

Property & Casualty Final Review Guide

ACRONYMS

Acronym	Reference	Explanation
LORAC	Responsibilities an agent owes their principal	Loyalty, obedience, reasonable care, accounting, communication
WHARVVES	Basic Perils (plus fire, lightning & internal explosion)	Windstorm, hail, aircraft, riot/civil commotion, vehicle damage, volcanic eruption, vandalism & malicious mischief, explosion, smoke
FLAVVER	Coverage to trees, shrubs, and other plants under the DP-2 and DP-3	Fire, lightning, aircraft, vehicles, vandalism & malicious mischief, explosion, riot/civil commotion
SWISH	Perils covered to remove insured's fallen trees under the Homeowners policies	Snow, wind, ice, sleet, hail
FLAVVERT	Trees, shrubs and other plants covered perils under the Homeowners policies	Fire, lightning, aircraft, vehicles not owned or operated by a resident of the "residence premises", vandalism or malicious mischief, explosion, riot or civil commotion, theft
DICE	Four major components to an insurance policy	Declarations, Insurance Agreement, Conditions & Exclusions
PINES	Insured's duties after a loss	<u>P</u> rotect property from further damage and make reasonable and necessary repairs, <u>i</u> nventory the damaged personal property, <u>n</u> otify the company/agent, <u>e</u> xhibit the damaged property, <u>s</u> ubmit a signed sworn proof of loss within 60 days.
LIP-FACE	Commercial Package Policy	Coverage Parts

CONCEPTS YOU SHOULD KNOW

Elements of an Insurable Exposure

1. Definite loss
2. Accidental Loss
3. Large enough to create financial hardship
4. Large group of similar exposure units
5. Chance of loss must be calculable
6. Not catastrophic
7. Reasonable cost to insure

Elements of a Legal Contract

1. Offer and Acceptance (agreement)
2. Competent Parties
3. Legal Purpose
4. Consideration

Distinct Characteristics of an Insurance Contract

1. Contract of Adhesion – contract drawn up by one party (insurer) and must be adhered to by the other party (insured).
2. Aleatory Contract – future event of unequal bargaining value
3. Personal Contract – Highest degree of good faith
4. Unilateral Contract – one party (insurer) makes an enforceable promise
5. Conditional Contract – Contingent on certain acts by the insured or insurer

IMPORTANT TIME FRAMES TO REMEMBER

WHAT	TIMEFRAME
Name Change	Notify department within 30 days
Address Change	Notify department within 30 days
Convicted of Criminal Conduct	Notify department within 30 days
Temporary License	180 days
Do Not Call List	Check every 31 days to remain current
Modified Fire Resistive Building	1 hour
Fire Resistive	At least 2 hours
Volcanic Eruption	72 hours
Vacancy Provisions – all policies except Farm	60 days
Vacancy & Unoccupancy – Farm Policy	120 days
Statute of limitations for injury suit	2 years
Statute of limitations – contractual liability (UM/UIM)	4 years
Statute of limitations for a minor to bring suit	2 years after the age of 18
Policy remains in effect after the death of a policyholder	180 days or the end of the policy period, whichever is later
Students away at school do not lose theft until	90 days
Newly acquired autos	See auto chart
Transportation expense (physical damage personal auto) – before the carrier starts paying	Theft – 48 hours Other losses – 24 hours
Automobile Insurance Plan (Assigned Risk)	36 months
Newly acquired autos on business auto policy	Symbol 7 – 30 days

WHAT	TIMEFRAME
Accidental Death or Funeral Expenses under First Party Benefits will only be paid if	Death occurs within 24 months
CGL – Claims Made (BERP)	Mini Tail - 60 Days Midi Tail - 5 years
CGL – Claims Made (SERP)	Forever
Business Income	72 hour waiting period
Business Income under the BOP	Covered for up to 12 months
Extended Business Income under the BOP	Covered up to 60 days
Protective Safeguards – Company must be notified within	48 hours
Workers Comp – if employer posts healthcare provider list, these providers must be used for	90 days
Income Benefits under Workers Comp	Subject to 7 day waiting period
If disability lasts more than 14 days	Waiting period is waived
Flood Insurance – New Business Waiting Period	30 days
If purchasing in conjunction with a loan	Waiting period is waived

CANCELLATION / NON-RENEWAL CHART

Policy Type	Reasons for Cancellation	15 Days	30 Days	60 Days
Dwelling (owner occupied) & Homeowners	Nonpayment		X	
	Material misrepresentation		X	
	Substantial change in risk		X	
	Other reasons approved by the Commissioner		X	
Personal Auto	Nonpayment	X		
	Material misrepresentation	X		
	Substantial change in risk	X		
	Non-renewal of policy			X
Commercial Policies (CP, CGL, CA, BOP) & Dwelling (non-owner occupied)	Nonpayment	X		
	Material misrepresentation	X		
	Substantial change in risk			X
	Failure to comply with policy terms			X
	Loss of reinsurance			X
	Other reasons approved by the Commissioner			X
<p><i>*Any policy, except Personal Auto, in force for less than 60 days must give 30 day notice. Personal Auto is a 15 day notice.</i></p>				

LOSS SETTLEMENT PROVISIONS

Policy Form	Building	Personal Property
DP-1	ACV	ACV
DP-2	RC	ACV
DP-3	RC	ACV
HO-2	RC	ACV
HO-3	RC	ACV
HO-4	N/A	ACV
HO-5	RC	ACV
HO-6	RC	ACV
HO-8	FRC	ACV
CPP	ACV	ACV
BOP	RC	RC

ACV – Actual Cash Value

RC – Replacement Cost – Coverage is written on a replacement cost basis as long as the dwelling is insured to at least 80% of the dwelling’s replacement cost immediately before the loss. This is known as an “insurance to value” requirement.

FRC – Functional Replacement Cost – As long as you repair or replace within 180 days, functional replacement cost will be paid or the limit of insurance (whichever is less). If the Dwelling is not replaced or repaired within 180 days then the company pays the lesser of the limit of insurance, market value or the cost to repair at functional replacement cost.

**Anytime RC is paid on a building, the policy will have an insurance-to-value (ITV) requirement. This states that the insurance on the damaged building must be at least 80% of the full replacement cost of the building immediately before the loss in order for the replacement cost provision to apply.*

ADDITIONAL COVERAGES & LIMITS THAT APPLY TO VARIOUS POLICIES

	DWELLING	HOMEOWNERS	CPP	BOP
Debris Removal	Included in Limit	<ul style="list-style-type: none"> - Included in Limit PLUS Additional 5% - Trees, up to \$1,000 but only \$500 per tree - Your Tree (SWISH) - Neighbor's Tree (Coverage C Perils) 	25% of Loss Included in Limit of Insurance PLUS \$25,000 Additional Coverage	25% of Loss Included in Limit of Insurance PLUS \$25,000 Additional Coverage
Reasonable Repairs	Included in Limit	Included in Limit		
Property Removed (or Preservation of Property in the CPP & BOP)	DP-1 – All Risk Coverage for 5 days. DP-2&3 – All Risk Coverage for 30 days	All Risk Coverage for 30 Days	All Risk Coverage for 30 Days	All Risk Coverage for 30 Days
Outdoor Property (CPP & BOP) Trees Shrubs and Other Plants (Dwelling & HO)	DP 2&3 – 5% of Coverage A subject to \$500 for any one tree, shrub or plant. <i>Perils: FLAVVER</i>	5% of Coverage A subject to \$500 for any one tree, shrub or plant. <i>Perils: FLAVVER-T</i>	\$1,000 Limit. No more than \$250 for any one tree, shrub or plant. <i>Perils: FLARE</i>	\$2,500 Limit. No more than \$1,000 for any one tree, shrub or plant. <i>Perils: FLARE</i>
Fire Department Service Charge	\$500	\$500	\$1,000	\$2,500
Collapse	Included but not DP-1	Included but not HO-8	Included but not Basic Form	Included
Glass or Safety Glazing	Included but not DP-1	Included Except HO-8 limited to \$100.		If Tenant: - Exterior Building Glass is included (if responsible) - Temporary Plates or Board Openings
Ordinance or Law (Increased Cost of Construction in CPP & BOP)	10% of Coverage A	10% of Coverage A	5% of Limit of Insurance or \$10,000 whichever is less	\$10,000 per building

