



AMERICAN RESOURCES INSURANCE COMPANY, INC.

American Resources is a market for good commercial property risks, both monoline and as part of a package. While account underwriting is our general focus, property coverage must always be analyzed and evaluated in terms of stand-alone profit potential. Each property risk must stand on its merits.

We are generally looking for risks that meet the following guidelines:

- Buildings constructed within the past 25 years.
- Buildings over 25 years in age which have been substantially renovated, including electrical and plumbing systems and roofing. Such renovated building should meet current building code regulations.
- Proper insurance to value. All risks will be evaluated for proper ITV. We will consider other sources of information from the agent or insured (such as recent construction cost or appraisal) when there is a disagreement over proper replacement cost or actual cash value. However, insureds which refuse to insure their property adequately are ineligible for coverage with ARIC.
- Private protection systems commensurate with the exposure. These may include fire extinguishers, sprinkler systems, Ansul systems, standpipe systems, alarm systems, etc.
- Protected property. Property should be located within the boundaries of a recognized fire district and have an adequate water source available. Class 8B, 9 and 10 properties are underwritten very conservatively. Full details on responding fire department and location of hydrants should be submitted on these risks.
- Insureds which demonstrate a pride in ownership as evidenced by proper maintenance and appearance of the property.
- Risks classified as hazard index 1-6 in the Underwriting Guide. Risks classified higher than a 6 may be acceptable on an individual risk basis, but require more intense underwriting

Because of reinsurance restrictions, we are generally not a market for risks with a TIV in excess of \$4 million. TIV is generally the sum of building, contents, business interruption and marine coverages at any one location (a location may include more than one building). Risks with TIV's in excess of \$4 million may be submitted, but are subject to reinsurance premium surcharges.



AMERICAN RESOURCES INSURANCE COMPANY, INC.

We are generally not a market for:

- Windstorm coverage in areas designated coastal, seacoast or beach for Group II. Please refer to the Underwriting Guide for a full list of these areas. In states where it is permitted, we will consider coverage with windstorm excluded if the insured has separate coverage.
- Insureds with below average financial ratings or financial difficulties which may impact the ability to properly maintain the property or that pose a potential moral hazard.
- Buildings which contain risks involved in hazardous activities or occupancies better served through the non-standard market.
- Risks in business for less than three years. New locations for an existing business may be considered, subject to normal underwriting.
- Please consult the Underwriting Guide for specific classes of business for which we are not a market.

In states in which we have filed for a preferred pricing tier, the following additional requirements apply to qualify:

Hazard group 7 or less in the ARIC appetite guide.

Minimum of three years in business under current name and ownership

Three or more years of hard copy loss runs provided

No loss frequency or uncorrected loss severity problems.

Stable financial status, with no prior history of bankruptcy or liens

Protection class 7 or better

The preferred tier is generally 15% to 20% less than that of our standard. It should be reserved for those insureds which, in the underwriter's judgment, there is a likelihood of profit at the lower rate level.



AMERICAN RESOURCES INSURANCE COMPANY, INC.

Property Enhancement Endorsement

This option is available to policies containing the Special Cause of Loss form. Form CP-AR-01 provides the following listed coverage extensions:

- \$25,000 Accounts Receivable
- \$25,000 Computer Systems Coverage
- \$10,000 Employee Theft
- \$25,000 Fine Arts
- \$25,000 Fire Department Service Charge
- \$25,000 Fire Protection Device Recharge
- \$10,000 Forgery & Alteration
- \$10,000 Money and Securities
- \$500,000 Newly Acquired or Constructed Property – Building
- \$250,000 Newly Acquired or Constructed Property – Personal Property
- \$25,000 Ordinance or Law - Increased Cost of Construction Coverage
- \$25,000 Outdoor Property
- \$10,000 Personal Effects
- \$10,000 Property in Transit
- \$25,000 Property Off Premises
- \$10,000 Signs
- \$25,000 Spoilage, Contamination, Change in Temperature or Humidity
- \$25,000 Valuable Papers And Records
- \$25,000 Utility Services - Direct Damage
- \$25,000 Utility Services - Loss of Business Income
- \$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 as follows:

For the following coverages, charge an additional premium of \$2 per \$1,000 of additional coverage:

Accounts Receivable, Computer Systems Coverage, Fine Arts, Fire Department Service Charge, Fire Protection Device Recharge, Newly Acquired or Constructed Property – Building, Newly Acquired or Constructed Property – Personal Property, Ordinance or Law - Increased Cost of Construction Coverage, Outdoor Property, Personal Effects, Property Off Premises, Valuable Papers And Records, Utility Services - Direct Damage, Utility Services - Loss of Business Income, Water Back up of Sewers and Drains.



AMERICAN RESOURCES INSURANCE COMPANY, INC.

For the following coverages, charge an additional premium of \$3 per \$1,000 of additional coverage:

Employee Theft, Forgery & Alteration, Money and Securities, Signs, Property in Transit, Spoilage, Contamination, Change in Temperature or Humidity.