;
- (b) Seating capacity no greater than 150;
- (c) No table service;
- (d) Sales of beer or wine only. Sales of beer and wine no greater than 25% of total sales. No other liquor sales;



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- (e) No bar or cocktail lounge;
- (f) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales;
- (g) No seasonal operations (risks that are closed for more than 30 consecutive days);

c. Casual Dining Restaurants

(1) Definition

Casual 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.

(2) Additional Eligibility Requirements

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

- (a) No more than 7,500 square feet in total floor area;
- (b) Seating capacity no greater than 150;
- (c) Sales of beer, wine or liquor no greater than 50% of total sales;
- (d) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales;
- (e) No seasonal operations (risks that are closed for more than 30 consecutive days);
- (f) 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 b.(3);
- (g) No dancing permitted;
- (h) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment;
- (i) No "happy hours" or similar promotions; and
- (j) 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.

d. Fine Dining Restaurants

(1) 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 wait staff. These restaurants typically have valuable business personal property consisting of furniture, tableware, lighting, art and other items of décor.

(2) Additional Eligibility Requirements

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

- (a) No more than 7,500 square feet in total floor area;



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- (b) Seating capacity no greater than 150;
- (c) Sales of beer, wine or liquor no greater than 30% of total sales;
- (d) Catering (that is, service involving serving of food and alcoholic beverages away from the insured's premises) must not exceed 15% of total sales;
- (e) No seasonal operations (risks that are closed for more than 30 consecutive days);
- (f) No dancing permitted;
- (g) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment;
- (h) No "happy hours" or similar promotions;
- (i) Bar operations for customers who are seated, or waiting to be seated, in the restaurant only;
- (j) Maitre'd supervision of wait staff and to control customer turnover; and
- (k) Chef supervision of food preparation and other kitchen operations.

7. Wholesale Risks

Building and business personal property for wholesale businesses listed in the Businessowners Classification Table are the only types of wholesale risks eligible for the Businessowners Program. No more than 25% of annual gross sales may be derived from retail operations and no more than 25% of the total floor area may be open to the public. Eligible classifications do not include the operations of manufacturers' representatives or contractors.

Deluxe BOP Property Enhancement

Form BP-AR-01 contains, in one self-contained form, the following increased limits, optional coverages and additional coverages:

\$25,000	Accounts Receivable
\$25,000	Debris Removal
\$25,000	Fire Department Service Charge
\$10,000	Forgery & Alteration
\$50,000	Increased Cost of Construction
\$500,000	Newly Acquired or Constructed Property – Building
\$250,000	Newly Acquired or Constructed Property – Personal Property
\$25,000	Personal Property Off Premises
\$25,000	Valuable Papers And Records
\$25,000	Employee Dishonesty
\$10,000	Money and Securities (Inside the Premises and Outside the Premises)
\$10,000	Outdoor Signs
\$25,000	Brands and Labels
\$25,000	Debris Removal
\$25,000	Food Contamination



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\$25,000	Spoilage (Spoilage Deductible - \$1000)
\$50,000	Utility Services - Direct Damage
\$50,000	Utility Services – Time Element
\$10,000	Water Back up of Sewers and Drains

Premium for this endorsement is a flat charge of \$250 for the first location and \$50 for each additional location.

Additional limits may be purchased using the loss costs contained in the ISO state manual and the applicable company loss cost multiplier.

BOP GL Enhancement

Form BP-AR-02 contains, in one self-contained form, the following increased limits, optional coverages and additional coverages:

- Additional Insured – Owners, Lessees Or Contractors – Automatic Status When Required In Construction Agreement With You
- Additional Insured – Owners, Lessees Or Contractors – Completed Operations
- Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You
- Waiver Of Transfer Of Rights Of Recovery Against Others To Us
- Primary And Non-Contributory Status For Additional Insureds
- "Fellow Employee" Coverage - Managers And Supervisors
- Aggregate Limits Of Insurance (Per Project) When Required In Construction Agreement With You
- Damage To Premises Rented To You
- Expected Or Intended Property Damage
- Medical Payments Increased Limit
- Newly Acquired Organizations

Charge 1.5% of the modified premium for premises/operations and products/completed operations, subject to a minimum premium of \$125.



