

COMMERCIAL RISK MANAGEMENT COVERAGE SUMMARY



Prepared for:

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AGENT

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State Farm Insurance

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Rich Ranf has represented State Farm Insurance Company since 1974 and is licensed in Oregon and Washington. He represents over 500 Community Associations including Condominium Associations, Homeowners Associations, Planned Unit Developments and Resort Associations.

He is a charter member and past President and served as a member of the Board of Directors for 8 years of the Oregon chapter of "Community Associations Institute". CAI is a national non-profit organization dedicated to educating community associations about their ongoing business practices.

He was the insurance community representative to a working group drafting Senate Bill 1206 passed by the 1999 Oregon Legislature which revised and reconciled the Oregon Condominium Act and the Oregon Planned Community Act.

Over the years Rich has lectured widely throughout Oregon and Washington to various groups interested in community association insurance, including the Oregon Chapter of Chartered Property and Casualty Underwriters.

Rich's office staff is highly qualified to be of assistance in aiding him when dealing with service and Association concerns, having an average of 22 years experience in the insurance industry.

Like a Good Neighbor, State Farm is there!

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This summary of coverages has been prepared for you as a reference for consideration and determination of coverages and amounts.

It is intended to provide only a general description of coverages afforded under your insurance policy and is not a statement of contract.

In the event of a possible variance between the contents of this summary and the terms and conditions of the policy, the language of the policy will control.

A new policy may not be issued at renewal. In such cases, the renewal billing will show the new liability limits generated by Inflation Coverage, if applicable. After the first year of coverage, statements in the booklet concerning coverage and deductibles may be changed due to endorsements. All endorsements should be filed with the original policy.

A variety of DEDUCTIBLES, some mandatory, and some optional may apply to certain kinds of losses, depending on the laws in your state and the plan selected.

Coverage and Insurance Services We Can Provide*

Fire Insurance

Homeowners
Renters
Mobile Homes
Manufactured Homes
Business
Apartment Buildings
Office Buildings
Condominium/ Associations
Church
Contractors
Commercial
Umbrella Liability
Boat owners
Personal Articles

Life Insurance

Family Insurance
Mortgage Life Insurance
Estate Analysis
Business Life Insurance
Universal Life Insurance
Final Expense

Retirement Planning

IRA
TSA
KEOGH

Health Insurance

Hospital Surgical
Medicare Supplement
Long-Term Care
Disability Income

Car Insurance

Personal Cars
Business Cars
Motorcycles
Travel Trailers
Fleets
Snowmobiles
Motorhomes
Camping Trailers

*All Services may not be available in all states.

**Hospital Indemnity (or Supplementary Hospital Indemnity in some states).

PROPERTY – BUILDINGS

LIMITS OF LIABILITY

☒ BUILDING COVERAGE

Coverage applies to the buildings at the described premises including:

1. Garages, storage buildings, completed additions, swimming pools, fences, retaining walls and appurtenant structures.
2. Permanently installed fixtures, machinery and equipment.
3. Owned personal property used to maintain or service the building and premises including fire extinguishing apparatus, outdoor furniture or fixtures, floor coverings and appliances for refrigerating, ventilating, cooking, dishwashing or laundering.

☒ BASIC FORM

Provides coverage for the perils of fire, lightning, removal, windstorm, hail, explosion, smoke, vehicles, aircraft, riot, riot attending a strike, civil commotion, vandalism and malicious mischief, falling objects, weight of ice, snow and sleet, collapse, limited glass breakage and water damage.

☒ ALL RISK FORM

Provides coverage on an "All Risk" basis subject to stated exclusions.

☒ REPLACEMENT COST

Coverage applies to the replacement cost at the lesser of the cost to replace on the same premises with property of like kind and quality for the same purpose or the amount necessarily spent to repair or replace the lost or damaged property up to the policy limit of insurance.

☒ AGREED AMOUNT ENDORSEMENT (Not Available In All States)

When the policy is subject to the terms of the Inflation Coverage, this suspends the co-insurance clause.

☒ INFLATION COVERAGE

Coverage applies to the increase in the building and business personal property limits of insurance resulting from the increase in the Inflation Coverage Index shown in the policy declarations.

☐ SPRINKLER LEAKAGE ENDORSEMENT

Adds coverage for loss caused by the peril of accidental discharge or leakage from automatic sprinkler systems.

☒ CO-INSURANCE: N/A

LOCATIONS: ALL

\$31,700

DEDUCTIBLE \$500

PROPERTY - BUILDINGS
MISCELLANEOUS COVERAGES

☒ **ARSON REWARD**

Coverage applies to the payment of a reward to persons providing information that leads to an arson conviction in connection with a covered fire loss.

