



**Milestone Guaranty
and Assurance Corp.**

BRANCHES UNDERWRITING RULES & REGULATIONS

I. GENERAL

1. The amounts specified as the Limits of Authority are the maximum that can be accepted or committed in any one risk. Applications on risks over such amounts must be referred and approved by any of the Underwriting Authority of Head Office(HO).
2. The Limits of Authority applies to both New and Renewal Businesses.
3. Cover notes will be issued only with the approval of the Head Office.
4. Only approved policy and endorsement wording shall be used. Approved wordings are those in the printed policy condition. PIRA Fire Manual and Motor Car Tariff or as provided by Head Office. Please refer to Head Office any manuscript wordings and other special endorsement wordings for approval.
5. Prohibited Risks and/or Exclusion as specified per line should be declined. (May be referred to Head Office Underwriter for purposes of accommodation or business consideration.)
6. Any deviation from any of the guidelines set forth herein must be referred to the Head Office Underwriter for approval.

II. FIRE INSURANCE

1. Authorized Maximum Acceptance Limits:

Residential Risks / Offices / Churches / Schools	-	Php 20,000,000.00
Commercial / Retail Risks	-	10,000,000.00
Warehouse / Industrial Risks	-	5,000,000.00

Above Limits are applicable to risks with Class "A" building construction. For other types of construction, please refer to HO

2. Guidelines
 - a) All acceptances are subject to PIRA Fire Manual Regulations and premium rates or as prescribed by Head Office.
 - b) Inspection or ocular survey is mandatory prior to acceptance for risks with Total Sum Insured of more the Two million pesos (Php 2,000,000.00).
 - c) Fire Insurance policy shall be issued for a period not less than one (1) year. Minimum premium for each policy is Php 500.00
 - d) Extraneous Perils (Earthquake, Typhoon, Flood, Extended Cover, Riot & Strike, Burglary / Robbery etc.) are acceptable only in conjunction with ordinary fire insurance cover and for an amount not to exceed the actual fire coverage of the risk All proposals for Extraneous Perils must be referred to and approved by Head Office.
3. The appropriate endorsement wording (for extraneous perils) Extensions such as CGL, other clauses and warranties applicable on the risks must be attached on the policy and properly indicated on the face of the Policy Schedule.
4. Fire Insurance Prohibited Risks and Exclusions:

- First loss, loss limit and/or excess of loss basis
- Volcanic Eruption and all events following volcanic eruption
- Plantation Risks
- Asphalt Plants
- Candle Manufacturing
- Charcoal Works
- Chemical Plants using Flammable or Explosive Substances
- Cigarette Manufacturing
- Copra Mills
- Distillers
- Explosive Manufacturing and/or storage
- Feed mills
- Fertilizer Manufacturing and/or storage
- Foam Plastics Manufacturing
- Foam Rubber Manufacturing
- Garment Factories
- Hemp and Rope Works
- Kapok Factories and/or storage
- Knitting Mills
- Lacquer Manufacturing
- Public Markets and any risk exposed thereto
- Match Factory
- Paint and Varnish Manufacturing
- Plywood and Veneer Plants
- Pulp and paper mills
- Sawmills
- Textile and textile related mills
- Tobacco Warehouse and Re-drying Plants
- Woodworking Shops
- Barong-barongs, Light material and/or Sawali bldgs.
- Slum Areas and/or Heavily congested Blocks

III. MOTOR CAR INSURANCE

1. Authorized Maximum Acceptance Limits:

Php 2,000,000.00 - Combined Limit per anyone vehicle (Loss and Damage Including Excess Bodily Injuries, Voluntary Third Party Property Damage and Passenger PA)

Limit for Voluntary Excess BI and TPPD.

Private Cart (PC)	-	Maximum Php 200,000.00 - each
Commercial (VC)	-	Maximum Php 200,000.00 - each
Trucks	-	Maximum Php 100,000.00 - each

Any amount in excess of the above Limits shall be referred to HO for approval / accommodation.

2. Guidelines for Comprehensive Cover

a) All acceptances are subject to PIRA Motor Car Tariff rules and regulations.

