



Coverage Checklist

**BUSINESS, PROPERTY,
AUTO, LIABILITY &
RELATED COVERAGE**



Montgomery

Insurance

Health & Benefits

Financial Services

Tax Preparation

Property

□ PERILS OF LOSS

Selection of loss perils is very important to the overall effectiveness of your commercial property coverage. Special form loss perils is the broadest coverage form available because the insurance company must prove that a loss is specifically excluded in order to deny coverage. Broad and basic form loss perils are a named peril form, meaning if the peril that caused the loss is not listed coverage does not exist. Basic form loss perils include fire, lightning, explosion, windstorm, hail, smoke, aircraft, vehicles, riot, civil commotion, vandalism, sprinkler leakage, sinkhole collapse and volcanic action. Broad form loss perils include breakage of glass, falling objects, weight of ice, snow and sleet and limited water damage in addition to the basic perils. Each company may alter their specific forms so always remember to review your policies carefully for a detailed understanding of what is and what is not covered by your policy.

□ REPLACEMENT COST VALUATION

This loss valuation method pays for the cost to repair or replace damaged items with like kind and quality without deduction for depreciation. This is important since you could face a substantial loss if you must replace property at today's prices but receive only the depreciated value of the property that was destroyed.

□ COINSURANCE

A policy may contain a coinsurance clause requiring that the limit of coverage be a minimum percentage (usually 80%) of the insurable value of your property. If the amount of insurance carried is less than what is required by this clause, any claim payment may be reduced by the same percentage as the deficiency. For example, covered property worth \$100,000 may require a minimum of 80%, or \$80,000, of coverage for compliance with the policy's coinsurance requirement. If only \$60,000 of coverage is carried (25% less than the required \$80,000, then any loss payment will be reduced by 25%.

□ INFLATION GUARD

This coverage is used to automatically increase the limits of insurance on covered property by a predetermined percentage at regular intervals. Its purpose is to eliminate the risk that inflation will lead to coinsurance penalties and underinsurance.

□ BUILDING ORDINANCE OR LAW COVERAGE

Your property policy includes some limited protection for increased costs of construction due to the enforcement of laws that arise from a covered loss. This endorsement can be used to include protection for three additional coverage exposures: Coverage A - payment for the value of the undamaged part of a building when a building code requires its demolition following a partial loss. Coverage B - coverage for the expense of demolishing the undamaged portion of a building damaged by an insured peril including the cost of removing the debris. Coverage C - coverage for the increased costs of construction resulting from enforcement of construction or building laws. This coverage applies to both the damaged and undamaged portions of the structure.

□ EXTENDED WATER DAMAGE COVERAGE (EXCLUDING FLOOD)

This coverage is used to protect against loss to covered property that arises from: (1) Water backing up from a sewer or drain, (2) Sump pump failure, (3) Other water related damage as specified in the form.

□ FLOOD INSURANCE

This coverage is used to provide protection against loss due to water damage arising from flooding, surface water, tides, tidal waves, and the overflow of any body of water.

□ IMPROVEMENTS AND BETTERMENTS

This coverage is used to extend your property policy to insure against loss of specified alterations or additions that you have made in the building you rent or lease. This is important because these improvements become the property of the building owner and you may not be compensated for their destruction after a covered loss without this coverage.

□ PERSONAL PROPERTY OF OTHERS

This provision of your property policy extends coverage to insure against loss of personal property of others while in your care, custody or control.

□ PERSONAL PROPERTY IN TRANSIT COVERAGE

This provision extends your property policy to include specified protection for your personal property (other than property in the care of sales persons) while such property is being transported in a motor vehicle owned, leased, or operated by you.

□ VALUE REPORTING FORM

This form is used to insure personal property when values fluctuate over time or shift between various locations. The limit of insurance is set high enough to cover your maximum potential for loss as stated in daily, weekly, monthly or quarterly reports made to your carrier to determine premium charges. Coverage can also be provided for acquired and incidental locations if listed on the form. It is important to note that failure to provide timely and accurate reports can result in penalties in the event of a loss.

