

Texas Personal Excess Liability Program

Metropolitan Property and Liability Insurance Co.

March, 2017



What's new?

The additional charge for each of the following has been revised:

- Base rates have been revised.
- Each auto in excess of two is increasing from \$30 to \$35.
- Each large boat with less than 400 hp is increasing from \$20 to \$23.
- Each large boat with more than 400 hp is increasing from \$60 to \$75.
- Each recreational vehicle is increasing from \$20 to \$23.
- Each residence in excess of one is increasing from \$10 to \$12.
- The additional premiums for excess uninsured/underinsured motorist coverage have been revised. Please see the rating manuals for details.

What is the overall rate impact of this revision?

With this revision, we are implementing an overall rate level change of +15.3%.

When is the change effective?

New Business Effective:	April 1, 2017
Renewal Business Effective:	May 5, 2017

Thank you for your business.

THIS PAGE IS INTENTIONALLY BLANK

METROPOLITAN P&C RATE MANUAL
TEXAS PERSONAL EXCESS LIABILITY MANUAL
GENERAL RULES

1. GENERAL INFORMATION

This manual provides the rules, territories, factors and rates necessary for Metropolitan's Personal Excess Liability Policy.

2. ELIGIBILITY

The underwriting approach for the Personal Excess Liability Policy will be that if the underlying liability coverages are acceptable to Metropolitan, then the excess liability coverage will be acceptable. Conversely, if any one of the underlying liability coverages is not acceptable to Metropolitan (auto liability, comprehensive personal liability under the homeowners and watercraft liability), then the excess liability coverages will not be acceptable to Metropolitan.

3. BASIC POLICY COVERAGE

The Personal Excess Liability Policy provides personal liability coverage in excess of the required amounts of underlying insurance or the insured's retained limit, whichever is applicable.

4. SELF-INSURED RETENTION

Self-insured retention for occurrences not covered under the required underlying insurance is \$1,000.

METROPOLITAN P&C RATE MANUAL
TEXAS PERSONAL EXCESS LIABILITY MANUAL
GENERAL RULES

5. MINIMUM UNDERLYING INSURANCE IF UNDERLYING INSURER IS METROPOLITAN

The following minimum limits of underlying insurance are required for the various coverages.

<u>Coverage</u>	<u>Minimum Underlying Limits Required</u>
Automobile Liability	\$325,000 combined single limit or \$100,000/\$300,00 Bodily Injury and \$50,000 Property Damage
Personal Liability (CPL or Homeowners)	\$100,000
Watercraft Liability	\$100,000 combined single limit or \$100,000/\$300,00 Bodily Injury and \$50,000 Property Damage
Recreational Vehicle - Any R.V.	\$100,000
Employers Liability (For on-premises employees such as incidental office and domestic employees not covered under basic Personal Liability [CPL or Homeowners])	\$100,000

METROPOLITAN P&C RATE MANUAL
TEXAS PERSONAL EXCESS LIABILITY MANUAL
GENERAL RULES

MINIMUM UNDERLYING INSURANCE IF UNDERLYING INSURER IS NOT
METROPOLITAN

The following minimum limits of underlying insurance are required for the various coverages.

<u>Coverage</u>	<u>Minimum Underlying Limits Required</u>
Automobile Liability	\$325,000 combined single limit or \$250,000/\$500,000 Bodily Injury and \$100,000 Property Damage
Personal Liability (CPL or Homeowners)	\$300,000
Watercraft Liability	\$300,000
Recreational Vehicle - Any R.V.	\$300,000
Employers Liability (For on-premises employees such as incidental office and domestic employees not covered under basic Personal Liability [CPL or Homeowners])	\$300,000

If the minimum underlying insurance is not maintained, there will be no coverage or defense under this policy until the damages exceed the coverage and limit required for the exposure.

6. PREMIUM DETERMINATION

- A. Using the place of garaging, determine the applicable rating territory. If there is more than one place of garaging, use the location which has the highest basic premium. If the automobiles are not all garaged in the same state, refer to the service office for the applicable premium rate.