☒ **FIRE DEPARTMENT SERVICE CHARGE**

Coverage applies to liability for fire department service charges assumed by agreement or contract to save or protect insured property from an insured loss.

☒ **DAMAGE TO NON-OWNED BUILDINGS FROM THEFT, BURGLARY, AND ROBBERY**

Coverage applies to accidental direct physical loss to non-owned buildings occupied by the insured caused by theft, burglary, or robbery.

☒ **EMPLOYEES AS ADDITIONAL INSUREDS**

Coverage applies to the insured's legal liability arising from employees while acting within the scope of their employment.

☒ **NEWLY ACQUIRED BUILDINGS AND BUSINESS PERSONAL PROPERTY**

Coverage applies to accidental direct physical loss that is not excluded to new additions or buildings under construction on the described premises, buildings acquired at other locations for similar use or a warehouse and to personal property at any newly acquired location.

☐ **BACK UP SEWERS AND DRAINS**

Coverage applies to accidental direct physical loss caused by water that backs up through sewers, drains, sump pumps, sump pump wells or any system designed to remove sub surface water. The deductible for this extension of coverage is \$1,000 regardless of policy deductible.

☒ **POLLUTANT CLEANUP AND REMOVAL**

Coverage applies to the expense incurred to extract pollutants from land and water at the described premises which results from an insured loss.

GLASS/SIGNS

LIMITS OF LIABILITY



GLASS

“All Risk” coverage applies to glass (subject to stated exclusions) in the policy and includes coverage for damage to frames, temporary repairs and removing obstructions necessary in replacing damaged glass.

\$ Building
Limit



TENANTS GLASS

Coverage applies to accidental direct physical loss that is not excluded to building glass in non-owned buildings occupied by the insured.

\$



NEON SIGNS

Provides “All Risk” coverage (subject to stated exclusions) on neon or mechanical signs.

\$



Full Coverage



Deductible – (5% of loss minimum \$10, maximum \$100)



EXTERIOR SIGNS

We will pay for any accidental direct physical loss to all exterior signs at the described premises which are owned by you, or owned by others but are in your care, custody or control, caused by any cause other than:

\$ 500

May increase by
endorsement.

- a. wear and tear;
- b. hidden or latent defect;
- c. rust or corrosion; or
- d. mechanical breakdown.

**BUSINESS PERSONAL PROPERTY
CONDOMINIUM**

**LIMITS OF
LIABILITY**

☐

BASIC FORM

Provides coverage for loss to contents, stock, furniture and fixtures, machinery and equipment, tenants improvements and betterments and personal property of others in your custody, caused by the perils of fire, lightning, removal, windstorm, hail, explosion, smoke, vehicles, aircraft, riot, riot attending a strike, civil commotion, vandalism, malicious mischief, falling objects, weight of ice, snow, sleet, collapse, limited glass breakage and water damage.

☐

ALL RISK FORM

Provides coverage on an "All Risk" basis subject to stated exceptions.

\$ 0

☒

TREES, PLANTS, LAWNS AND SHRUBS

Coverage applies to accidental direct physical loss to trees, plants, lawns and shrubs (other than merchandise) at the described premises caused by fire, lightning, explosion, riot, civil commotion, aircraft, vehicles, vandalism or theft.

\$ 5,000

☐

PEAK SEASON ENDORSEMENT– FROM TO

Provides an increased limit of liability for business personal property of the insured for a specified period of time.

LOCATIONS:

\$

☐

SPRINKLER LEAKAGE ENDORSEMENT

Adds coverage for loss caused by the peril of accidental discharge or leakage from automatic sprinkler systems.

LOCATIONS:

\$

☒

CO-INSURANCE: N/A

**INCOME PROTECTION
CONDOMINIUM**

**LIMITS OF
LIABILITY**

- | | | |
|-------------------------------------|---|------------|
| ☐ | RENTAL VALUE
Provides coverage for the loss of rental income while the insured premises are rendered untenable by a peril insured against. | \$ |
| ☐ | LOSS OF INCOME
Coverage applies to the actual loss of business income resulting from a suspension of operations because of accidental direct physical loss to the insured premises caused by an insured loss. | \$ |
| ☒ | MAINTENANCE FEES RECEIVABLE
Coverage applies to the loss of maintenance fees that are uncollectible due to an insured loss that makes the unit untenable by the owner. This coverage applies only during the time reasonably required to restore the affected units to a tenable condition. | \$ 100,000 |
| ☒ | EXTRA EXPENSE
Coverage applies to the necessary extra expense incurred to avoid or minimize the suspension of business and to continue normal operations that are interrupted by accidental direct physical loss to insured property. | \$ 5,000 |
| ☐ | COMBINED BUSINESS INTERRUPTION AND EXTRA EXPENSE
Provides coverage for both business interruption and extra expense coverage, caused by a peril insured against. | \$ |
| ☐ | CO-INSURANCE % | |

