

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
- ✓ **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
- ✓ **Ordinance or law**: three coverages for building-code enforcement — **A** the undamaged portion, **B** demolition cost, **C** the increased cost of construction
- ✓ **Glass**: special coverage for ornate or outsized glass