

# Businessowners Rating Factors

## DEDUCTIBLES

Businessowners property coverages contemplate a \$250 deductible. The deductible applies to all property coverages, whether mandatory or optional, except;

- Business Income
- Civil Authority
- Extra Expense
- Fire Department Service
- Fire Extinguisher Systems Recharge Expense

## Optional Deductibles

Deductible	Factor
• \$500	.85
• \$1000	.80
• \$2500	.70
• \$5000	.65

Money and Securities, employee dishonesty, glass and outdoor signs have a deductible of \$500 for all of them combined in one occurrence.

## PROTECTION CLASS

We use the ISO Public Protection Classification Manual to determine protection classes for Businessowners. Consult it for the applicable class.

## SPRINKLERS

Apply the "Sprinklered Risks" factor on the rate pages to the building and personal property premiums when the building is protected by an automatic sprinkler system. The system must be recognized in the Basic Group I Fire Rate published by ISO for the building.

- 30% discount applies

## AGE OF BUILDING CREDIT

A credit applies to buildings and to business personal property in those buildings up to 20 years old. The credit is as follows:

Age	New	1	2	3	4	5	6	7	8	9	10
Credit	30%	28%	26%	24%	22%	20%	18%	16%	14%	12%	10%

Age	11	12	13	14	15	16	17	18	19	20 or older
Credit	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

## NON-SMOKER CREDIT

A credit of 5% applies to buildings and to business personal property in those buildings if smoking is not allowed anywhere in the building. If the insured is a tenant and the insured does not allow smoking in the portion of the building that they rent, a credit of 5% will apply to the insured's business personal property premium.

## MULTI-POLICY DISCOUNT

When any other commercial, principal's personal auto, homeowner, farmowner, or country estate policy are written with Fremont Insurance Company for the same business, the businessowner policy is eligible for a 10% multi-policy credit.

### LENGTH IN BUSINESS DISCOUNT

For businesses that have been established in the current business name for 3 or more years, the following discounts will apply to both building and personal property premiums:

- 3 – 4 years 5%
- 5 – 9 years 8%
- 10 or more 10%

### GROUP DISCOUNT PROGRAM

- Michigan Retailers Association 10% **Endorsed Carrier**
  - Agents can register business to become members of the Michigan Retailers Association. Agents will receive the first year's dues.
  - The group discount also applies to personal lines. Employees also can qualify for this same discount
- Michigan Taxidermist Association 10% **Endorsed Carrier**
  - This group is also identified in personal lines
- B&B's- Michigan Lake to Lake Association 15% **Endorsed Carrier**
- Michigan Grape and Wine Growers Council 10%
- Michigan Equine Association/Partnership 5%
- Better Business Bureau 5%
- Chamber Member 5%

### PREMIUM PAYMENT PLANS

For direct bill policies, the policy may be paid annually, semi-annually, quarterly, or monthly. 25% of the annual premium (20% of the annual premium for monthly) must accompany the application unless the application is a rewrite within your agency. A minimum payment of \$200 per billing is required except for E.F.T.

- For direct bill insured paid annually a 5% discount will apply.

### FINANCIAL SCORE DISCOUNT

To qualify, the owner(s), principal(s), or CEO must have an insurance score of 700 or more or the business must have a Dun & Bradstreet score of 70 or more.

- A 15% discount will apply to both building and personal property premiums.

### INDIVIDUAL RISK PREMIUM MODIFICATION PLAN (IRPM)

Policies may be eligible for an IRPM credit or debit. The modification will be based on management, location, building features, premises and equipment, employees and protection. Consult your underwriter for application of this plan. No IRPM credit is available for risks with insurance scores less than 650 or Dun & Bradstreet scores less than 60.

- Agency Authority 25%
- Additional Underwriting 15%
  - Individuals go by IIX
  - LLC and Corporations go by Experian unless there is less than 2 activities on the Experian and it is under 60, then we can run an IIX

### BUSINESSOWNERS EXPERIENCE RATING PROGRAM

Policies may be eligible for an experience rating credit or debit. The modification will be based upon the insured's prior loss history. Consult your Commercial Underwriter for application of this plan.

### EQUIPMENT BREAKDOWN- Required Coverage

This form provides mechanical breakdown, artificially generated electric current and boiler coverage if the loss is caused by or results from an "accident" to "covered equipment". Form BP 2020 is attached. The rate is .40 per \$1000 and not subject to modification. This is a required coverage form.

**HABITATION SURCHARGE**

Risks which are otherwise eligible under the rules, such as Mercantile risks, which also have apartments in them, may have up to four apartments and still be eligible. A surcharge of \$75 per apartment will apply to these risks.