□ PEAK SEASON PROTECTION

This coverage will provide higher amounts of insurance for specific periods of time during the year as indicated by the dates on the endorsement. Using this endorsement allows you to enjoy many of the advantages of a reporting form without the problems associated with reporting requirements.

□ CONSEQUENTIAL LOSS PROTECTION

This coverage protects you from the reduction in value of stock that results from loss or damage to other stock. For example, if a manufacturer creates a product that is sold as a matched set, this coverage would pay for the diminished value of the undamaged part of the product when there is damage to other parts of the product by a covered loss.

□ PERSONAL PROPERTY OFF PREMISES

This provision is used to extend your personal property coverage to include specified protection for property while: A. It is temporarily located at a premises you do not own, lease or operate, B. In storage at a location you lease, provided the lease was executed after the beginning of your current policy term, C. At any fair, trade show, or exhibition. Please note that this extension does not cover your personal property while it is in-transit or in the care, custody, or control of a salesperson unless at a fair, trade show, or exhibition. Separate insurance must be purchased for these exposures.

□ SPOILAGE COVERAGE

This endorsement is used to insure against loss to perishable stock when caused by a change in the temperature or humidity that results from mechanical breakdown, contamination or power outage. Please note that coverage for these additional perils must be indicated on the form for it to be activated and includes protection for both on premises and off premises power sources.

□ EARTHQUAKE

Coverage is not automatically included on commercial property but can be added via endorsement and additional premium.

General Liability

OCCURRENCE FORM

This form provides coverage for claims arising out of an accident which results in bodily injury or property damage neither expected nor intended. The form covers such claims that occur during the policy period regardless of when the claim is made against you.

CLAIMS-MADE FORM

This coverage will provide protection for only those claims reported or first made during the policy period or during any previous period that is stated in the Prior Acts or Retroactive Date option of your policy. This option allows you to keep coverage in force under consecutive Claims-Made policies.

FIRE DAMAGE LIABILITY

This coverage is used to insure against your legal liability that arises out of fire damage to structures rented to you or temporarily occupied by you with permission of the owner.

POLLUTION LIABILITY

The coverage is used to insure against claims arising from pollution related occurrences as defined in the form.

DIRECTORS AND OFFICERS LIABILITY

This insurance is used to insure against claims arising from the negligent acts, errors, or omissions alleged to have been committed by present or former directors or officers of your corporation.

EMPLOYEE BENEFITS LIABILITY

This coverage is used to insure against negligent acts, errors or omissions, committed by you or any person whose acts you are legally responsible for while engaging in the administration of your company's employee benefit plans.

FIDUCIARY LIABILITY

This coverage is used to insure you against claims alleging breach of fiduciary obligations as outlined under the Employee Retirement Income Security Act of 1974.

EMPLOYMENT RELATED PRACTICES LIABILITY COVERAGE

This insurance is used to protect against lawsuits by employees alleging wrongful termination, discrimination, harassment or other specified employment related exposures.

WORLDWIDE COVERAGE

This endorsement is used to extend your general liability policy to include coverage for lawsuits brought against you in those additional parts of the world as outlined in the endorsement. This is needed because lawsuits are only covered if they are brought against you within the territories of the United States, Puerto Rico, or Canada.

CARE CUSTODY AND CONTROL

This coverage extends liability to protect your customer's or other third parties' property when in your care, custody, or control for damage through your or your employees negligence.

MANUFACTURERS AND PROCESSORS ERRORS AND OMISSIONS

This coverage addresses the risk of your manufactured products failing to meet the level of quality or performance that are required of them. This differs from standard General Liability Insurance where only resulting bodily injury, or property damage is covered. Common examples of such claims include defective or deficient product design, improper product manufacturing or processing, and error and omission in the labeling, packaging, distribution or instructions for use of your products or services.

CONTRACTORS ERRORS AND OMISSIONS COVERAGE

This coverage is used to pay for costs that result from your legal obligations to correct faulty work, materials, products or design caused by a negligent act, error or omission you make while performing the devices of your profession. This includes lawsuit defense costs and damage for the loss of use of property.

PROFESSIONAL LIABILITY - ERRORS AND OMISSIONS COVERAGE

This coverage is used to insure against claims arising out of negligent acts, errors or omissions in the rendering or failing to render professional services as defined in the policy.