VACANCY & UNOCCUPANCY PROVISIONS

Policy Form	Unoccupied	Vacant
DP-1	No Effect	If vacant more than 60 consecutive days - no coverage for Vandalism & Malicious Mischief.
DP-2 DP-3	No Effect	If vacant more than 60 consecutive days – no coverage for Vandalism & Malicious Mischief, Accidental Discharge or Overflow of Water or Steam, Damage by Burglars, Glass or Safety Glazing Material.
HO-2 HO-6	No Effect	If vacant more than 60 consecutive days – no coverage for Vandalism & Malicious Mischief, Glass or Safety Glazing Material, Accidental Discharge or Overflow of Water or Steam.
HO-3 HO-5	No Effect	If vacant more than 60 consecutive days – no coverage for Vandalism & Malicious Mischief, Glass or Safety Glazing Material.
CPP BOP	No Effect	If vacant more than 60 consecutive days – no coverage for Vandalism & Malicious Mischief, Sprinkler Leakage (unless system has been protected from freezing), Building Glass Breakage, Water Damage, Theft or Attempted Theft.
FARM	If a building or structure is unoccupied or vacant for more than 120 consecutive days, the limit of insurance is automatically reduced by 50%.	
<p>Vacancy is usually defined as an absence of both people and personal property. Certain coverages are excluded and other coverages can be reduced if vacancy continues beyond a specified number of days, most commonly 60 consecutive days. The main exception to the 60-day rule is the farm policy where the vacancy provision is not triggered until 120 days. In commercial insurance the owner of a building must rent or use at least 31% of the building or the building is considered to be vacant.</p>		
<p>Unoccupancy means that the building contains furnishings and other personal property, but has not had people occupying the space for a period of time. Usually, unoccupancy does not affect the coverage provided.</p>		

RATING EXAMPLE

Example: Two Homeowners policies – rates based on \$1,000.

- Homeowner #1 has a policy for \$250,000. The insured has had three losses over the past year. The company will surcharge the insured using merit rating, resulting in a higher final premium.
- Homeowner #2 has a policy for \$500,000 and installs a central station burglar & fire alarm. The company will give a credit to the insured using merit rating, resulting in a lower final premium.

<u>Homeowner #1</u>		<u>Homeowner #2</u>
\$250,000	Amount of Coverage	\$500,000
250	Rates are per 1,000	500
X \$3.00	Rate*	X \$3.00
\$750	Premium	\$1,500
X 2.0	Merit Rate Factor	X .90
\$1,500	Final Premium	\$1,350

**Manual or Class Rate*

BASIC NAMED PERILS

- Fire (no flame no claim)
- Lightning (natural electricity)
- Windstorm (any wind)
- Hail (pellets of frozen rain)
- Explosion – BOOM!
- Riot or Civil Commotion (public disturbance)
- Aircraft (includes self-propelled missiles and spacecraft)
- Vehicles
- Smoke (Includes sudden and accidental damage from smoke including a puffback. Does not include agricultural smudging or industrial operations.)
- Vandalism or Malicious Mischief (willful destruction of property)
- Sprinkler Leakage (Commercial Property and Businessowners Policies only)
- Sinkhole Collapse (Commercial Property and Businessowners Policies only)
- Volcanic Action/Eruption (Excludes land movement)

BROAD NAMED PERILS (these are in addition to the above Basic Named Perils)

- Theft (see specific policies for how theft coverage applies)
- Falling Objects (Exterior of the building must first be damaged by a falling object.)
- Weight of Ice, Snow or Sleet (Covers damage caused by the weight of ice, sleet or snow.)
- Accidental Discharge or Overflow of Water (From within a heating, plumbing or household appliance. Does not include flood or backup of sewer water.)*
- Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging (Of a steam or hot water heating, air conditioning, automatic sprinkler or an appliance for heating water.)*
- Freezing of Plumbing - No coverage if you fail to maintain heat or shut the water off and drain the system.)*
- Sudden and Accidental Damage From Artificially Generated Electrical Current (Homeowners and Dwelling policies only – VERY LIMITED COVERAGE)

*Covered under Water Damage for Commercial Property

LOSS RATIO

$$\text{Loss Ratio (\%)} = \frac{\text{Loss Incurred}}{\text{Earned Premium}}$$

ACTUAL CASH VALUE

$$\text{Actual Cash Value (ACV)} = \text{Replacement cost at time of loss} - \text{physical depreciation}$$

PRO-RATA OTHER INSURANCE PROVISION

Pro-rata states that each policy will pay its proportionate share based on its limit of insurance written compared to the total limit of all insurance written.

Total Building Limit = \$100,000 (Co A's limit + Co B's limit)	Fire Loss = \$20,000
Co. A limit of insurance = \$75,000	
Co. B limit of insurance = \$25,000	
Co A. share of loss is $75 / 100 \times \$20,000 = \$15,000$	

CONTRIBUTION BY EQUAL SHARES

Company X Liability policy limit = \$100,000
Company Y Liability policy limit = \$300,000
The covered liability loss = \$225,000
Company X pays \$100,000
Company Y pays \$125,000
Each company pays an equal amount until Company X limits are exhausted. Company Y still has limits available and pays the remaining \$25,000.
Company X pays \$100,000
Company Y pays \$125,000

NONCONCURRENCY

Pro-rata Other Insurance and Nonconcurrency

Total Building Value = \$100,000 Theft Loss = \$20,000

Co. A limit of insurance = \$75,000 Open Perils Form (theft covered here)

Co. B limit of insurance = \$25,000 Basic Perils Form (theft not covered here)

Co. A share of loss is $75 / 100 \times \$20,000$ = \$15,000

Co. B - theft not a covered peril = Pays \$0

Co. A still only pays their fair share. There is a gap in coverage of \$5,000 (in this example) due to nonconcurrency of the forms.

COINSURANCE

Coinsurance Formula

$$\frac{\text{Amount of Insurance Carried (DID)}}{\text{Amount of Insurance Required (SHOULD)}} \times \text{Loss} = \text{Amount of Payment}$$

Amount of Insurance Required = Coinsurance % \times Value of Property

Coinsurance Example:

Building Value	= \$100,000
Amount of Insurance	= \$60,000
Coinsurance %	= 80%
Amount of Loss	= \$20,000

$$\frac{\text{DID} - \$60,000}{\text{SHOULD} = \$80,000 \text{ (} 80\% \times \$100,000 \text{)}} \times \$20,000 = \$15,000 \text{ (Payment Amount)}$$

PER PERSON / PER OCCURRENCE LIMIT OF INSURANCE

Peter has a Personal Auto Policy with Bodily Injury limits of \$25,000 per person and \$50,000 per accident. Peter has an accident causing \$27,000 in injuries to Paul, \$13,000 in injuries to Mary and \$15,000 in injuries to Judy. How much will the policy pay?