LOCATION:

ACCOUNTS RECEIVABLE AND VALUABLE PAPERS

LIMITS OF LIABILITY



ACCOUNTS RECEIVABLE

Provides "All Risk" coverage (subject to stated exclusions).

Covers loss to your records of accounts receivable, reimburses for sums which are not collectible because of damage to your accounts receivable records.

\$ 50,000



VALUABLE PAPERS AND RECORDS

Provides "All Risk" coverage (subject to stated exclusions).

Coverage applies to the costs incurred to research, replace or restore information on lost or damaged valuable papers and records caused by an insured loss.

\$ 5,000

LIABILITY

LIMITS OF LIABILITY



COMPREHENSIVE GENERAL LIABILITY

Automatically covers new locations acquired or operations commenced during the policy period and reported to the company at the end of the policy period.

Per Occurrence

\$ 1,000,000

Aggregate

\$ 2,000,000



PREMISES/OPERATIONS

Coverage applies to liability arising out of the business premises, and operations necessary and incidental thereto. We will pay those sums that the insured becomes legally obligated to pay as damages because of bodily injury, property damage, personal injury or advertising injury to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments. This insurance applies only:

1. to bodily injury or property damage caused by an occurrence which takes place in the coverage territory during the policy period;
2. to personal injury caused by an occurrence committed in the coverage territory during the policy period. The occurrence must arise out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.
3. to advertising injury caused by an occurrence committed in the coverage territory during the policy period. The occurrence must be committed in the course of advertising your goods, products or services.

\$ CGL Limit



MEDICAL PAYMENTS

Coverage applies to the reasonable medical expenses incurred by any person because of bodily injury caused by an accident on the insured premises, next to the insured premises or because of the insured's operations.



Churches – Donated Labor

Extends Medical Payments coverage to persons voluntarily working on maintenance or repairs for the insured (church).

Per Person

\$ 5,000



INCIDENTAL MEDICAL MALPRACTICE

Coverage applies to the insured's legal liability arising out of providing or failure to provide medical, dental or nursing service or furnishing of drugs or medical supplies. Coverage does not apply if the insured is engaged in the business of providing medical services.

\$ CGL Limit

LIABILITY

LIMITS OF LIABILITY

☒	BROAD FORM PROPERTY DAMAGE LIABILITY Coverage applies to the insured's legal liability arising from property damage to buildings that are in the insured's possession. However, coverage does not apply to property damage caused by any operations performed by the insured or insured's contractors to that particular part of the building being worked upon.	\$ 300,000
☒	BROAD FORM COMPREHENSIVE GENERAL LIABILITY Broadens Comprehensive General Liability insurance to include additional hazards such as contractual liability, personal injury and advertising injury liability, host liquor liability, fire legal liability, nonowned watercraft liability coverage, etc.	\$ CGL Limit
☒	PROPERTY DAMAGE LEGAL LIABILITY Coverage applies to damages the insured is legally obligated to pay because of property damage to structures rented to or occupied by the insured which arises out of any Section I loss insured except glass breakage.	\$ 300,000
☐	ELEVATOR COLLISION Coverage applies to accidental direct physical loss to an elevator, other owned, occupied or rented property and property of others in the insured's possession caused by an accidental collision of the elevator.	\$ 50,000
☒	HOST LIQUOR LIABILITY Coverage applies to the insured's legal liability resulting from the serving of alcoholic beverages at functions incidental to the insured's business. Coverage does not apply if the insured is in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages.	\$ CGL Limit
☒	ADVERTISING INJURY LIABILITY Coverage applies to the insured's legal liability arising from libel, slander, defamation, violation of right of privacy, misappropriation of advertising idea or business style and infringement of copyright, title or slogan.	\$ CGL Limit

