Achievable

PROPERTY INSURANCE DUMP SHEET

Commercial package policy and causes of loss

The commercial package policy

- One coverage part makes the contract **monoline**; a second makes it a **package**. The parts available include liability, commercial property, inland marine, crime, auto, equipment breakdown and farm
  Before the CPP each was its own contract — General Property, Comprehensive General Liability, Business Auto, Boiler and Machinery, Business Crime.
- A **common declarations** page applies to every part: the named insured and address, the policy period and number, insurer and agent, a description of the business, each coverage part and its premium, the total premium, the agent's countersignature and any forms attached
- A **common conditions** form binds every part:
  - **Cancellation:** the first named insured may cancel in writing at any time. The insurer gives **10 days** notice for nonpayment and **30 days** for anything else
  - **Policy changes** are made by the first named insured with the insurer's consent
  - **Examination of books and records** at any time during the term and for **three years** afterwards
  - **Inspections and surveys** at any time, which guarantee nothing about safety or compliance
  - **Transfer of rights and duties** — no assignment without written consent, except to a legal representative on the named insured's death
  - **Premiums** are the first named insured's to pay, and any return premium is theirs
- The standard deductible on a commercial property form is **$500**

The four causes of loss forms

Form	What it covers
Basic	Fire, lightning, the extended coverages (WHARVVES), vandalism, sprinkler leakage and sinkhole collapse
Broad	Everything in Basic, plus glass breakage (**$100 per pane, $500 per occurrence**), weight of ice, snow and sleet, falling objects, and water damage — leakage or discharge from an appliance or a burst pipe, never flood
Special	Open peril: everything in Broad and anything else not excluded, earth movement, war and nuclear hazard among the exclusions. **Theft is covered here and on neither of the others**, subject to limits
Earthquake	Earthquake and volcanic eruption, which are otherwise excluded. In commercial property, volcanic action within **168 hours** is one occurrence

Commercial property endorsements

- **Peak season:** raises the business personal property limit for the weeks when stock runs high — a department store at the holidays
- **Ordinance or law:** three coverages for building-code enforcement — **A** the undamaged portion, **B** demolition cost, **C** the increased cost of construction
- **Blanket insurance:** one limit over several buildings instead of a limit each. It normally requires a coinsurance clause, a margin clause or an agreed value endorsement
- **Glass:** special coverage for ornate or outsized glass