Per Person Limit = \$25,000

Occurrence Limit = \$50,000

Injuries	Paid	Unpaid (paid out of pocket by Pete)
Paul - \$27,000	\$25,000	* \$2,000
Mary - \$13,000	\$13,000	* \$0
Judy - \$15,000	\$12,000	* \$3,000

*Courts will determine exact split of the payments. However, the total payments can never exceed the occurrence limit and the payment to any one individual can never exceed the per person limit. Any amount awarded in excess of the policy limit is the responsibility of the insured.

AGGREGATE LIMIT OF INSURANCE

A CGL policy is written with a Per Occurrence Limit of \$100,000 and a \$300,000 Aggregate Limit for Products and Completed Operations Hazard. The insured incurs the following Product Liability losses during the policy period of January through December:

<u>Date</u>	<u>Amount</u>	<u>Total Paid</u>	<u>Unpaid</u>
January 3	\$100,000	\$100,000	\$0
March 17	\$ 80,000	\$180,000	\$0
April 9	\$ 70,000	\$250,000	\$0
May 1	\$100,000	\$300,000	\$50,000

All the Products Liability claims up to the May 1 claim would be fully paid. Even though the May 1 claim was within the \$100,000 Per Occurrence Limit, there was only \$50,000 available in the Aggregate Limit. The insured would be responsible for the additional \$50,000.

DWELLING POLICY FORMS SUMMARY OF PERILS

	DP-1 (BASIC)	DP-2 (BROAD)	DP-3 (SPECIAL)
COV A (Dwelling)	Selected by the insured	Selected by the insured	Selected by the insured
COV B (Other Structure)	10 % of Cov A <i>included</i> in limit	10% of Cov A in <i>addition</i> to limit	10% of Cov A in <i>addition</i> to limit
COV C (Personal Property)	Selected by the insured	Selected by the insured	Selected by the insured
COV D (Fair Rental Value)	20% of Cov A <i>included</i> in limit	20 % of Cov A in <i>addition</i> to limit	20 % of Cov A in <i>addition</i> to limit
COV E (Additional Living Expense)	N/A		

DWELLING POLICY COMPARISON OF PERILS

Name of Form	Coverage A & B	Coverage C
Basic – DP-1	Named Perils	Named Perils
Broad – DP-2	Broad Named Perils	Broad Named Perils
Special – DP-3	Open Perils	Broad Named Perils

SUMMARY OF PERILS INSURED AGAINST

DWELLING POLICY COVERAGE A (DWELLING) AND COVERAGE B (OTHER STRUCTURES)

Perils Insured Against	DP-1	DP-2	DP-3
Fire or Lightning	Yes	Yes	Yes
Internal Explosion	Yes	Inc. Exp.	Inc. Exp.
Windstorm or Hail	Provided By Extended Coverage	Yes	Yes
Explosion		Yes ¹	Yes ¹
Riot or Civil Commotion		Yes	Yes
Aircraft		Yes	Yes
Vehicles		Yes	Yes
Smoke		Yes	Yes
Volcanic Eruption		Yes	Yes
Vandalism		May Add	Yes
Damage by Burglars	No	Yes	Yes
Falling Objects	No	Yes	Yes
Weight of Ice, Sleet or Snow	No	Yes	Yes
Accidental Discharge or Overflow of Water or Steam	No	Yes	Yes
Cracking, Burning or Bulging of Heating System or Air Conditioner or Hot Water Heater	No	Yes	Yes
Freezing	No	Yes – Limited	Yes – Limited
Power Surge	No	Yes	Yes
Theft of Building	No	No	Yes

¹ Does not restrict boilers and steam pipes.

Note: DP-1 does not cover for smoke from fireplaces.

Dwelling Policy Coverage C (Personal Property)

Perils Insured Against	DP-1	DP-2	DP-3
Fire or Lightning	Yes	Yes	Yes
Windstorm or Hail	Yes	Yes	Yes
Explosion	Yes	Yes	Yes
Riot or Civil Commotion	Yes	Yes	Yes
Aircraft	Yes	Yes	Yes
Vehicles	Yes	Yes	Yes
Smoke	Yes	Yes	Yes
Vandalism OR Malicious Mischief	Yes ¹	Yes	Yes
Damage by Burglars	No	Yes	Yes
Falling Objects	No	Yes	Yes
Weight of Ice, Sleet or Snow	No	Yes	Yes
Accidental Discharge or Overflow of Water or Steam	No	Yes	Yes
Cracking, Burning or Bulging of Heating System or Air Conditioner or Hot Water Heater	No	Yes	Yes
Freezing	No	Yes	Yes
Sudden and Accidental Damage from Artificially-Generated Electrical Current	No	Yes	Yes
Volcanic Eruption	Yes	Yes	Yes

¹ Vandalism or Malicious mischief must be selected and premium paid under DP-1 form.

DWELLING POLICY SUMMARY OF OTHER COVERAGES

Coverage	Forms	Limit	Included or Additional
Other Structures	1, 2 & 3	10% of Coverage A	DP-2 & DP-3 Additional DP-1 Included
Debris Removal	1, 2 & 3	Limit applying to damaged property	Included
Improvements, Alterations & Additions	1, 2 & 3	10% of Coverage C	DP-2 & DP-3 Additional DP-1 Included
World Wide Coverage	1, 2 & 3	10% of Coverage C	Included
Rental Value * and Additional Living Expense	2 & 3	20% of Coverage A	DP-2 & DP-3 Additional DP-1 Additional Living Expenses not included on DP-1
Reasonable Repairs	1, 2 & 3	Limit applying to damaged property	Included
Property Removed	1, 2 & 3	Limit applying to damaged property	Included
Trees, Shrubs & Other Plants	2 & 3	5% of Coverage A or \$500 per plant	Additional
Fire Department Service Charge	1, 2 & 3	Up to \$500	Additional No deductible
Collapse	2 & 3	Limit applying to damaged property	Included
Glass or Safety Glazing	2 & 3	Limit applying to damaged property	Included
Ordinance or Law	2 & 3	10% of Coverage A if building owner, 10% of Improvements, Alterations and Additions if Tenant	Additional

* Form 1 includes Rental Value and is not additional insurance. Additional Living Expense may be endorsed.

HOMEOWNERS POLICY LIMITS

	HO-2	HO-3	HO-4	HO-5	HO-6	HO-8
Cov A <i>Dwelling</i>	Selected by insured	Selected by insured	N/A	Selected by insured	\$5,000 automatic and the insured can purchase additional	Selected by insured
Cov B* <i>Other Structures</i>	10% of Cov A	10% of Cov A	N/A	10% of Cov A	N/A	10% of Cov A
Cov C** <i>Personal Property</i>	50% of Cov A	50% of Cov A	Selected by insured	50% of Cov A	Selected by insured	50% of Cov A
Cov D <i>Loss of Use</i>	30% of Cov A	30% of Cov A	30% of Cov C	30% of Cov A	50% of Cov C	10% of Cov A

* Reduced to 5% on a 3 or 4 family dwelling on the HO-2, 3, 5 & 8.

** Reduced to 30% of coverage on a 3 family dwelling and 25% on a 4 family dwelling on the HO-2, 3, 5 & 8.

HOMEOWNERS SPECIAL LIMITS OF LIABILITY FOR PERSONAL PROPERTY

	Special Limit	Special Limit Description
1.	\$200	Money, bank notes, bullion, gold (not goldware), silver (not silverware), platinum (not platinumware), coins, medals, scrip, stored value or smart cards
2.	\$1,500	Securities, accounts, deeds, evidences of debt, letters of credit, notes (not bank notes), manuscripts, personal records, passports, tickets and stamps
3.	\$1,500	Watercraft including trailers, furnishings, equipment and motors
4.	\$1,500	Trailers or semi-trailers not used with watercraft
5.	\$1,500 *	Loss by theft of jewelry, watches, furs, precious and semi-precious stones
6.	\$2,500 *	Loss by theft of firearms and related equipment
7.	\$2,500 *	Loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware (this includes trophies made of these metals)
8.	\$2,500	Business property on the residence premises
9.	\$1,500	Business property off premises does not apply to antennas, tapes, wires, records, disks or other media used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; or is in or upon a "motor vehicle".
10.	\$1,500	Portable electronic equipment that reproduces receives or transmits audio, visual or data signals; is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and is in or upon a "motor vehicle".
11.	\$250	Antennas, tapes, wires, records, disks or other media used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and is in or upon a "motor vehicle".