Premium Rates are as prescribed by Head Office. As follows:

I. Own Damage and Theft

PC	-	1.30% - 1.50%	-	vehicles up to 3 yrs. old
		1.50% - 1.70%	-	over 3 yrs. up to 10 yrs. old
CV	-	1.20% - 1.50%	-	vehicles up to 3 yrs. old
		1.40% - 1.70%	-	over 3 yrs. to 10 yrs. old
Trucks	-	2.50% - 3.00%	-	vehicles up to 3 yrs. old
		3.50%	-	over 3 yrs. up to 10 yrs. old
LTO -Taxi	-	4.00%	-	3 yrs. & below only
Shuttle/UV	-	3.00%	-	5 yrs. & below only
Tourist Bus	-	3.00%	-	8 yrs. & below only

II. Acts of Nature (AON)

0.500% at 20% commission only
(As per Insurance Commission circular No. 30/2010)

• Compulsory Third Party Liability (CTPL)

as per schedule

• Voluntary Third Party Liability EBI / TPPD

as per schedule (IC issued)

• Auto PA

as agreed

- b) Insurance coverage for Motor Vehicles shall be Comprehensive
- Loss and Damage / CTPL, EBI, TPPD
- c) CTPL and Voluntary Coverage for Excess BI (EBI) and Third Party Property Damage (TPPD) ONLY is not acceptable.
- d) - Insurance Coverage (OD) for Motor Vehicles must be based strictly on Fair Market Value (No underinsurance)

-Minimum value of vehicle to be insured

PC & CV (AUV, pick-up vans)	-	Php 100,000.00
CV - Trucks	-	Php 200,000.00

- e) Acts of God Coverage is subject to approval by HO and additional premium at a rate of not less than 0.50% of the declared Insured Value shall be charged subject to 20% commission.
- f) Cars more than ten (10) years old are not acceptable and/or prohibited. May be referred through to HO for approval and business accommodation subject to submission of pictures and actual inspection.
- g) Issuance of the Comprehensive Policy must be complete in details where the make model and other details of the insured vehicle insured Value, deductible, authorized towing expense, warranties and extension of covers are clearly indicated on the face of policy schedule.
- h) Coverage for car accessories and add-on equipment not standard for the make/model of insured vehicle shall be declared, value and fully described on the policy
- i) Minimum Premium per policy

Private Car (PC)	-	Php 2,000.00
Commercial Vehicle (CV)	-	Php 2,500.00
Trucks (CV)	-	Php 5,000.00

- j) Refund premiums due to cancellation of policies at the request of the Insured will be computed strictly as per Short Period Rate Scale as stipulated in the motor car policy.
- k) Cover on open-type vehicles such as jeeps shall be limited to Own Damage only (No theft cover). Also Motorcycles shall not be covered against theft.
- l) Fleet Policy covering multiple number of vehicles is subject to HO underwriter approval
- m) Prohibited Risk (Motor Car)
 - Vehicles used for racing, pacemaking, reliability trial and speed testing.
 - Vehicles on rails or cables, waterborne vessels, aircraft and hovercraft.
 - Loss, damage or liability for goods conveyed in connection with any trade or business on any vehicle insured by the company.
 - Motor trade vehicles
 - Manufacture's stocks and stocks in trade
 - Vehicles not on terra firma
 - Vehicles used for carrying of passengers for hire and reward (LTO or Public Utility Vehicles such as Taxis, jeepneys & Buses)
 - Self-drive hire vehicles
 - Ambulance, police cars, fire tracks and similar type of public emergency vehicles.
 - Cranes at Port
 - Vehicles employed routinely on airport premises (tanker, elevators, tow trucks, transport vehicles, etc.)
 - Heavy Equipment and Contractors Plant and Equipment
 - Vehicles Operating outside the geographical limits of the Philippines
 - Vehicles used or suspected to be used in giving Driving Lessons
 - Vehicles used in the transportation of high explosives
 - Gasoline tankers and other liquefied petroleum haulers / tankers / courier
 - 10-wheeler trucks, wreckers, house movers or mobile homes.

3. Guidelines for CTPL (Compulsory Third Party Liability)

- a) Term of insurance for CTPL policy shall coincide with the co-terminus requirement of the LTO or the registration period of the vehicle.
However, if the owner of the vehicle failed to renew his/her CTPL insurance on or before its due date, inception date should be at the date of request and shall expire on the applicable expiry as above.
- b) Cancellation of CTPL Cover or Policy is not allowed.