ADDITIONAL INSURED - AUTOMATIC STATUS

When attached, this endorsement automatically adds individuals or organizations to your liability policy as an additional insured when required under written contract or agreement. Note that such status is only provided for the scope of coverage and length of time as specified in the endorsement.

ADDITIONAL INSURED - SCHEDULED OWNERS, LESSEES, OR CONTRACTORS

This endorsement is used to extend your General Liability policy to include coverage for those additional insureds listed in the form. Note, coverage is only provided for liability arising out of your ongoing operations performed for these additional insureds.

Time Element

BUSINESS INCOME INCLUDING EXTRA EXPENSE

This coverage is used to insure against loss of business income (including any continuing normal operating expenses) that you sustain due to the necessary suspension of your business operations. To be covered, the suspension must be caused by a direct physical loss of or damage to property at the premises described in your policy and for which a business income limit of insurance is shown.

EXTENDED PERIOD OF INDEMNITY OPTION

This option is used to extend the time of recovery allowed under your business income coverage after you resume operations for the scheduled period of time stated in the provision. It covers the continuing reduction of income when you require additional time to return to normal pre-loss business levels.

MONTHLY LIMIT OF INDEMNITY OPTION

This business interruption option will suspend your policy's coinsurance clause but limits the amount of your recovery to the monthly amount shown in your declarations page.

INCREASED PERIOD OF RESTORATION COVERAGE

This endorsement is used to cover the additional loss of income due to the increased time needed to rebuild or repair because of local building ordinances or zoning requirements.

LEASEHOLD INTEREST PROTECTION

As a lessee, you may find that after a loss you cannot secure similar quarters at the same cost as those quarters that were destroyed by the loss. Leasehold Interest Insurance can be written to insure you against this exposure by providing you with protection from any financial loss you suffer due to the termination of a favorable lease agreement that results from a covered loss to your leased premises.

DEPENDENT PROPERTY COVERAGE

This coverage is used to insure against the drop-off of revenue and extra costs of obtaining services or supplies that arises out of the loss or damage to a non-owned and scheduled property. For example, if your primary supplier sustains damage preventing them from supplying you with the necessary product to stay fully operational, the resulting loss of income (from your shutdown) would be covered.

ORDINARY PAYROLL LIMITATION

The business income endorsement will allow you to exclude or limit the payroll of all employees except managers, executives and specified individuals when determining your insurable income values. This reduces the limit of liability that you must carry and results in premium savings.

DATA RELATED LOSS LIMITATION

This provision specifies the amount of business interruption and extra expense coverage that is afforded under your policy for loss caused by the destruction or corruption of electronic data.

UTILITY SERVICES - TIME ELEMENT COVERAGE

This coverage extends your business income and extra expense insurance to protect against losses due to the interruption of services rendered to you by a specified utility that provides your business with water, power, or communications.

EXTRA EXPENSE COVERAGE

This coverage pays for the necessary additional expenses needed to continue business when a covered loss damages or destroys insured property.

Automobile

AUTOMOBILE LIABILITY

This coverage is used to protect against claims alleged for bodily injury and property damage arising from the ownership, maintenance or use of any covered auto.

AUTOMOBILE PHYSICAL DAMAGE

This coverage is used to protect the covered vehicle itself. It pays for physical damage loss that results from a covered peril.

NON-OWNED LIABILITY

This coverage is used to provide you with liability protection for autos you do not own, lease, hire, rent, or borrow while they are being used in connection with your business operations.

HIRED AUTOMOBILE COVERAGE

This coverage is used to protect against claims arising out of the use of vehicles leased, hired or rented, by you, while in the course of business. Note that this coverage does not apply when vehicles are leased, hired, rented, or borrowed from one of your employees or a member of your household.

MEDICAL PAYMENTS

This coverage will reimburse, without regard to your liability, all reasonable medical expenses incurred by persons as a result of bodily injury sustained by accident as defined in your policy.

UNINSURED/UNDERINSURED MOTORIST

Uninsured and underinsured motorist coverage protects you and your passengers against bodily injury expenses if you are hit by another driver who has no automobile liability insurance or has less than the limits you carry.