Special limits 5, 6 and 7 do not apply to the **HO-8** form because that homeowners policy limits theft coverage to \$1,000 on premises with no coverage away from premises.

* Under the HO-5 the limitations above apply also to losing and misplacing under Special Limits 5, 6 and 7.

HOMEOWNERS ADDITIONAL COVERAGE SUMMARY CHART

Additional Coverage	Limit	Included or Additional Insurance	Subject to Deductible?
Debris Removal	Included	Included	Yes
	Plus 5% of Limit	Additional	Yes
	Trees - \$500 per tree (max \$1,000)	Additional	Yes
Reasonable Repairs	Included	Included	Yes
Trees, shrubs and plants	\$500 per tree, shrub or plant (max 5% of Cov A)	Additional	Yes
Fire Department Service Charge	\$500	Additional	No
Property Removed	Included	Included	Yes
Credit card, forgery and counterfeit money	\$500	Additional	No
Loss Assessment	\$1,000	Additional	Yes
Glass or Safety Glazing Material	Included	Included	Yes
Landlord's Furnishings	\$2,500 per unit	Included	Yes
Ordinance or Law	10% of Cov A	Additional	Yes
Grave Markers	\$5,000	Included	Yes
HO-4 ONLY			
Building Additions and Alternations	10% of Cov C	Additional	Yes

HOMEOWNERS – SECTION II EXCLUSIONS

The following charts will help to summarize the coverage issues with regard to “motor vehicles” and “watercraft” under the Homeowners Policy.

Types of Vehicles	Coverage – HO Section II
Utility trailers, Camper trailers, Travel trailers	No coverage while being towed. Covered if detached from towing unit.
Motorcycles and Motorized bikes (owned)	No coverage if registration required. Covered if recreational types on “ insured location. ”
Snowmobiles (owned)	No coverage if registration required. Covered if recreational types on “ insured location. ”
ATV, Dune Buggy, Go-Kart, etc. (owned)	No coverage if registration required. Covered if recreational types on “ insured location. ”
Recreational vehicles such as ATV, snowmobile, etc. (Non-owned)	No coverage if registration required. Covered if rented or borrowed.
Motorized conveyances used solely to service a residence premises or designed to assist the handicapped.	Covered. Service vehicle not covered if used for other purposes. Handicapped vehicle not covered if being used by non-handicapped person.
Golfcart (owned)	Covered on golf course. Covered on road of insured’s community, if allowed.
Motor vehicles in dead storage on an insured location	Covered.

Watercraft Liability Coverage Chart				
Type	Owned	Rented	Borrowed	Stored
Outboard	25 hp or less	Any size	Any size	Any size
Inboard or Inboard/Outdrive	Not covered	50 hp or less	Any size	Any size
Sailing Vessel	Less than 26 ft	Less than 26 ft	Any size	Any size

HOMEOWNERS POLICY FORMS SUMMARY OF PERILS

Policy Form	Coverage A	Coverage B	Coverage C
HO-2	Broad Named Perils (16)	Broad Named Perils (16)	Broad Named Perils (16)
HO-3	Open Perils *	Open Perils *	Broad Named Perils (16)
HO-4	N/A	N/A	Broad Named Perils (16)
HO-5	Open Perils *	Open Perils *	Open Perils *
NO-6	Broad Named Perils (16)	N/A	Broad Named Perils (16)
HO-8	Limited Named Perils (10)	Limited Named Perils (10)	Limited Named Perils (10)

* Open Perils – Risk of Direct Physical Loss

HOMEOWNERS POLICY COMPARISON CHART

COVERAGES A & B

Perils Insured Against	HO-2	HO-3	HO-4	HO-5	HO-6	HO-8	
Fire or Lightning	Yes	Not Applicable	Not Applicable	Yes	Yes		
Windstorm or Hail							
Explosion							
Riot or Civil Commotion							
Aircraft							
Vehicles							
Smoke (sudden & accidental)							
Vandalism or Malicious Mischief							
Theft							Lmtd
Volcanic Eruption							
Falling Objects							No
Weight of Ice, Sleet or Snow							No
Accidental Discharge or Overflow of Water or Steam							No
Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging							No
Freezing	No						
Sudden and Accidental Damage from Artificially Generated Electrical Current	Yes	No					
Risks of Direct Loss Except:	No		No	No			
Theft to dwelling under construction	No	No	No	No	No		
V&MM if Vacant more than 60 days	No	No	No	No	No		
Wear and Tear, Inherent Vice, Mechanical Breakdown, Rust, Rot, Ag or Industrial Smoke, Pollution, Settling, Birds, Rodents, Insects, Animals, Etc.	No	No	No	No	No		

* Coverage B does not apply to the HO-6

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HOMEOWNERS POLICY COMPARISON CHART

COVERAGE C

Perils Insured Against	HO-2	HO-3	HO-4	HO-5	HO-6	HO-8		
Fire or Lightning	YES							
Windstorm or Hail								
Explosion								
Riot or Civil Commotion								
Aircraft								
Vehicles								
Smoke (sudden & accidental)								
Vandalism or Malicious Mischief								
Theft								Lmtd
Volcanic Eruption								
Falling Objects								No
Weight of Ice, Sleet or Snow								No
Accidental Discharge or Overflow of Water or Steam								No
Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging								No
Freezing		No						
Sudden and Accidental Damage from Artificially Generated Electrical Current		No						
Risks of Direct Loss Except:	No	No	No		No	No		
Theft to dwelling under construction	No	No	No	No	No	No		
V&MM if Vacant more than 60 days	No	No	No	No	No	No		
Wear and Tear, Inherent Vice, Mechanical Breakdown, Rust, Rot, Ag or Industrial Smoke, Pollution, Settling, Birds, Rodents, Insects, Animals, Etc.	No	No	No	No	No	No		

LOSS SETTLEMENT EXAMPLE (DP-2, DP-3 and HOMEOWNERS)

The insured has a ten-year old dwelling with a replacement cost of \$100,000. The Coverage A amount is \$60,000 and has a loss of \$10,000.

Replacement cost of the dwelling: \$100,000

Insurance Carried: \$ 60,000

Loss to Dwelling: \$ 10,000

\$60,000

\$80,000 X \$10,000 = \$7,500

- a. ACV – assuming \$4,000 in depreciation, your “insured” would be paid the actual cash value of \$6,000 (\$10,000 - \$4,000).
- b. \$7,500 which is the proportionate cost to repair the damage.

**The insured gets choice of greater amount.*

**PERSONAL AUTO POLICY
 COVERAGE FOR NEWLY ACQUIRED AUTOS**

COVERAGE	REPLACEMENT AUTO	ADDITIONAL AUTO
Liability First-Party Benefits Uninsured Motorists Underinsured Motorists	Covered for remainder of the policy period.	Covered if company notified within 14 days.
Physical Damage 1. If carried on at least one auto. 2. If not carried on any auto.	Broadest coverage carried on any auto if company notified within 14 days. Covered with \$500 deductible if company notified within 4 days.	Broadest coverage carried on any auto if company notified within 14 days. Covered with \$500 deductible if company notified within 4 days.