IV. MISC. CASUALTY / GENERAL ACCIDENT

1. Authorized Acceptance Limits

a. Personal Accident	- Any one person	- Php 5,000,000.00
	- Any one known accumulation	- Php 10,000,000.00
b. Property floater	-	- Php 2,000,000.00
c. CGL	-	- Php 2,000,000.00
d. MSPR	-	- Php 1,000,000.00

2. Guidelines

a. Personal Accident

- Age eligibility – 18 to 60 years old (renewable up to 65 years of age)
- The applicant's name must be complete and the occupation or occupational activities of the individual must be clearly stated.
- Basis for limit of sum insured is ten (10) times the Annual Income.
- For Group PA, please refer to HO Underwriter
- Personal Accident Premium Rates

- a. Accidental Death & Reimbursement - Class 1 – P 1.00 per thousand
 Class 2 – P 2.00 per thousand
 Class 3 – P 3.00 per thousand
 Class 4 – P 4.00 per thousand

b. Medical Expense Reimbursement

- Cover shall be limited to 10.00% of principal sum insured under (a) above up to a maximum of Php 100,000.00 – subject to additional premium of 10.00% (surcharge)

c. Burial Assistance Benefit – (Free of Charge)

- Benefit is 10.00% of sum insured or Php 10,000,000.00 whichever is lower.

d. Murder and Assault Cover

- Cover shall be limited to 50.00% of principal sum insured subject to additional premium of 20.00% (or surcharge)

- Classification of Risk as to profession and/or occupation

CLASS 1

Advertising	Jeweler
Architect	Insurance Agent / Broker
Accountant	Lawyer / Attorney
Artist (Commercial)	Museum Workers (non-formal)
Auctioneer	Nurse
Baker (Shop only)	Officer Managers and Employees
Banker	Optician
Chemist	Personnel Agencies
Chiropodist	Photographer (Studio only)
Clergyman	Physiotherapists
Clerk	Quantity Surveyor
Company Director (Non-manual)	Religious Organizations
Computer Analyst / Programmer / Operator	Salesman (not traveling a territory)
Credit Agencies, other than Bank	School Treachery (not woodwork)
Decorator	Securities Commodities Dealer & Services
Dentist	Stationer
Doctor	Stockbroker
Draughtsman	Surgeon (if continental scale Class 2)
Estate Agent	Tailor
Hairdresser	Tobacconist
Housewife	

CLASS 2

Aviation Industry Manufacturing	General Store Workers (unless listed elsewhere)
Baker (working in bakery)	Grocer
Beauticians	Hotel Proprietor
Bookbinders	Marine Surveyor
Boot & Shoe Maker / Repairer	Office Machinery worker
Builder merchants (on own premises only)	Optical Goods Manufacturing
Chauffeurs	Pawnbroker
Cleaner (officers-light)	Printers (not operator)
Communication Service (Radio/TV)	Research & Dev't Lab Workers
Computer Manufacturing	Salesman (Public Markets & Frequent Travelling)
Confectioners	Scientific Instruments & Related Products Mfg.
Dairyman (not manual)	Surveyor
Dancing Instructor	Telephone Utilities (all employees)
Driving Instructor	Textile Merchant
Drug Manufacturing	Upholsterer
Engineering (light)	Veterinary Surgeon
Fruiterer	Wine Merchant

Funeral Director
Furnisher

CLASS 3

Automobile Dealerships	Gov't Workers (excluding Police & Firemen)
Brewery Workers	Household Appliances Mfg.
Butcher (not slaughtering)	Laundry Staff
Coal Merchant	Leather and Fur Trade
Cutlery, Hand Tools, General Hardware, Plumbing	Linen Suppliers
Fixtures, Gas Burners & Stove Mfg.	
Dairyman (Manual)	Metal Cans and Shipping Containers Mfg.
Driving (Local)	Motion Picture Industry
Dry Cleaner (Working with chemicals & Driving)	Motor Vehicle Mfg.
Electric, Gas & Water Utilities	Painter
Electrical and Electronic Goods Mfg.	Petrol Station Attendant
Electrician	Plumber
Farmer (not manual)	Printer
Food & Drink Industry (Mfg.)	Restaurants
Furniture & Fixture Mfg.	Taxi driver
Gardener (Jobbing, Landscape excluding use of explosives)	Textile Mfg.
Gas Fitters	Tillers
General Mfg. (Skilled and Semi-skilled workers only)	Tobacco Industry
Glazier	Train & Bus Crew
7 Glass Mfg. (excluding Mining & quarrying)	

