

ALLEGANY CO-OP INSURANCE COMPANY CAMPGROUND AND RV PARK UNDERWRITING GUIDELINES

Binding Authority of Agents—Campgrounds and RV Parks that have been reviewed by agents of Allegany Co-op and where there has been a fully completed Campground and RV Park Application signed by both the insured client and the agent may have coverage bound as long as the applicant’s operations do not fall under the list of “exposures requiring prior underwriting approval” or the list of “unacceptable exposures”. The following maximum limits may be bound by agents of the Company. Limits exceeding these maximum limits must be submitted to the Company for approval.

Replacement Cost Coverage (*)

Buildings—Up to \$300,000 any one building
Contents—Up to \$150,000 in any one building
Mobile Equipment Schedule—Up to \$100,000
Liability Limit \$1,000,000 Each Occurrence
Medical Payments Limit \$5000 per person

Actual Cash Value Coverage (*)

Buildings—Up to \$175,000 any one building
Contents—Up to \$100,000 in any one building
Mobile Equipment Schedule—Up to \$100,000
Liability and Medical Payments the Same as for Replacement Cost

(*) Total Fire Area--\$750,000 Maximum

Total fire area includes all values of buildings, structures, and contents including mobile equipment located within 60 feet of clearance for one story structures and within 100 feet of clearance for two or more story structures.

Risks Requiring Prior Underwriting Approval Before Binding Coverage

The following risks require special underwriting review before binding coverage so that disputes with regard to coverage and pricing can be avoided. Without prior approval from the Company, the following may not be bound:

1. Risks that have been cancelled or non-renewed by another company or by Allegany Co-op during the past 5 years.
2. Risks that are currently for sale and are actively listed by the insured or by real estate agents.
3. Risks that have had a lapse in coverage for any period of time.
4. Risks that have any open liability claims or that have experienced any type of loss exceeding \$25,000 for either property or liability coverage.
5. Risks that have had any premium payment cancellations and reinstatements during the past 3 years.

Unacceptable Risks—Where the following conditions exist, Allegany Co-op will not be a market under this program:

1. Bankruptcy within the past 5 years
2. Campgrounds and RV Parks showing lack of ongoing maintenance evident by lack of posted rules and warning signs, poor road and path maintenance, broken or out of date playground equipment, pool and swimming areas that are not maintained up to a high standard, substandard electrical hook-ups and any ungrounded electrical systems used by the public, and any evidence of plumbing issues or sewage dump stations that are not well maintained.
3. Poor housekeeping in storage, recreational or in the toilet or shower block areas
4. Risks having a history of claims frequency or severity that cannot be adequately explained.

Allegany Co-op Campground and RV Park Application—This program is considered to be a specialty line requiring a significant amount of information to assess the risk characteristics and to rate the policy. Accordingly Allegany Co-op has designed a special application to assist in both the risk management process and in the underwriting/rating process. Campgrounds and RV Parks submitted to the company must use the special application for risk submission. This application needs to be fully completed and signed by both agent and the insured. We will be unable to rate or bind coverage where the application is unsigned or the information is not fully completed. **Incomplete applications received without full information will be returned with coverage unbound.**

Liability Exposures are of Critical Importance—Due to the nature of the Campground and RV Park exposures, careful attention to the liability portion of the risk must be made. The exposures can be, and are, varied depending upon the target clientele of the park or campground. The goal of the underwriting department is to accept risks in which the park, its employees and the management take care to create a safe atmosphere where the clientele can enjoy themselves without putting themselves or others in danger. The company will inspect each park insured on a periodic basis. Our inspection company partners have been specially trained in the types of hazards that need to be addressed in the inspection process. Parks that have attracted a rough crowd that disregard rules and safety, and are careless with the rights of others will not meet our strict standards.

CONY—Campground Owners of New York—Campgrounds that are members of this association are generally risks that the Company will view favorably. CONY members who also meet strict safety standards with regard to swimming areas, incident reporting procedures and records, street and road postings and maintenance, water quality and electrical system design and maintenance are eligible for a special superior risk credit. Be certain to qualify the particular campground by meeting the superior risk standards.

Campground and RV Park Diagram—Property exposures need to be well understood by the underwriter. The diagram page of the application assists in that process. All buildings and structures need to be identified in the diagram with distances shown between the buildings and accurate dimensions of each building or structure shown. This allows the Company to value each building or structure for insurable value and for either Replacement Cost or Actual Cash Value coverage. In addition, a properly executed diagram will assist us in evaluating the Probable Maximum property loss in the event of a fire.

Replacement Cost or Actual Cash Value—Either option is available under the program. The Company will require Actual Cash Value coverage where the buildings are older structures, and where the condition will not warrant a full replacement valuation, or where the values are insufficient to support the Replacement Cost estimate for new construction.

Summary

Allegany Co-op has designed this special program for both flexibility and to provide an attractive coverage for a largely underserved market. By selecting Campgrounds and RV Parks that have superior risk characteristics and who have owner/managers interested in providing a safe and enjoyable camping experience for their customers, we can confidently predict success.