

Atlantic Marine Underwriters Inc.

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Bulletin

To: All Brokers and Agents From: Peter J. Taylor, President
Subject: Commercial Auto, Property & CGL Date: February 25th, 2006

As part of our ongoing efforts to be of assistance to our brokerage force, we are pleased to advise that we have arranged facilities in London for the following products:

We class the following business under the transportation side:-

1. Commercial Auto Physical Damage

We look at all risks from 1 unit upwards to multi-million dollar fleets. We write nearly every class of commercial auto physical damage risks, the main exceptions are Coal, Emergency Vehicles for Emergency Use (we can offer non-emergency use), Taxis, Limos – unless prebooked. Nearly everything else we can look at. We offer various deductible options as required but a minimum of \$1,000. We can offer aggregate deductibles, swing plans and profit share returns on big fleets. We do require our London application completed and a vehicle schedule. Should risks get bound with us a London proposal form and MVR records on all drivers are required within 30 days of binding.

2. Motor Truck Cargo

We can write this mono line or along with the Physical damage. We look at most commodities although are limited on some obvious target commodities like electronics, garments etc. We can write on a price per power unit or a price on gross receipts. For risks that require higher limits we do have the ability to build these up to a \$2,000,000 limit by layering. Again a London application is required to quote and within 30 days of binding if needed.

3. Logging Equipment

We offer an All Risks logging form and will quote all logging risks. We can offer Ice and Muskeg for an additional premium. Some of the Canadian provinces will attract higher rates that are more 'rural' due to the exposure and lack of available fire departments. A London application is always required and a schedule showing each item with age, value, make, model and serial number.

4. Contractors Equipment

Similar to Logging, nearly all items looked at subject to London application and schedules. We do look at cranes, although cranes only risks are harder to place without other items. We can offer tools as part of a schedule of other items but do not offer tool floaters only. London application always required.

5. Dealers Open Lot / Garage Keepers Legal Liability

We offer all forms of dealers open lot for new and used car dealers. No real exclusions other than in hail or flood areas we look at bigger deductibles. It's also rare now for underwriters to cap any DOL deductibles, nearly all are written as 'each and every loss, each and every unit'. We can offer most

forms of garage keepers legal liability but generally tend to see valet parking risks and garage repair shop/servicing shop risks. Again, London application required.
We should be able to look at all the above subject in most provinces, although some restrictions in some provinces on some classes do apply per the Lloyds restrictions.

6. Property

AMU currently has access to several facilities for Canadian businesses. We are best able to offer support in the 'smaller' risks with values between zero to C\$5,000,000 / C\$10,000,000.

Classes our facility tends to have success on are general commercial risks including, but not limited to, Hotels, Motels, Restaurants, Bars, Taverns, Vacant Risks, Small manufacturing / processing, Auto Body Shops, Shopping & Strip Malls, Course of Construction and such like.

Our facility tends not to be competitive on the larger risks nor classes such as Woodworkers, Fisheries, Nightclubs and 'Adult Entertainment'.

We try not to impose minimum premiums but for pure economic purpose we try to achieve minimum premium of C\$2,500.

London insists upon an inspection report every other year (cost to be borne by the assured) within 45 days of inception.

Application Forms: We would recommend that you embellish on detail where possible, especially on the actual operations of the insured. The application form is designed to provide an introduction to the risk, and be supplemented by at least a paragraph of description of the operations (or a website / brochure).

Please refer to our website above for all requisite application forms.

Premiums: We would always suggest that you send us your target or suggested premium, as this will most likely become the first issue to tackle. Minimum premiums for CGL can start at CAN\$15,000, although the market at this level is very restricted. More commonly, a minimum of CAN\$20-25,000 would be a typical minimum. This will obviously be dependent upon the risk, and extent of exposure.

COMMERCIAL GENERAL LIABILITY - What's Hot!

- Pharmaceuticals
- Oil / Gas industry related ops
- Non-critical Automobile parts
- Structural Steel Fabrication
- Trade affiliated societies
- Manufacturing / sales of small on-board yacht cranes
- Non safety critical sports equipment
- Manufacturing / sales of recreational vehicles / trailers

We trust the above will be of assistance and we look forward to hearing from you shortly.