CLASS 4

(Refer to HO Underwriter for approval / and premium rate)

Agricultural chemicals & fertilizers Mfg.	Paper Industry (Manufacture & Processing)
Bricklayer	Petroleum & Coal Products (Refining Gasoline, Asphalt & Lubricating Oils)
	Pipeline Construction & Maintenance
Builder	Police & Fire Fighters
Butcher	Pottery Mfg.
Cattle Dealer	Railway Workers
Chemical Manufacture	Rubber Industry (Manufacture & Processing)
Construction	Steel Manufacturing
Crane Operators (excluding tower Cranes)	Transportation Equipment Manufacturing (Railroad, Ships, Motorcycle)
Drinking Establishments	Trucking
Engines, Farm & Construction Machinery Mfg.	Unskilled Laborers
Farmer (Manual)	Welders
Furniture Removers	Window Cleaners
Garage Workers	Woodworking Industry (excl. tree felling)
Lorry/Heavy Goods Vehicles Drivers	
Metal Industry (Manufacturing & Processing)	

SPECIAL RISK

(refer to HO for approval/rate)

Aircrew (Professional)	Mining (Coal, Zinc, Diamond, Gold)
Armed Forces Personnel	Oil & Gas Rig Workers
Asbestos Industry	Professional Sportsmen
Atomic/Nuclear Energy Related Risks	Quarrying Racetracks
Casinos	Racetracks
Cement / Stone Workers	Racing (motor, aircraft, boat, etc.)
Crude Petroleum, Oil & Natural Gas Extraction (including drilling)	Road Construction & Maintenance
Diving & Related Occupations	Scaffolders
Dock Workers	Ship's Crew
Explosive – use of manufacture	Space & Research Technology
Fishing Industry	Tunneling
Logging & Saw Mills	

b. Property / Equipment Floater

- Please refer to HO for evaluation and premium rate
- Exclusion / Prohibited Risks:
 - Satellites, Launch Vehicles and major components thereof
 - Nuclear Energy Risks
 - Slot Machines
 - Motor Insurance
 - USA and/or Canadian domiciled risks
 - Timber Concession risk
 - Mining Risks

c. Comprehensive General Liability (CGL)

- Please refer to HO for evaluation and premium rate
- Exclusions / Prohibited Risks:
 - Motor Vehicle Liabilities
 - Organization of Races
 - Railways and Vehicles running on rails
 - Aviation risks of any kind including any liability of airports and control Towers
 - Navigation
 - Manufacture and handling of explosive and highly inflammable chemicals
 - Construction & maintenance of dams and/or bridges and/or tunnels
 - Contractual Guarantee of any kind
 - Professional Liability of any kind, medical malpractice
 - Product Liability of any kind
 - Pollution Liability of any kind
 - Shipbuilding, repairing yards, contractors carrying out repair of installation work on water crafts
 - Workmen's compensation and employer's liability
 - Strike & Riot
 - Warehouseman's Liability
 - Stevedore's liability
 - Ocean Marine Liability including ship owners liability

d. Money, Security Payroll Robbery (MSPR)

- Please refer to HO for evaluation and premium rate.

e. BONDS

- Please refer to HO for evaluation and premium rate.

V. MARINE CARGO / HULL INSURANCE

1. Inland Marine – Truck Risk and/or Truck Risk Liability Clause

The following information shall be submitted:

- Specify the type of cargo to be covered
- Limit of liability per occurrence and annual aggregate
- Specify conveyance (complete description of Trucks or trailers as to make/model, plate number)
- Voyage/Route (origin & destination, ETD and/or ETA)

2. Inter-island and/or Ocean Marine Cargo and Hull Insurance

- a) Please refer to HO for evaluation and premium rate.