TRAILER EXPOSURE REVIEWED

The standard auto policy only provides automatic coverage for trailers with a load capacity of 2,000 pounds or less. Please note that any units that fall outside of this limited coverage definition are not covered unless specifically scheduled in your policy.

RENTAL REIMBURSEMENT

This coverage is used to pay for rental charges incurred if you temporarily lose the use of your vehicle(s) due to a covered loss.

AUTO LOAN/LEASE GAP COVERAGE

This coverage is designed to offset the financial loss that can result when physical damage insurance fails to cover the remaining amount of your financial obligation following an accident to a leased or financed vehicle. This is needed since, in the event of a total loss, the lease/loan can be subject to early termination and leave you owing more than the amount of the car's actual cash value.

POLLUTION TRANSPORTATION COVERAGE

This endorsement is used to extend your auto policy to cover liability arising out of sudden and accidental release of pollutants that are being transported, towed by, handled, stored, disposed of or processed in or upon a covered vehicle. However, coverage is not provided for any liability assumed under contract, or for some types of government ordered testing or cleanup operations.

DRIVE OTHER CAR COVERAGE

This endorsement is used to protect owners, employees or other specified individuals when they borrow or rent cars for personal use, and do not have the protection of a personal auto policy.

HIRED CAR PHYSICAL DAMAGE

This endorsement is used to provide physical damage coverage to autos you lease, hire, rent or borrow per the terms of the endorsement.

Umbrella

☐ UMBRELLA POLICY

This form provides a higher limit of coverage that is excess over scheduled underlying policies. It is used in one of three ways: (1) to provide additional limits of protection over the coverage listed in your underlying schedule, (2) to act as primary coverage if your underlying limits are exhausted, and (3) to provide coverage for some risks, subject to a retention, when your primary coverage does not.

☐ CONCURRENT EXPIRATION

This provision specifies that your umbrella policy's expiration date must be concurrent with those of your underlying policies. If separate dates are used, several dangerous situations could occur. For example, your underlying policy's aggregate limits, required by your umbrella, might become inadequate because a claim has reduced the original limits prior to the umbrella inception. This could result in a gap in protection if another claim should occur.

☐ INSURING AGREEMENT - PAY ON BEHALF FORM

This provision is used to specify the insurance company's payment obligations. Under the "Pay on Behalf" definition, your company must respond to damages that you become obligated to pay without regard to whether any actual settlement or payment has been made.

Workers Compensation

☐ EMPLOYERS LIABILITY COVERAGE

Employers liability protection responds to lawsuits arising when an employee sustains injuries caused by an intentional act.

☐ MONOPOLISTIC STATES/STOP GAP COVERAGE

This endorsement is used to provide employers liability coverage for operations that are conducted in a monopolistic fund state like Ohio. It is necessary because Worker's Compensation policies written by these state funds do not provide Employers Liability coverage.

Inland Marine

☐ TOOLS AND EQUIPMENT FLOATER

This policy is used to insure covered mobile equipment while it is being stored on premises, in transit or at temporary locations or job sites.

☐ VALUABLE PAPER AND RECORDS

This coverage is used to insure valuable papers and records including books, maps, films, drawings, abstracts, deeds and manuscripts, on either a blanket or scheduled basis. Coverage includes the actual cost of materials and any additional expenses necessary to reproduce the records.

☐ ACCOUNTS RECEIVABLE COVERAGE

This coverage is used to reimburse you for customer accounts that are rendered uncollectible because of loss by a covered peril.

☐ MISCELLANEOUS PROPERTY FLOATER

This policy is used to insure a variety of items not covered more specifically by other insurance. The covered property is protected from loss while located anywhere within the covered territory.

☐ TRANSPORTATION FLOATER

This policy is used to cover your property while in transit to you or while en route to your customer by common carrier. The form provides coverage when a carrier's limit of liability is exhausted, or when the carrier is not responsible because loss is caused by a peril, or for limits not covered under a released bill of lading.

☐ FALSE PRETENSE COVERAGE

This coverage protects you against loss that results from the voluntary parting of covered property that arises from a fraudulent scheme, trick, device or false pretense, or from acquiring covered property from a seller who did not have legal title.

