

MINNESOTA LIQUOR LIABILITY ASSIGNED RISK PLAN
Minnesota Joint Underwriting Association
12400 Portland Ave S, Suite 190, Burnsville, MN 55337
(952) 641-0260 WWW.MJUA.ORG

APPLICATION FOR LIQUOR LIABILITY COVERAGE
LONG TERM
BAR, RESTAURANT, & OFF SALE

Enclosed is an "Application for Coverage" and rate schedule for the Minnesota Liquor Liability Assigned Risk Plan. (The Plan) This coverage available through the MJUA is subject to the same requirements and conditions applicable to other risks.

The following MUST accompany the completed application:

1. A copy of the applicant's **current liquor license(s)** clearly indicating the name of the Legal Licensee and issuing authority. **We will accept the completed application for a pending license.**
2. Documentation of the applicant's **gross receipts** derived from liquor sales detailed by month for previous 12 months.
3. Written notice of refusal (rejection) from an Insurer. A written quote provided by an insurer at a rate in excess of 120% of plan rates for similar coverage is deemed to be a written rejection.
4. **Full premium payment** or 50% of annual premium if the annual premium is more than \$2,000. Checks should be made payable to "MJUA". **We no longer accept agency checks.** Payments must be made in the form of a check or money order from insured. All refunds or over payments will be issued back the insured.
5. **LOSS RUNS** from previous carriers for past 3 years. Includes claim history for location **even if** there is new ownership.
6. Copy of ordinance if **Increased Limits** or being listed as an **Additional Insured** is required by licensing authority.

This is an audited policy. Final premium is calculated after audit is completed. Audits are to be submitted with supporting documentation within 30 days after policy expires.

If the annual premium is more than \$2,000 and Insured is set up on a payment plan, the remaining 50% of the premium MUST be received by the MJUA within five months of the effective date of coverage in order to avoid cancellation (an invoice will be mailed to the named insured).

The above required documentation should be submitted directly to the Minnesota Joint Underwriting Association (MJUA). A qualifying liquor vendor can choose to submit application direct to the Plan without the services of an agent.

Agents do NOT have binding authority on behalf of the Plan.

The agent may NOT sign on behalf of the License Holder. Agent commission is 10%.

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MINIMUM LIMITS OF LIABILITY PER MINNESOTA STATUTES

<u>Coverage</u>	<u>Limits of Liability</u>
Bodily Injury	\$ 50,000 each person \$100,000 each occurrence
Property Damage	\$ 10,000 each occurrence
Loss of Means of Support	\$ 50,000 each person \$100,000 each occurrence
Pecuniary Loss	\$ 50,000 each person \$100,000 each occurrence
Annual Aggregate	\$310,000

ANNUAL RATES FOR ABOVE LIMITS

(Per \$100 of Liquor Sales)

<u>Classification</u>	<u>Minimum Premium</u>	<u>Rate</u>
Off Sale Only/ Winery	\$250 (up to \$59,523 in liquor sales)	\$0.42
Restaurants/Sports Clubs (Liquor sales LESS than food sales)	\$500 (up to \$34,246 in liquor sales)	\$1.46
Bars/Restaurants/Sports Clubs/ Bottle Club/Combined On/Off Sale (Liquor sales MORE than food sales)	\$750 (up to \$20,053 in liquor sales)	\$3.74

*First year applicants are subject to the bar rate unless they can provide proof they are selling more food than alcohol.

INCREASED LIMITS & CLAIM FACTORS

Note – Increased limits and Additional Insured listings are available only to vendors who are REQUIRED to do so by their local licensing authority. The MJUA requires that it be provided with a copy of the ordinance at the same time an application is submitted.

The factors shown below must be applied to the rates and minimum premiums shown for the applicable classification on previous page.

Increased Limits	Factor	Rate Scale for Indicated Number of Claims (reserved or paid) in Last Three Years			
		<u>Sale</u>	<u>Bar</u>	<u>Restaurant</u>	<u>Off Sale</u>
100/300/20/310	1.17				
100/300/50/310	1.18				
500/500/100/500	1.50	No Claims	3.74	1.46	.42
1M/1M/300/1M	1.64	1 Claim	5.60	2.19	.63
1500/1500/50/1500	1.65	2 Claims	7.48	2.92	.84
1M/2M/300/2M	1.66	3 Claims	9.35	3.65	1.05
2M/2M/1500/2M	1.88	4 Claims	11.22	4.38	1.26

RATES EFFECTIVE 4/1/03

**BAR, RESTAURANT, OFF SALE- LONG TERM
Application for Liquor Liability Coverage**

Coverage will not be bound if the correct premium payment, written rejection (or quote in excess of 120% above plan rate), current license, and required documentation of liquor receipts are not attached.
Coverage cannot be bound prior to 12:01 a.m. the day following receipt of the above.

Legal Name of Applicant: _____
(As shown on license)

Trade Name (DBA): _____

Mailing Address: _____

City, State: _____ Zip: _____ County: _____

Phone: _____ Email: _____

Type Of Ownership: Corporation Individual Partnership Non-Profit Other

Agency Name: _____ Agent: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

Email: _____ Tax ID: _____

APPROVED LICENSE OR COMPLETED LICENSE APPLICATION MUST ACCOMPANY THIS FORM
*****NOTE: WE WILL ACCEPT THE COMPLETED LICENSE APPLICATION UNTIL LICENSE IS APPROVED *****

Proposed Effective Date: From _____ to: _____ 12:01 A.M.

DATES MUST COINCIDE WITH LICENSE. CHECK WITH YOUR LICENSING AUTHORITY TO VERIFY THESE DATES.