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B. Ineligible Occupancies

1. General

The following classes are not eligible for the Businessowners Program:

- a. Service stations, automobile, motor home, mobile home and motorcycle dealers, parking lots or garages, unless incidental to another otherwise eligible class,
- b. Bars, pubs,
- c. Buildings occupied in whole or in part for manufacturing,
- d. Insureds whose business operation involves one or more locations which are used for manufacturing,
- e. Household personal property,
- f. Dwellings
- g. Places of amusement,
- h. Banks, building and loan associations, savings and loan associations, credit unions, stockbrokers and similar financial institutions

2. Contractors

The following types of contractors and/or activities are not eligible for the Businessowners Program, regardless of whether or not they engage in eligible activities:

- a. General Contractors. (A General Contractor is a contractor who is responsible for managing an entire project on behalf of the client, rather than just a portion of the project. In addition, a General Contractor hires and coordinates the efforts of subcontractors.)
- b. Contractors who use cranes in their operations.
- c. Contractors who repair, install or service or previously repaired installed or serviced boilers, burglar alarm systems, automatic fire extinguishing systems, elevators, escalators or computers.
- d. Contractors with products manufactured or sold under the insured's name.
- e. Contractors who engage in or previously engaged in:
 1. Demolition, blasting, wrecking, high pressure boiler work or liquid petroleum gas (LPG) work;
 2. Lawn chemical spraying operations, except with respect to the operations of a landscape gardener, provided that such landscape gardener operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to such operations; and
 3. Hazardous material or pollution abatement operations, including but not limited to:
 - (a) Asbestos;
 - (b) Lead; and
 - (c) Radon mitigation and testing.
- f. Contractors who engage in:
 1. Heavy construction, including but not limited to:



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- (a) Bridge, caisson, cofferdam, dam, dike, dry dock, jetty, levee or pier construction;
 - (b) Cable laying and cable installation;
 - (c) Crane or derrick installation or rigging;
 - (d) Dredging;
 - (e) Drilling;
 - (f) Excavation;
 - (g) Grading of land;
 - (h) Iron or steel erection;
 - (i) Pipeline construction;
 - (j) Sandblasting;
 - (k) Scaffolding, hoists, tower erection; or
 - (l) Tunneling;
- 2. Installing, repairing, or servicing hot tubs;
 - 3. Ship repair or painting work;
 - 4. "Shop-only" carpentry or sheet metal work;
 - 5. Installing and repairing swimming pools;
 - 6. Tree service or removal contracting work;
 - 7. Waterproofing contracting operations; and
 - 8. Installing wood and coal stoves.
- g. Other contractors not specifically provided for in the Businessowners Classification Table Section of the manual.

C. ARIC Ineligible Business Classifications:

Businesses in the following classifications, although listed as eligible under ISO rules, are ineligible for coverage in the American Resources BOP program. Lessor's Risk buildings containing any of the following are also ineligible unless designated "Lessor's Risk Eligible".

Ineligible Mercantile Occupancies

- Antique Stores
- Art Galleries (Lessor's Risk Eligible)
- Boat Dealers
- Bone, Horn and Ivory Products - Retail Only (Lessor's Risk Eligible)
- Building Materials - Contractors Equipment Dealers
- Clothing or Wearing Apparel - Children's and Infants Wear (Lessor's Risk Eligible)
- Office Condominium (Association risk only)
- Feed, Grain or Hay Dealers
- Fertilizer Dealers
- Fur - Garments and Pelts



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Hardware and Tools Distributors
Home Improvement Stores
Meat, Fish, Poultry or Seafood Distributors
Metal Dealers
Pet Stores (Lessor's Risk Eligible)
Secondhand or Salvage Dealers
Supermarkets
Townhouses or Similar Associations

Ineligible Habitational Occupancies

American Resources is generally not a market for habitational classes of business. Accounts with incidental habitational exposures will be considered on a case by case basis.

Ineligible Office Occupancies

Collection Agencies (Lessor's Risk Eligible)
Credit Reporting Agencies (Lessor's Risk Eligible)
Detective or Investigative Agencies
Employment Agencies (Lessor's Risk Eligible)
Engineers or Architects - Consulting (Lessor's Risk Eligible)
Health Maintenance Organizations (Lessor's Risk Eligible)
Labor Union
Manufacturers' Representatives (Lessor's Risk Eligible)
Marine Appraisers or Surveyors (Lessor's Risk Eligible)
Political Campaign Headquarters or Offices
Security and Patrol Agencies
Veterinarians Office Including Professional (Lessor's Risk Eligible)
Water Companies (Lessor's Risk Eligible)