☐ BAILEES CUSTOMER'S GOODS FLOATER

This policy is used to insure against loss to property of others that is in your possession, regardless of your legal liability. It is needed since standard property and general liability policies limit or exclude exposures of this kind.

Computer

☐ COMPUTERIZED EQUIPMENT

This specialized coverage is for loss to electronic equipment as specified in the form.

☐ MEDIA COVERAGE

This coverage is used to provide coverage for loss or damage to electronic media which results in additional costs to reproduce data. This is important since many times these costs can be more than actual damage to your hardware or software.

☐ MECHANICAL BREAKDOWN AND ELECTRICAL INJURY

This coverage is used to extend your EDP policy to protect against loss resulting from mechanical breakdown and electrical injury or disturbance as defined in the form.

Crime

☐ EMPLOYEE THEFT COVERAGE/FIDELITY

This coverage is used to protect against loss of money, securities, and other defined property that results directly from theft committed by covered employees.

☐ THEFT OF MONEY AND SECURITIES - INSIDE PREMISES

This coverage is used to insure against loss of money and securities caused by theft, disappearance, or destruction while located inside your premises or banking premises.

☐ THEFT OF MONEY AND SECURITIES - OUTSIDE PREMISES

This coverage is used to insure against loss of money and securities or other property caused by theft, disappearance, or destruction while located outside your premises in the care and custody of a messenger or armored motor vehicle.

☐ FORGERY OR ALTERATION COVERAGE

This coverage protects you against loss due to the forgery or alteration of checks, bank drafts, promissory notes, or other similar financial instruments drawn against your bank account. It does not however cover dishonest acts of your employees, which must be insured with Employee Theft Coverage.

☐ ERISA COVERAGE

Coverage can be purchased to meet requirements set forth by the Employee Retirement Income Security Act which regulates certain employee benefit plans.

Contractors Equipment

☐ SCHEDULED EQUIPMENT COVERAGE

This coverage is used to insure scheduled items for the amount listed in the policy. Additional equipment you wish covered must be reported to the company for coverage to be effective.

☐ EQUIPMENT LEASED, RENTED OR BORROWED FROM OTHERS

This coverage provides automatic protection for unscheduled equipment that is leased, rented, or borrowed from others as specified in the form.

☐ EQUIPMENT LOSS OF EARNINGS COVERAGE

This coverage is used to protect you against loss of anticipated earnings resulting from loss of key equipment which is stolen, damaged, or destroyed. This includes limited extra expense if you can show that the expenses reduce the loss.

Transit

☐ MOTOR TRUCK CARGO COVERAGE

This policy is used to insure cargo belonging to you or for which you may be liable. It protects against direct loss or damage caused by a covered peril while the cargo is in transit on a described vehicle within the covered radius. Coverage also includes protection for cargo while it is temporarily warehoused awaiting transfer to its final destination.

☐ OCEAN MARINE CARGO COVERAGE

This policy is used to provide coverage for property you ship overseas while within the described territory and for the limits and perils declared on the form.

☐ WARRANTY PROVISIONS

Besides exclusions, cargo policies may also contain warranties which spell out certain conditions which must be maintained for coverage to stay in effect under your policy.

Builders Risk

□ INSTALLATION/MATERIAL FLOATER

This policy is used to cover materials and supplies during transit to, or installation at a covered job site. Coverage ends when the contractor's or purchaser's interest ceases, whichever occurs first.

□ COMPLETED VALUE BUILDERS RISK FORM

This policy provides protection equal to the estimated insurable value of the completed project. The advantage of this form is that the project is fully covered from the outset without requiring any further reporting during construction.

□ BUILDERS RISK REPORTING FORM

This Builder's Risk form provides coverage whereby the values of multiple projects are reported on a monthly basis to the company.

□ DESIGN ERRORS AND OMISSIONS

Standard Builder's Risk/Installation policies exclude coverage for loss resulting from design error. This endorsement/provision is used to restrict or eliminate the application of this total exclusion as specified in the form.

Garage

□ GARAGE LIABILITY

This coverage is used to insure against liability claims arising out of your garage operations including the use of automobiles. Coverage also applies to your products or completed operations exposures.