License approved? _____ Yes _____ No If Yes, Current licensing period _____ to _____

Operating Location: as stated on license _____

Certificate Holder (City Or County Approving The License): _____

Mailing Address: _____

City: _____ State: Mn Zip Code: _____

Does the licensing authority require to be listed as an Additional Insured on Insurance Certificate?

____ Yes _____ No if yes, attach ordinance

Does the licensing authority require policy to have increased limits?

____ Yes _____ No if yes, please see attached increased limits factor section and attach ordinance

PRIMARY NATURE OF BUSINESS: CHECK ALL THAT APPLY

- RESTAURANT BAR *OFF SALE SPORTS CLUB WINERY
 BOTTLE CLUB, BYOB OTHER, EXPLAIN: _____

TYPE OF LICENSE: CHECK ALL THAT APPLY

- ON-SALE ONLY ON/*OFF SALES *OFF-SALE ONLY CATERING
 SET UP/DISPLAY FARM WINERY OTHER, LIST: _____

******* You must submit supporting documents with this application *******

Gross annual alcohol receipts from

On Sale: \$ _____

*Off Sale: \$ _____

**Off Sale Facilities Must Have Separate Entrance to Qualify For Off Sale Rate*

Estimated food receipts: \$ _____

Percent of liquor receipts to total receipts: _____%

Percent of food sales to total receipts _____%

*****This is an audited policy. Final premium is calculated after audit is completed. Audits are to be submitted with supporting documents within 30 days after policy expiration date. *****

First Year Applicants Are Subject To The Bar Rate Unless They Provide Proof They Are Selling More Food Than Alcohol.

CAUTION:

Any misrepresentation made by the applicant can void coverage or result in cancellation. False or misleading answers to the following questions would constitute gross misrepresentation and **VOID COVERAGE**.

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ALL APPLICANTS.

- ❖ Does the applicant conduct any activities outside the state of Minnesota for which the applicant is applying for insurance from MJUA? ___ No ___ Yes
- ❖ If yes, identify the percentage amount of the applicant's activities conducted outside the state of Minnesota; the states in which those activities are conducted; and describe such activities. _____
- ❖ Does the applicant understand that the insurance being applied for does not cover, and will not indemnify, the applicant for any liability or loss arising from the applicant's activities that are conducted substantially outside the state of Minnesota, unless required by statute, ordinance, or otherwise required by Minnesota law.
___ No ___ Yes
- ❖ I, the undersigned, certify and attest on behalf of the applicant that I have been unable to obtain through ordinary methods, the insurance I am applying for with this application and the information contained in this application is true and complete. ___ No ___ Yes

❖ Please identify the name of the insurance company who has refused to provide coverage to the applicant and the date of the refusal. _____

• Reason for refusal: _____

❖ Was the refusal to provide coverage by another insurer based on an offer of coverage at a rate in excess of the rate that would be charged by the MJUA for similar coverage and risk? **No** **Yes**

❖ If Yes, and the rate for coverage offered is more 20% in excess of the MJUA's rates for liquor liability coverages, attach a copy of such written offer to this application.

**** NOTE: that pursuant to Minn. Stat. 621.13, Subd. 2, "[i]t shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than ten percent in excess of the joint underwriting association rates for similar coverage and risk or 20 percent in excess of the Joint Underwriting Association rates for liquor liability coverages."**

If No, provide further explanation. _____

A "Loss" does not include "notice of claim." Unless, following receipt of notice, your insurer or you in the event you were self-insured made a payment in settlement of the claim or the insurer established a reserve for the loss.

A "Violation" includes any conviction on a charge brought against the applicant or any employee or agent of the applicant arising out of the illegal sale of liquor.

You must submit LOSS RUNS from previous carriers, if applicable, for three years preceding your request for coverage. In the event you were self-insured, please submit a listing of all claims made against your establishment during your period of self-insurance. Loss history must be submitted for each of the three years.

Previous Coverage Information:

Has license ever been revoked/suspended? **Yes** **No** If yes, list date and explanation.

Have you ever had a Liquor Liability policy with MJUA? **Yes** **No** If Yes, Policy # _____

Do you have any previous Liquor Claims? **Yes** **No**

Previous three years of insurance coverage prior to effective date of coverage desired: **attach a 3 year loss run report**

	CARRIER	POLICY #	POLICY PERIOD	LOSSES AND VIOLATION
1)	_____	_____	_____	_____
2)	_____	_____	_____	_____
3)	_____	_____	_____	_____

Applicant agrees to permit contract administrator to audit applicant's books and records during normal working hours to extent deemed necessary to verify information relating to receipts from Liquor Sales and/or other matters concerning the coverage applied for.

APPLICANT'S NAME: _____ TITLE: _____

APPLICANT'S SIGNATURE: _____ DATE: _____

A POLICY CAN NOT BE ISSUED WITHOUT A LICENSE

No application will be accepted unless the application is fully completed, legible and signed by an authorized representative of the Applicant (License Holder).

ATTACH ALL REQUIRED DOCUMENTS WITH THIS APPLICATION

MINNESOTA JOINT UNDERWRITING ASSOCIATION

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in *Section 102(1) of the Act*: The term “act of terrorism” means any act or acts that are certified by the Secretary of Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside of the United States in the case of certain air carriers or vessels or the premises of the United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

UNDER YOUR COVERAGE, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY THE TERRORISM RISK INSURANCE ACT, AS AMENDED. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

The portion of your annual premium that is attributable to coverage for acts of terrorism is 0%, and does not include any charges for the portion of losses covered by the United States Government under the Act.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE MY COVERAGE, AND I HAVE BEEN NOTIFIED OF THE PORTION OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

Applicant Name (Print)

Policyholder/Applicant Signature

Named Insured

Policy Number, if applicable

Date