Sarah Montgomery has a Personal Auto Policy on her 2008 Pontiac Firebird with the following limits:

Liability - BI \$50,000/\$100,000
 PD \$50,000
 Collision \$500 deductible
 Other Than Collision \$500 deductible

Sarah buys a 2013 Mustang GT to replace her Firebird. She would automatically have liability coverage for her “newly-acquired auto,” but must request coverage within 14 days after she becomes owner for Collision and Other Than Collision to continue coverage at the \$500 deductibles.

David has a 2000 Ford Taurus insured with the following limits:

Liability - BI \$100,000/\$300,000
 PD \$50,000
 Other Than Collision \$500 deductible

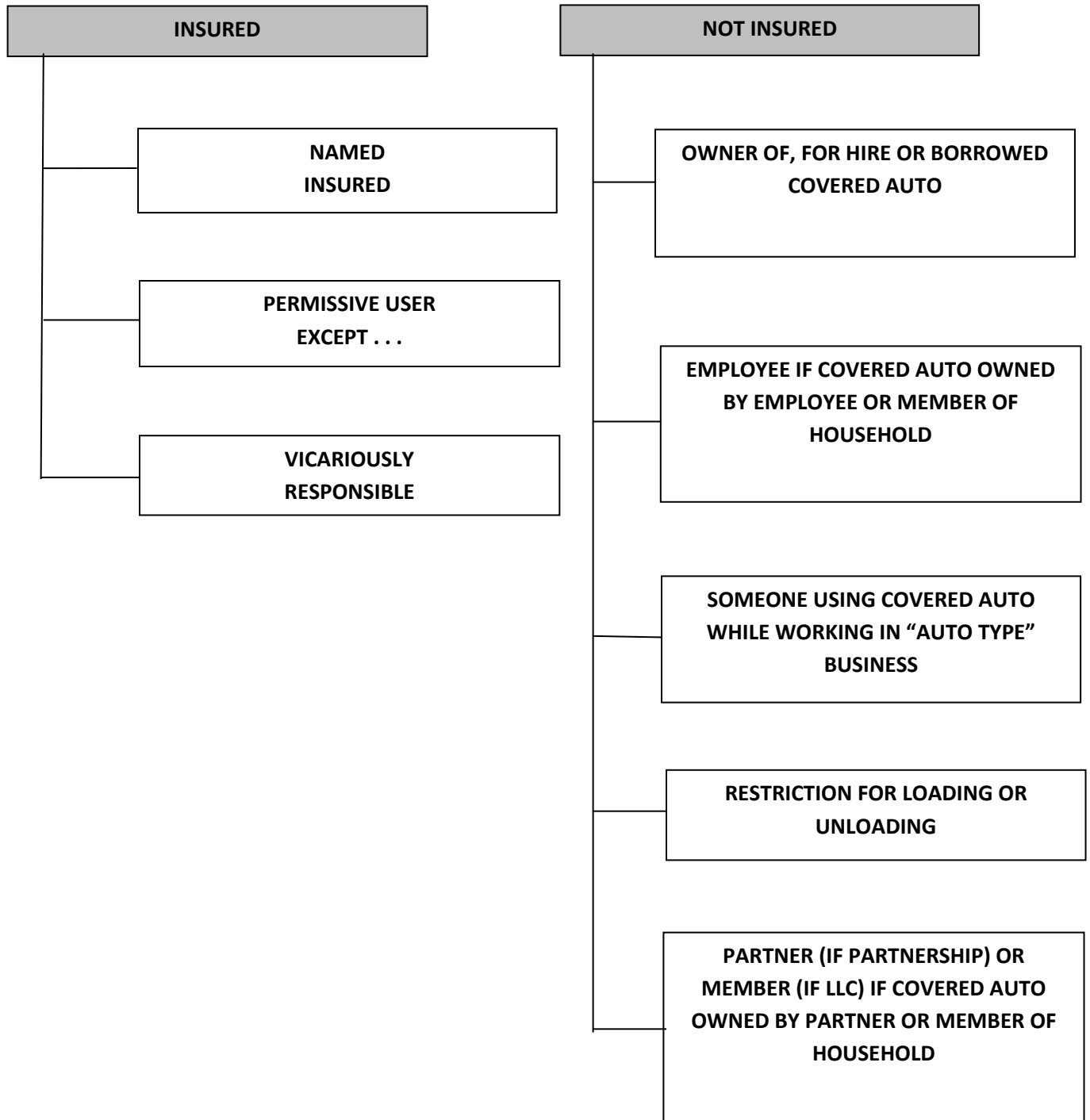
David buys an additional vehicle, a 2013 Chevrolet Malibu. He must request coverage within 14 days to continue coverage for Liability and Other Than Collision Coverage. He automatically gets collision (\$500 deductible) as long as he asks us to insure the vehicle for collision within 4 days of purchase.

BUSINESS AUTO COVERAGE SYMBOLS

SYMBOL	DESCRIPTION
1	ANY "AUTO." Use for Liability coverage only.
2	OWNED "AUTOS" ONLY. Use for any coverage.
3	OWNED PRIVATE PASSENGER "AUTOS" ONLY. Use for any coverage.
4	OWNED AUTOS OTHER THAN PRIVATE PASSENGER "AUTOS". Use for any coverage.
5	OWNED "AUTOS" SUBJECT TO NO-FAULT. Use if No-Fault benefits are required by the state where auto garaged.
6	OWNED "AUTOS" SUBJECT TO COMPULSORY UNINSURED MOTORISTS LAW. Use if UM benefits cannot be rejected in the state where garaged.
7	SPECIFICALLY DESCRIBED "AUTOS" ONLY. Use for any coverage.
8	HIRED "AUTOS" ONLY. Use for any coverage leased, hired, rented or borrowed autos. Excludes autos owned by employees, partners of partnership, member of LLC, or members of their families.
9	NONOWNED "AUTOS" ONLY. Use for Liability coverage only on autos not owned, leased, hired, rented or borrowed by the insured and used in the insured's business.
19	MOBILE EQUIPMENT SUBJECT TO COMPULSORY OR FINANCIAL RESPONSIBILITY OR OTHER MOTOR VEHICLE INSURANCE LAW ONLY. Autos that would qualify under the definition of "mobile equipment" if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

Business Auto Policy

WHO IS AN INSURED?



COMPONENTS OF A COMMERCIAL PACKAGE POLICY

Commercial Package Policy
(CPP)

=

Common Policy Declarations

+

Common Policy Conditions

+

Interline Endorsements

+

Two or more of the following coverage parts:

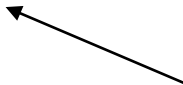
- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL LIABILITY UMBRELLA
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT REAKDOWN COVERAGE PART
- FARM COVERAAGE PART
- LIQUOR LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PROFESSIONAL LIABILITY COVERAGE PART