METROPOLITAN P&C RATE MANUAL

TEXAS PERSONAL EXCESS LIABILITY MANUAL

GENERAL RULES

- B. Add the basic premium charge and the applicable additional charges - Vehicle and Watercraft.
- C. Multiply the sum found in step B by the youthful operator surcharge factor, if applicable. Round the result to the nearest whole dollar.
- D. Add the applicable additional charges - Other.
- E. Multiply the sum found in step D by the appropriate excess limits charge factor. Round the result to the nearest whole dollar to determine the insured's annual premium.

7. MIDTERM ADJUSTMENTS

Midterm premium adjustments are calculated based on the rates used in determining the initial premium. All adjustments are on a pro-rata basis.

8. CANCELLATIONS

- A. The Company will not cancel any policy except in accordance with the policy conditions.
- B. Premium adjustment resulting from cancellation by the Company, or at the request of the insured, of the policy or a form of coverage shall be computed pro rata.
- C. If cancellation of the policy results in a return premium of less than \$2.00, it shall be waived, except that the actual amount shall be refunded on request.

9. SHORT RATE METHOD

Short rate return premiums are calculated by multiplying the pro rata return premium by a factor of .90.

PERSONAL EXCESS LIABILITY POLICY

TEXAS

1. TERRITORIES

- I. Chambers and Fort Bend Cos.
- II. Dallas and Tarrant Cos.
- III. Harris County
- IV. Liberty and Montgomery Cos.
- V. Remainder of State

2. ANNUAL PREMIUMS

A. Basic Premium

<u>Territory</u>	<u>Annual Premium</u>
I	\$219
II	\$248
III	\$248
IV	\$219
V	\$219

B. Additional Charges - Vehicle and Watercraft

- 1. Each automobile in excess of two \$35
- 2. Each boat:
 - Small - Sailboat less than 26 ft.
in length
 - Outboard less than or equal to 25 H.P. No Charge
 - Inboard/Outboard less than or equal to 50 H.P.
 - Large - All other boats less than or equal to 400 H.P. \$23
 - Large - All other boats over 400 H.P. \$75
- 3. Each recreational vehicle \$23

C. Youthful Operator Surcharge

If any driver(s) in the household is under age 25, multiply the Basic Premium and any Additional Vehicle and Watercraft Charges (Sections 2A and 2B) by 1.50.

D. Additional Charges - Other

- 1. Each residence in excess of one \$12

PERSONAL EXCESS LIABILITY POLICY

TEXAS

3. LIMIT OF LIABILITY FACTOR

Sum of all charges in Section 2 multiplied by the following factors:

<u>Limit of Liability</u>	<u>Factor</u>	<u>Limit of Liability</u>	<u>Factor</u>
\$500,000	0.70	\$6,000,000	4.00
\$1,000,000	1.00	\$7,000,000	5.00
\$2,000,000	1.60	\$8,000,000	6.00
\$3,000,000	2.10	\$9,000,000	7.00
\$5,000,000	3.00		

4. SAMPLE CALCULATION

Example: Assume an insured has three automobiles garaged in Territory 1, one residence, one large boat, one youthful operator, and no other exposures which are subject to charges. Also, assume the insured desires a \$2,000,000 limit. Then the premium is calculated as follows:

Basic Premium Charge	\$219
Additional Automobile Charge	\$35
Youthful Operator Surcharge	1.50
Large Boat Charge	\$ 23
Limit of Liability Factor	1.60

Calculate as follows:

1. \$219 + \$35 = \$254
2. \$254 x 1.50 = \$381
3. \$381 + \$12 = \$393
4. \$393 x 1.60 = \$629 is the sample premium charge.

5. EXCESS UNINSURED/UNDERINSURED MOTORISTS COVERAGE

Excess Uninsured/Underinsured Motorists Bodily Injury Coverage is optional and is available to GrandProtect policies only. The limit for this coverage may not exceed the Personal Excess Liability Policy limit.

The following charge for Excess Uninsured/Underinsured Motorists Coverage is added to the rate determined from Sections 1 through 3. A \$325,000 CSL or \$100,000/\$300,000 underlying Uninsured/Underinsured Motorist Coverage limit is assumed.

<u>Limit</u>	<u>Statewide Rate</u>
\$1,000,000	\$173