

## SUMMARY OF COMMERCIAL PROPERTY COVERAGE'S

### Coverage's & Limits:

Replacement cost, no coinsurance, flood, earthquake, building ordinance, increased costs of construction, demolition, extended period of indemnity for loss of rents, etc. The definition of real property includes fences, carports, signs, storage buildings, cabanas & pools! Sorry No Condos!

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|---|------------------------|
| • Buildings – Per Occurrence                    | *Replacement Cost      |
| • Personal Property – Per Occurrence            | *Replacement Cost      |
| • Loss of Rents – Per Occurrence                | *Actual Loss Sustained |
| • Building Ordinance or Law – Per Occurrence    | *Replacement Cost      |
| • Flood – Per Occurrence/Aggregate              | *Replacement Cost      |
| • Earthquake – Per Occurrence/Aggregate         | *Replacement Cost      |
| • Terrorism                                     | *Replacement Cost      |
| • Accounts Receivable                           | \$250,000              |
| • Valuable Papers                               | \$250,000              |
| • Extended Period of Indemnity for Loss of Rent | 30 Days                |
| • No Co-Insurance Required                      |                        |

\*Subject to a \$50,000,000 Loss Limit per occurrence (this limit is reviewed quarterly to insure its adequacy for probable maximum loss) except for a \$10,000,000 Loss Limit per occurrence/aggregate for Flood and Earthquake and other sub-limits as defined in the policies. Sub-limits are included in and are not in addition to the per occurrence primary policy limit. The loss limit can vary, depending upon the initial amount of TIV in the program. \$50,000,000 is for illustration purposes.

### Deductibles:

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|--|--|
| • All Risk of Direct Physical Damage   | \$10,000 Per Location All Perils, Except                     |
| • Windstorm & Hail                     | \$25,000 Per Location, Except                                |
| • Windstorm & Hail - Named Storms Only | 2% / \$100,000 Minimum Per Location of Total Insurable Value |
| • Flood                                | \$50,000 Per Location  |
| • Earthquake                           | \$50,000 Per Location  |

### Can Include the Following:

- Boiler and Machinery
- GL
- Umbrella

## **Property Deductible Funding Option**

In order to reduce the overall property rates 10% - 25%, the following option is available, in lieu of a straight \$10,000 AOP deductible:

Self Fund the first \$500,000 or \$1,000,000 in aggregate losses on the Primary Policy into our Captive Program. The savings of carrying this large initial deductible will result in large future savings and program rate reductions due to the following program facts: Any unpaid claims comprising of this initial aggregate will be returned to the Agent and can be used to fund future losses, resulting in carrying lower limits or larger deductibles, so the future rates are reduced. It is a revolving fund that will be managed by the Agent and can be used to encourage long term client commitments to that Agency, knowing they stand to benefit the longer the relationship exists.

After the aggregate is or used to pay for losses, future deductibles can be greatly reduced to either \$10,000 or \$25,000 on the Primary policy, depending on your need. This will eliminate the need to have an excessive AOP aggregate buyback limit.

The Agent incorporates the cost of managing the rent-a-captive (10% - 20%) plus the self funded amount into a rate, based on the TIV and adds that rate to the overall property rate. This rate will be significantly less than the going rate for similar properties.

No other Broker or Wholesaler is doing this, and will position us to grow together in a long-term relationship and capture considerable market share. It makes us Partners for future growth and will help us grow in a difficult soft market.