



**PROPERTY APPLICATION ADDENDUM
FOR BUSINESS INCOME AND
EXTRA EXPENSE**

BUSINESS INCOME & EXTRA EXPENSE COVERAGE GUIDELINES

1. The monthly maximum claim payment limit is 25% of the business income sum insured (see example below). Select the maximum amount of insurance required for each month, and multiply this by the number of months that coverage is required (at least four months) to determine the total amount of Business Income coverage to be requested.
2. Since coverage is provided on an actual loss sustained basis, no coverage is provided for vacant or unoccupied properties.
3. There is no co-insurance requirement to obtain this coverage.
4. Please read the Coverage Form CP 00 30 carefully for Business Income and Extra Expense definitions and coverages indicated upon receipt of the policy.

AMOUNT OF BUSINESS INCOME INSURANCE REQUESTED: \$ _____

TYPE OF OCCUPANCY: (CHECK ALL THAT APPLY) _____ MANUFACTURING

_____ MERCANTILE AND NON-MANUFACTURING _____ RENTAL PROPERTY

EXAMPLE:

When the amount of insurance selected is ... \$120,000, the most we will pay for loss in each 30 consecutive day period is ... \$120,000 x .25 = \$30,000.

The following is an example of actual loss and payment under the policy:

| | <u>ACTUAL LOSS:</u> | <u>WE WILL PAY:</u> |
|--------------|---------------------|---------------------|
| Days 1 - 30 | \$40,000 | \$30,000 |
| Days 31 - 60 | \$20,000 | \$20,000 |
| Days 61 - 90 | <u>\$30,000</u> | <u>\$30,000</u> |
| | \$90,000 | \$80,000 |

The remaining \$10,000 loss is not covered.

Broker's or Applicant's Signature _____ Date _____

INSTRUCTIONS FOR COMPLETING THIS FORM

1. Complete the appropriate application form for New Business, Endorsements, or Renewals.
2. Complete, sign and date this Addendum and staple to the appropriate application form, quotation or memorandum.
3. The effective date of coverage is determined in accordance with the FAIR Plan's terms and conditions.