COMMERCIAL GENERAL LIABILITY POLICY – WHO IS AN INSURED

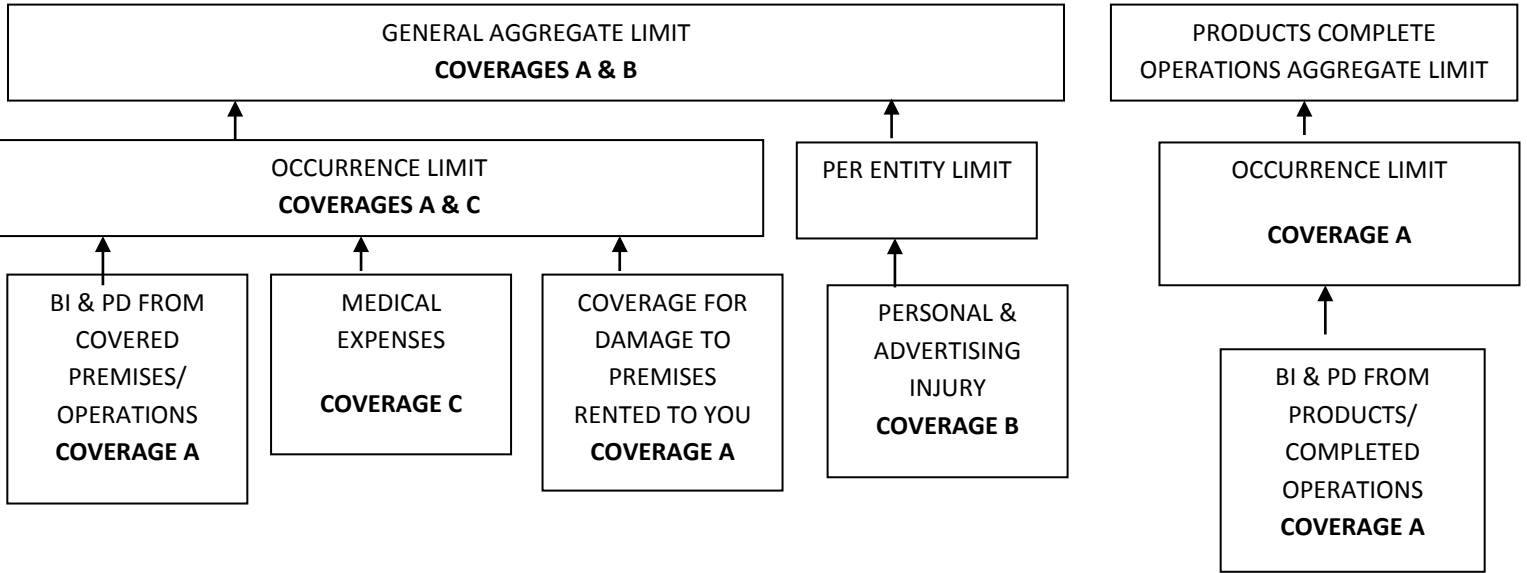
Note: The categories of Named Insureds represent the various legal types of businesses.

1. NAMED INSURED	LIMITATIONS
<p>a. Individual. Includes spouse.</p> <p>b. Partnership or Joint Venture. Includes partners, members and their spouses.</p> <p>c. Limited Liability Company. Includes members and managers.</p> <p>d. Corporations. Includes “executive officers,” directors and stockholders.</p> <p>e. Trust. Includes trustees.</p>	<p>Conduct of any business of which you are the whole owner.</p> <p>Conduct of your business.</p> <p>Members: Conduct of your business. Managers: Respect to their duties as trustees.</p> <p>“Executive officers” and directors: Respect to their duties. Stockholders: Respect to their liability as stockholders.</p> <p>Respect to their duties as trustees.</p>
2. OTHERS	LIMITATIONS
<p>a. “Employees” and “volunteer workers”, other than “executive officers” of corporation and managers of limited liability company.</p> <p>b. Persons other than “employees” and “volunteer workers”.</p> <p>c. Any person with temporary custody of your property if you die.</p> <p>d. Your legal representative if you die.</p>	<p>Acting within the scope of their employment.</p> <p>While acting as your real estate manager.</p> <p>Liability arising out of the maintenance or use of that property.</p> <p>Respect to their duties.</p>
<p>3. Newly acquired or formed organization if majority interest</p>	<p>Not partnership, joint venture or limited liability company. Covered for 90 days after acquisition or formation</p>

Applies ONLY to CGL (Not covered in BOP)



COMMERCIAL GENERAL LIABILITY – LIMITS OF INSURANCE



COMMERCIAL PROPERTY COMPARISON OF CAUSES OF LOSS FORMS

Causes of Loss	Basic CP 10 10	Broad CP 10 20	Special CP 10 30
Fire	NO	YES	YES (exclusions)
Lightning			
Explosion			
Windstorm & Hail			
Smoke			
Aircraft & Vehicles			
Riot & Civil Commotion			
Vandalism			
Sprinkler Leakage			
Sinkhole Collapse			
Volcanic Action			
Falling Objects			
Weight of Ice, Snow or Sleet			
Water Damage			
Collapse			
Glass Breakage			
Theft			
Risk of Direct Physical Loss			

COMMERCIAL CRIME COVERAGE SUMMARY CHART

Coverage	Covered Property	Covered Causes of Loss
Employee Theft	Money, securities and other property.	Employee theft
Forgery or Alteration	Checks, drafts or similar written documents.	Forgery or alteration
Inside the Premises – Theft of Money and Securities	loss of money and securities inside the premises or banking premises damage to the premises or attempted theft of money and securities - loss or damage to a locked safe, vault, cash register/box/drawer, inside the premises resulting from theft or attempted theft	Theft, disappearance and destruction
Inside the Premises – Robbery or Safe Burglary of Other Property	- Property other than money and securities inside the premises from actual or attempted robbery of a custodian Inside the premises in a safe or vault from actual or attempted safe burglary Damage to the premises resulting from actual or attempted robbery Safe burglary of other property and loss or damage to a locked safe or vault from actual or attempted robbery or safe burglary	Robbery or safe burglary
Outside the Premises	Loss of money and securities outside the premises in the care of a messenger or armored vehicle company Loss or damage to other property outside the premises in the care of a messenger or armored vehicle company	Theft, disappearance or destruction Robbery or attempted robbery
Computer Fraud	Money, securities and other property	Computer fraud
Funds Transfer Fraud	Loss of money or securities	Fraud
Money Orders and Counterfeit Money	Money	Accepting invalid money orders or counterfeit paper currency.
Lessees of Safe Deposit Boxes	Securities Property other than money and securities	Theft, disappearance and destruction Burglary, robbery or vandalism
Securities Deposited With Others	Securities	Theft, disappearance and destruction
Guests' Property	All property	Negligence
Safe Depository	Property Property other than money	Negligence Burglary and robbery

FARM CAUSES OF LOSS CHART

Causes of Loss	Basic	Broad	Special			
Fire and Lightning						
Explosion (a)						
Windstorm & Hail (a) (b)						
Smoke (a)						
Aircraft & Vehicles (A)						
Riot & Civil Commotion				YES		
Vandalism (a) (b)						
Sprinkler Leakage (b)						
Sinkhole Collapse (a)						
Volcanic Action (a)						
Theft (a) (b)						
Collision (a)						
Flood and Earthquake to "Livestock"						
Weight of Ice, Snow or Sleet (a)				NO		
Water Damage (a)						
Collapse (a) (c)						
Glass Breakage (a)						
Falling Objects (a)						
Loading/Unloading Accidents (a)						
Accidental Shooting of Covered Livestock (a)						
Drowning of Livestock (a)						
Risk of Direct Physical Loss						
<p>(a) These causes of loss are subject to limitations.</p> <p>(b) These causes of loss can be excluded by endorsement.</p> <p>(c) These causes of loss are provided by the Additional Coverages provisions.</p>						

WORKERS COMPENSATION

Four Types of Disability

1. Permanent Total Disability – permanent and can't ever work again
2. Temporary Partial Disability – can do some work. Benefits payable up to 500 weeks. Light duty may apply.
3. Permanent Partial Disability – scheduled benefits (loss of finger of hand, loss of hearing or sight)
4. Temporary Total Disability – short term total disability (broken leg).
5. Impairment Rating

Unlimited Medical Benefits

Unlimited medical Benefits are all reasonable and necessary medical expenses due to work related injury or disease. If an employer posts a health care provider list (with at least 6 providers), the employee must use these providers for at least 90 days. After 90 days, the employee can go to their own provider as long as they give 5 days notice. If the employer doesn't have a list, the employee may choose any health provider.

