

Building and Personal Property Coverage (Lecture 3)

Overview of Lecture 3 (chapter 3 CPCU 3)

- I. ISO Commercial Package Policy*
 - II. Common Declarations and Policy Conditions*
 - III. Commercial Property Declarations and Conditions*
 - IV. Building and Personal Property Coverage Form (BPP)*
 - V. Provisions Relating to Amounts of Recovery*
- I. ISO Commercial Package Policy
 - A. ISO Coverage Parts
 1. Commercial Property (CP)
 2. Commercial General Liability (CGL)
 3. Boiler and machinery
 4. Commercial crime
 5. Commercial inland marine
 6. Farm

7. Commercial auto

B. Commercial Property Policy structure

1.

2.

3.

4.

5.

6.

7.

II. Common Declarations and Policy Conditions

A. Common declarations

1.

2.

3.

4.

5.

III. Commercial Property Declarations and Conditions

A. CP declarations

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

B. CP conditions

1. concealment, misrepresentation, fraud

2. control of property

3. insurance under two or more coverages

4. legal action against us

5. liberalization

6. no benefit to bailee

7. other insurance
 - a.

 - b.

8. policy period and coverage territory

9. subrogation

10. cancellation changes endorsement

IV. Building and Personal Property Coverage Form (BPP)

A. Three major categories of covered property

1. buildings

2. insured's business personal property

3. personal property of others (nonowned property)

B. Property not covered

1. Buildings and Other Real Property

2. Plants and Outdoor Property

3. Other Personal Property

a. money, securities and similar property

b.

c.

d.

e.

C. Coverage extensions (80% coinsurance required, payable in addition to policy limits)

1. newly acquired or constructed buildings (not additions)

2. personal property at buildings

3. personal effects and property of others

4. valuable papers and records-cost of research

5. property off-premises (over 100 feet away from premises in coverage territory)

not covered while off-premises:

6. outdoor property

D. Additional coverages

1. debris removal

2. fire department service charge

3. preservation of property

4. pollutant clean up and removal (land or water)

V. Provisions Relating to Amounts of Recovery

A. Limits and deductibles

1. limits per occurrence, except \$10,000 pollution cleanup and removal (aggregate limit)
2. deductible provision
3. multiple deductible form endorsement
4. outdoor signs attached, \$1,000 per sign

B. Coinsurance clause

1. coinsurance clause
2. formula
3. $\text{Premium} = \text{rate per } \$100 \times \text{coins. \% } (.80) \times \text{value of covered property}$