LIABILITY

LIMITS OF LIABILITY

- | | |
|--|--------------|
| ☒ NON-OWNED AUTO LIABILITY
Coverage applies to the insured's legal liability arising out of the use of any non-owned automobiles in the business by any person other than the named insured. | \$ CGL Limit |
| ☒ HIRED AUTO LIABILITY
Coverage applies to the insured's legal liability arising out of the maintenance or use of a hired auto by the insured or insured employees. | \$ CGL Limit |
| ☒ PERSONAL INJURY LIABILITY
Covers liability arising out of false arrest, detention or imprisonment, malicious prosecution, libel, slander, defamation, violation of right of privacy, wrongful entry or eviction or other invasion of right of private occupancy. | \$ CGL Limit |

LIABILITY

LIMITS OF LIABILITY

☐

STOREKEEPERS LIABILITY

Covers liability arising out of retail store operations, products sold, operations of independent contractors hired and medical payments to third parties injured on the business premises.

☐

Bodily Injury and

Property Damage:

Per Occurrence

\$

Aggregate

\$

☐

Medical Payments:

Per Person

\$

Per Accident

\$

☒

OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY

\$ CGL Limit

Coverage applies to the insured's legal liability arising from the operations performed for the insured by independent contractors.

☒

PRODUCTS/COMPLETED OPERATIONS

\$ CGL Limit

Coverage applies to the insured's legal liability arising out of products manufactured, sold, handled or distributed or work completed by the insured.

☒

CONTRACTUAL LIABILITY

\$ CGL Limit

Covers liability arising out of contractual agreements with third parties agreement to assume all or part of the third party's liability exposure. Coverage applies to the insured's legal liability arising from contracts or agreements resulting from sidetrack agreements, easement agreements, railroad crossing easements or license agreements, municipal agreements, elevator maintenance agreements and tort liability.

LIABILITY

LIMITS OF LIABILITY

☐ GARAGE LIABILITY

Covers your liability arising out of your business premises, business operations, use of certain nonowned automobiles, and products sold, or work completed.

☐ Single Limits:	Per Occurrence	Bodily Injury	\$
		Property Damage	\$
	Aggregate	Bodily Injury	\$
		Property Damage	\$
☐ Bodily Injury and Property Damage:	Per Occurrence		\$
	Aggregate		\$
☐ Medical Payments:	Per Person		\$

☐ GARAGEKEEPER'S LEGAL LIABILITY

Provides legal liability coverage for automobiles of others in your care, custody, or control for repair, storage, or safekeeping.

☐ \$	deductible applies to Specified Perils of fire, explosion, theft, vandalism and malicious mischief.	\$
☐ \$	deductible applies to theft, vandalism and malicious theft perils.	\$
☐	Direct Coverage (without regard to legal liability)	
☐ \$	Collision Deductible	

☒ DIRECTOR'S AND OFFICER'S LIABILITY (option D & O)

\$ 1,000,000

Coverage applies to the insureds legal liability resulting from wrongful acts committed by directors, officers and committee members solely in the conduct of association management responsibilities.

CRIME

LIMITS OF LIABILITY

☒ EMPLOYEE DISHONESTY (option ED) Covers loss of money, securities and other property caused by employee dishonesty.	
☐ Limit Per Employee (Blanket Position)	\$
☒ Limit Per Loss (Commercial Blanket)	\$ 25,000
 ☒ MONEY AND SECURITIES BROAD FORM (option MO)	 \$ 5,000
1. When this Option MO is shown as applicable in the Declarations, we will pay for any loss to money and securities used in your business while:	
a. at a bank or savings institution;	
b. within your living quarters;	
c. within the living quarters of your partners or any employee having use and custody of the property;	
d. at the premises described in the Declarations; or	
e. enroute between any of these places;	
resulting directly from destruction, disappearance or theft (meaning any act of stealing).	
 ☒ MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY Covers loss due to the acceptance of counterfeit money orders or paper currency.	 \$ 1,000
 ☐ DEPOSITORS' FORGERY Covers loss resulting from forgery, or any check, draft, etc. made or drawn upon the insured.	 \$
 ☐ CHURCH THEFT COVERAGE Covers loss of money, securities and other property by theft or attempt thereat within the premises, within a night depository or while in the care or custody of an authorized person, and damage to premises resulting from theft or attempt thereat.	
☐ Specified Articles	\$
☐ All Other Property	\$

PREMIUM SUMMARY

	Premium
Building(s)	\$ Included
Business Personal Property	\$ Included
Income Protection	\$ Included
Boiler and Machinery	\$
Liability	\$ Included
Workmen's Compensation	\$
Employee Dishonesty	\$ Included
Inland Marine	\$
Bonds	\$
	\$
Approximate Annual Premium	\$ 1,026