Income Benefits

Income Benefits are 66 ⅔% of average weekly wages, subject to minimum and maximum benefits. Benefits begin after a 7 day waiting period and are retroactive if the disability lasts beyond 14 days.

There are 4 types of disability:

- 1) Total Disability – permanent and can't work
- 2) Partial Disability – can do some work. Benefits payable up to 500 weeks. Light duty may apply.
- 3) Permanent Partial Disability – scheduled benefits
- 4) Temporary Disability – short term total disability

Death Benefits

Death Benefits include:

\$3,000 burial allowance

AND

These Survivor Benefits:

- Family (Spouse & Children) – 66 $\frac{2}{3}$ %
- Family (Spouse & Child) – 60%
- Spouse Only – 51%
- Child Only – 32%

Spouse benefits payable for life, or remarriage, then 2 year lump sum. Children benefits payable at age 18 or at age 23 if still in school.

Rehabilitation Benefits

These include vocational training.

EXPERIENCE MODIFICATION FACTOR

Experience Modification measures the individual employer's loss experience against the average loss experience for its job classification. Future premiums are based upon past loss experience. Each year the Pennsylvania Compensation Rating Bureau (PCRB) calculates the factor to be applied to the insured's renewal premium. The experience modification factor for its current policy year is generally based on the insured's loss experience over three prior years, ending one year prior to the policy effective date.

Current Experience Modification Factor is derived from the insured's own past loss history. The current policy period is not used in determining that factor.			
	Policy Inception	Policy Expiration	Experience Modification Factor
Renewal Policy	06/15/13	06/15/14	** ←
Current Policy	06/15/12	06/15/13	
Past Policy	06/15/11	06/15/12	The experience from these three years (good or bad) determines the experience modification factor for the renewal policy.
Past Policy	06/15/10	06/15/11	
Past Policy	06/15/09	06/15/10	

To determine the experience modification factor for 13-14, the rating bureau uses the losses and final audited premium for 11-12, 10-11 and 09-10. An experience modification of less than 1 is good and more than 1 is unfavorable.

**If the insured has a standard premium of \$10,000 and experience modifier of .65 then the insured would have experience premium of \$6,500 instead of \$10,000. If the insured in the same example had an experience modifier of 1.15, he/she would have to pay \$11,500 instead of the standard premium of \$10,000.

FLOOD INSURANCE LIMITS

EMERGENCY PROGRAM FLOOD INSURANCE LIMITS

BUILDINGS	Basic Limits	Additional Limits	Total Limits
Single Family	\$ 35,000	\$0	\$ 35,000
2-4 Family Dwelling	\$ 35,000	\$0	\$ 35,000
Other Residential	\$100,000	\$0	\$100,000
Non-residential	\$100,000	\$0	\$100,000
CONTENTS			
Residential	\$ 10,000	\$0	\$ 10,000
Non-Residential	\$100,000	\$0	\$100,000

REGULAR PROGRAM FLOOD INSURANCE LIMITS

BUILDING	Basic Limits	Additional Limits	Total Limits
Single Family	\$ 60,000	\$190,000	\$250,000
2-4 Family Dwelling	\$ 60,000	\$190,000	\$250,000
Other Residential	\$175,000	\$ 75,000	\$250,000
Non-residential	\$175,000	\$325,000	\$500,000
CONTENTS COVERAGE (per unit)			
Residential	\$ 25,000	\$ 75,000	\$100,000
Non-Residential	\$150,000	\$350,000	\$500,000

Keep in mind some property is subject to internal limits.

DEDUCTIBLES

All flood insurance is written with a standard deductible of \$1,000. This is required for regular program communities. The insured may select higher deductibles for lower premiums. The standard deductible applies separately to building and contents. A policy written with the standard deductible of \$1,000 for building and contents would apply a \$1,000 deductible to the building and an additional \$1,000 deductible to the contents.

BUSINESSOWNERS ELIGIBLE RISKS INCLUDE

- Apartment Buildings
- Office Buildings – including office condominiums not exceeding 6 stories or a total of 100,000 square feet.
- Mercantile, Processing or Service Risks (Bakeries, Barber Shops, Dry Cleaners, Funeral Homes, Printers, Shoe Repair, Tailoring, Repair Shops, etc.), if the total floor area of the building does not exceed 35,000 square feet and whose sales do not exceed \$6,000,000.
- Contractors whose annual payroll does not exceed \$300,000 and no work done over 3 stories.
- Convenience Stores – with a minimum of 3,000 square feet; if gas sales - no auto repair or service, no car wash, and no propane or kerosene tank filling.
- Motels – not exceeding 3 stories, no bar or lounge and not seasonal.
- Restaurants – all restaurants limited to 7,500 square feet. Fast food, casual and fine dining restaurants maximum seating capacity of 150 (limited cooking 75). Fast food and limited cooking – beer and wine only 25% of sales; casual and fine dining – alcohol only 50% of sales.
- Self-Storage Facilities – no more than 2 stories and no storage of industrial materials, chemicals or cold storage.
- Wholesale Risks – with no more than 25% retail sales and 25% of area open to public.

BUSINESSOWNERS ADDITIONAL COVERAGES

ADDITIONAL COVERAGE	WHAT IS COVERED?	WHAT IS NOT COVERED?
DEBRIS REMOVAL *	<ol style="list-style-type: none"> 1. Reported within 180 days of the loss. 2. 25% of paid loss plus the deductible. 3. If: <ol style="list-style-type: none"> a. Loss plus debris removal exceeds policy limit; or b. Debris removal exceeds the 25% limitation; Will pay additional \$25,000. (CPP will only give \$10,000) 4. If no covered property is damaged, will pay up to \$5,000 per location for the removal of other property. 	<ol style="list-style-type: none"> 1. Cost to extract pollutants from land or water. 2. Cost to remove, restore or replace polluted land or water.
PRESERVATION OF PROPERTY *	If moved to protect from a Covered Cause of Loss, then covered for any cause of loss up to 30 days.	Personal Property Off Premises Coverage Extension will apply if moved to protect from a cause of loss that is not covered.
FIRE DEPARTMENT SERVICE CHARGE *	Up to \$2,500 if assumed by contract or required by local ordinance Only \$1,000 in the CPP *	
COLLAPSE	<ol style="list-style-type: none"> 1. Buildings, if caused by: <ol style="list-style-type: none"> a. Hidden decay, hidden insect or vermin damage or defective materials or methods during construction. b. Use of defective material or methods after construction if caused by hidden decay, insect or vermin damage, "specified cause of loss", breakage of building glass, weight of people or personal property, or weight of rain on the roof. 2. Antennas (including satellite dishes), awnings, gutters, down-spouts, yard fixtures, swimming pools, piers, wharves, docks, diving platforms, retaining walls, walks roadways and other paved surfaces, if direct result of the collapse of a building. 3. Personal property and damage not caused by collapse of a building: <ol style="list-style-type: none"> a. Must be caused by a cause of loss in 1. above; b. Must be within a building; and c. The property is not of a kind listed in 2. above. 	Settling, cracking, shrinkage, bulging or expansion.