MARINE INLAND:

1. Information to be indicated in the schedule:

- a. Cargo insured
- b. Limit of liability
- c. Conveyance (Via truck/s, subject to declaration of Type & Make, Serial, Motor and Plate number of trucks. Trailers shall be subject to declaration of description.)
- d. Voyage/Route (Origin & Destination, Estimated time of Departure & Arrival)
- e. Coverage: Truck Risk Clause
- f. Deductible

2. EXPRESS WARRANTIES are as follows:

- a. Warranted that drivers &/or helpers have radio communication equipment or cellphone prior to dispatch of any truck to point of destination.
- b. Warranted that drivers and helpers must have undergone background checking prior to hiring. (for owned vehicles)
- c. Loss, destruction or damage by theft or attempted theft or attempted theft from any vehicle or any unexplained shortage of the property whilst the vehicle is unattended by the driver or mate and is on stop overnight at an allowed territory is not covered unless:
 - 1. all windows, doors and other means of access are fully closed, fastened and locked and all keys including the ignition and spare keys removed from the vehicle to a place of safety and;
 - 2. Whilst left within the designated area the vehicle is parked inside:
 - (i) a securely enclosed building or vehicle compound with an attendant continuously on duty or;
 - (ii) a securely locked building of substantial construction all keys of which have been removed to place of safety or,
 - (iii) a securely enclosed and locked vehicle compound all keys of which have been removed to a place of safety.
- d. Warranted that all points of entry &/or exit are securely locked/fastened.
- e. Warranted that in the event of any loss/damage, the incident shall be reported immediately to the nearest police or military authorities and such incident to be reported to the insurer within the seventy-two (72) hours from the time of the occurrence of the loss.
- f. Warranted that each truckload shall be covered by a corresponding waybill of lading or delivery receipts or other forms of documents containing an adequate description of the cargo carried, the places of origin and destination thereof and the date of carriage.
- g. Warranted that the insured shall maintain all owned declared vehicles regularly and as soon as possible.
- h. Warranted that the person driving is permitted, in accordance with the licensing law or other pertinent regulations to drive the vehicle to which the goods/cargo will be loaded.
- i. Warranted **NO OVERLOADING**

Violation of any provision stated shall render the claim null and void.

3. OTHER EXCLUSIONS

- a. Any loss caused, committed or inflicted, either directly or indirectly by the insured, any of his or his contractor's employees, directors or relatives either as principal, accomplice or accessory as defined in the Revised Penal Code of the Philippines.

- b. Against loss or damage caused by delay, loss of market, or consequential loss of any kind.
- c. Loss due to mysterious disappearance, theft, pilferage, non-delivery, looting, loss outside declared route.
- d. Loss or damage caused by or resulting from strikes, lockouts labor disturbances, riot, civil commotion or the acts of any person or person taking part in any such occurrence or disorder.
- e. Contamination attributable to radioactive or fissionable materials.
- f. Loss by theft or mysterious disappearance.
- g. Robbery and Hi-Jacking

4. STANDARD WARRANTIES AND CLAUSES:

- a. Documentary Stamp Warranty
- b. Institute Cyber Attack exclusion Clause
- c. Institute Radioactive Contamination Exclusion Clause
- d. Institute Radioactive Contamination, Chemical Biological and Electromagnetic Weapons Exclusion Clause
- e. Nuclear Energy Risks Exclusion Clause
- f. Seepage and Pollution Exclusion Clause
- g. Sue and labor Clause
- h. Typhoon Warranty Clause
- i. War and Terrorism Exclusion Endorsement

5. Sum insured that exceeds needs to be reinsured first before issuance of policy.

VI. ENGINEERING

Contractors All Risks Insurance (CARI)

1. Authorized Maximum Acceptance Limits

Bldg. Constructions – Office, Schools, Residential, Hospital, Airport,- ₱ 20,000,000.00
Low cost housing schemes

Industrial Building Power stations, Railways, Airfields, water- ₱ 10,000,000.00
reservoirs Pipelines

Road constructions, Irrigations, Earthworks, Purification plants,- ₱ 5,000,000.00
Sewage/Drainage

Restricted Risks – (Wet Risks)

Bridges	Shafts	Flood Control Projects
Harbors	Hydro Power Plants	Breakwater
Jetties	Water Treatment Plants	Reclamation
Wells	Transmission Lines	Dams
Tunnels	Dredging	Line Canals

- 2. Period of insurance must be based on the duration of the Contract as stipulated.
- 3. Computation of premium must be on a per project basis. Strictly no Short Period or Pro-rata computation is allowed.
- 4. All Policies shall be subject to Sabotage and Terrorism Exclusion Endorsement.