□ GARAGEKEEPERS COVERAGE

This insurance is used to insure against claims arising out of damage to vehicles owned by others which are left with you for storage, service, safekeeping or repair, subject to a deductible.

□ ON HOOK (IN TOW) COVERAGE

This coverage is used to protect you against claims arising from property damage to vehicles of others while being towed by you up to the limits specified in the form.

Boiler & Machinery

□ EQUIPMENT BREAKDOWN COVERAGE FORM

This insurance is used to protect against loss or damage to building systems and/or production machinery that results from mechanical breakdown, electrical damage, explosion of a boiler, or other covered events as specified in the form.

□ BUSINESS INCOME AND EXTRA EXPENSE COVERAGE

When selected, this coverage insures you against loss of income (including any continuing normal operating expenses) that you experience because of a suspension of your business due to a covered equipment breakdown loss.

Bonds

□ CONTRACTORS LICENSE BOND

This License and Permit bond protects against poor workmanship of contractors, or failure to pay material and supply bills. It is used by state and local governments to force compliance of various ordinances relating to contractor's operations.

□ CONSTRUCTION CONTRACT BOND

This bond guarantees terms and conditions of a construction contract. It is usually written as two separate bonds, one assuring performance of the contract, and the other guaranteeing payment of all labor and material costs.

General Miscellaneous

□ MISCELLANEOUS BONDS

Certain businesses require a variety of bonds in conjunction with your specific operations. These bonds may be required by either public or private entities to fulfill any number of different guarantees or obligations. It is common for these bonding obligations to be as important to you as your insurance program.

□ EMPLOYEE BENEFITS

Although not normally thought of as a standard risk management review item, employee benefits can be an extremely important exposure for your business. At minimum, we recommend that a general review be conducted of your health, life and disability exposures to determine if adequate coverage is being provided at the best value based on need.

□ FOREIGN RISK EXPOSURES

Standard insurance contracts are not designed to protect against all the insurance exposures that can be associated with operations conducted in foreign countries. As part of a risk management review, your business activities should be evaluated for foreign exposures including exported products.

Other Services

INSURANCE

- Bonds
- Business Property, Liability & Auto
- Business Insurance Packages
- Buy/Sell Funding
- Comprehensive Risk Analysis
- Deferred Compensation Agreements
- Farm Insurance
- Homeowner & Auto Insurance
- Keyperson Life Insurance
- Life, Long Term Care & Disability Insurance
- Related Insurance Products: Boat, RV, Personal Articles, Umbrella

HEALTH & BENEFITS

- Group or Individual Dental Programs
- Group or Individual Health Programs
- Group or Individual Life & Vision Insurance Programs
- Health Reimbursement Accounts
- Health Savings Accounts
- Long Term Disability Programs
- Medicare Advantage & Prescription Drug Plans
- Medicare Supplement Plans
- Section 125 and Flexible Spending Accounts
- Short Term Disability Programs
- Voluntary Supplemental Programs

FINANCIAL SERVICES

- Business, Disability Income & Life Insurance
- Buy/Sell Funding
- College Funding Planning & 529 Plans
- Company Retirement Plans & 401k Plans
- Disability Income Insurance
- Financial Advice
- Keyperson Life Insurance
- Long-Term Care Insurance
- Life Insurance
- Retirement/Investment Products
- Small Business Long-Term Care
- Small Business Retirement

TAX PREPARATION SERVICES

- Fiduciary and Gift Returns
- Individual Federal, State and Local Returns
- Partnership and Corporate Returns
- Quarterly and Year End Payroll Returns
- Tax Planning and Advice on Investments

Commercial Insurance is an important part of a company's financial plan. Coverage can be complicated and assistance is needed to choose the appropriate protection. The agent you choose is a critical decision for appropriate coverage and competitive premiums. Not all agents and companies are created equal!

Montgomery Insurance & Investments has the experience and expertise, to help your company develop the right package of coverage that fits your budget. Montgomery Insurance & Investments has been writing commercial insurance throughout the Miami Valley for over fifty years. We don't just quote a policy. It is our desire to build a relationship with you and learn your business and needs.



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