***The CPP automatically provides coverage.**

BUSINESSOWNERS ADDITIONAL COVERAGES

ADDITIONAL COVERAGE	WHAT IS COVERED?	WHAT IS NOT COVERED?
WATER DAMAGE, OTHER LIQUIDS, POWDER OR MOLTEN MATERIAL	Cost to tear out and replace any part of the building necessary to repair the system or appliance.	Cost to repair the defect that caused the damage.
BUSINESS INCOME	<ol style="list-style-type: none"> 1. Business Income: <ol style="list-style-type: none"> a. Actual loss sustained. b. 72 hour waiting period, unless changed to begin immediately following the loss by adding BP 04 41. c. Up to 12 months. 2. Extended Business Income limited to 60 days, unless period is increased. 3. Additional limit of insurance. 	<ol style="list-style-type: none"> 1. Ordinary payroll is excluded after 60 days, unless period is increased. 2. Delay in rebuilding or resuming operations due to strikers. 3. Loss of contract, except during period restoration.
EXTRA EXPENSE	<ol style="list-style-type: none"> 1. Necessary expenses to: <ol style="list-style-type: none"> a. Continue operations; or b. Minimize suspension of operations. 2. Expediting expenses to extent they reduce loss. 3. Up to 12 months. 4. Additional limit of insurance. 	<ol style="list-style-type: none"> 1. Delay in rebuilding or resuming operations due to strikers. 2. Loss of contract, except during period of restoration.
POLLUTANT CLEAN UP AND REMOVAL *	<ol style="list-style-type: none"> 1. At the described premises. 2. Reported within 180 days of the loss. 3. \$10,000 per location for the policy period. 	Costs to test for, monitor or assess the existence of pollutants.
CIVIL AUTHORITY	<ol style="list-style-type: none"> 1. Access denied to premises due to Covered Cause of Loss to other premises within one mile. 2. Business Income and Extra Expense. 3. 72 hour waiting period, unless changed to begin immediately following the loss by adding BP 04 41. 4. Limited to four weeks. 	
MONEY ORDERS AND COUNTERFEIT MONEY	<ol style="list-style-type: none"> 1. Good faith acceptance of invalid money orders or counterfeit money. 2. Up to \$1,000. 	
FORGERY OR ALTERATION	<ol style="list-style-type: none"> 1. Outgoing checks, drafts or similar written promise of payment. 2. Up to \$2,500 unless higher limit is shown on Dec Page. 	

***The CPP automatically provides coverage.**

BUSINESSOWNERS ADDITIONAL COVERAGES

ADDITIONAL COVERAGE	WHAT IS COVERED?	WHAT IS NOT COVERED?
INCREASED COST OF CONSTRUCTION *	<ol style="list-style-type: none"> 1. If buildings insured on a replacement cost basis. 2. Due to ordinance or law regulating construction. 3. Up to \$10,000 per building. 4. Additional limit of insurance. <p>5% of building limit or \$10,000 whichever is less *</p>	<ol style="list-style-type: none"> 1. If required to comply before the loss, and failed to comply. 2. Ordinance or law requiring testing for, removal of, etc. of pollutants. 3. Repairs made more than two years after the loss.
BUSINESS INCOME FROM DEPENDENT PROPERTIES	<ol style="list-style-type: none"> 1. 72 hour waiting period. 2. Up to \$5,000, unless higher limit shown in Declarations. 	If due to the loss or damage to dependent property's electronic data.
GLASS EXPENSES	<ol style="list-style-type: none"> 1. Temporary plates or board up openings. 2. Removal of obstructions. 	
FIRE EXTINGUISHER SYSTEMS RECHARGE EXPENSE	Up to \$5,000.	If discharged during installation or testing.
ELECTRONIC DATA * \$2,500 *	<ol style="list-style-type: none"> 1. Damage to, destruction of or corruption of electronic data. 2. Covered Causes of Loss include virus, harmful code or similar instruction. 3. Up to \$10,000 for all loss sustained in any one policy year, unless a higher Limit of Insurance is shown in the Declarations. 	<ol style="list-style-type: none"> 1. Acts of an employee or an entity hired to inspect, install, maintain or repair the system. 2. Electronic Data which operates a building's elevator, lighting, heating, ventilation, air conditioning or security system.
INTERRUPTION OF COMPUTER OPERATIONS	<ol style="list-style-type: none"> 1. Business Income and Extra Expense. 2. Damage to, destruction of or corruption of electronic data. 3. Covered Causes of Loss include virus, harmful code or similar instruction. 4. Up to \$10,000 for all loss sustained in any one policy year, unless a higher Limit of Insurance is shown in the Declarations. 5. No Extended Business Income. 	<ol style="list-style-type: none"> 1. Acts of an employee or an entity hired to inspect, install, maintain or repair the system. 2. Electronic Data which operates a building's elevator, lighting, heating, ventilation, air conditioning or security system.
LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA	<ol style="list-style-type: none"> 1. Direct physical loss. 2. Cost to tear out and replace. 3. Cost of testing. 4. Up to \$15,000 per policy period. 5. Business Income and Extra Expenses loss limited to 30 days. 	

***The CPP automatically provides coverage.**

BUSINESSOWNERS COVERAGE EXTENSIONS

COVERAGE EXTENSION	WHAT IS COVERED?	WHAT IS NOT COVERED?
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	<ol style="list-style-type: none"> 1. Buildings; <ol style="list-style-type: none"> a. New buildings being constructed on same premises. b. Newly-acquired at other premises if similar use or warehouse. c. Up to \$250,000. d. 30 days. 2. Personal property: <ol style="list-style-type: none"> a. Up to \$100,000. b. 30 days. 	
PERSONAL PROPERTY OFF PREMISES	<ol style="list-style-type: none"> 1. In transit. 2. At premises not owned, leased or operated. 3. Up to \$10,000. 	<ol style="list-style-type: none"> 1. At premises owned, leased or operated by the insured. 2. Money and securities. 3. Valuable papers and records. 4. Accounts receivable.
OUTDOOR PROPERTY *	<ol style="list-style-type: none"> 1. Fences, radio and TV antennas (including satellite dishes), signs, (other than signs attached to building), trees, shrubs and plants. 2. Includes debris removal for a covered loss. 3. Fire, lightening, explosion, riot or civil commotion, or aircraft. 4. Up to \$2,500, but no more than \$1,000 for any one tree, shrub or plant. <p>*\$1,000 and \$250 for any tree, shrub or plant. *</p>	All causes of loss except those listed under the Coverage Extension.
PERSONAL EFFECTS *	<ol style="list-style-type: none"> 1. Owned by the insured, officers, partners or employees. 2. Up to \$2,500. 	<ol style="list-style-type: none"> 1. Tools or equipment used in the insured's business. 2. theft.
VALUABLE PAPERS AND RECORDS *	<ol style="list-style-type: none"> 1. Cost to research, replace or restore. 2. Up to \$10,000 at described premises. 3. Up to \$5,000 off premises. <p>\$2,500 *</p>	<ol style="list-style-type: none"> 1. Property held as samples or for delivery after sale. 2. In storage off premises. 3. Programming errors or faulty data processing equipment. 4. Errors in processing or copying.
ACCOUNTS RECEIVABLE	<ol style="list-style-type: none"> 1. Amounts unable to collect due to a covered cause of loss. 2. Interest on loans. 3. Collection expenses. 4. Up to \$10,000 at described premises. 5. Up to \$5,000 off premises. 	<ol style="list-style-type: none"> 1. Programming errors or faulty data processing equipment. 2. Errors in processing or copying. 3. Alternation of records. 4. Accounting errors. 5. Loss can only be proved by audit or inventory.
BUSINESS PERSONAL PROPERTY TEMPORARILY IN PORTABLE STORAGE UNITS	<ol style="list-style-type: none"> 1. Includes a detached trailer. 2. Within 100 feet of the described buildings. 3. Up to \$10,000 	<ol style="list-style-type: none"> 1. If property stored more than 90 days. 2. If storage unit has been in use more than 90 days.

***The CPP automatically provides coverage.**