

2023 ENCOVA INSURANCE PRODUCER TRAINING

Leveraging a Volatile Market to Address Commercial and Personal Risks for Clients



THE LEGAL WORD

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MEET YOUR PRESENTERS



Frank Pennachio Practice Leader, Growth Solutions

FRANK PENNACHIO

Frank Pennachio has more than 30 years of experience in the insurance industry as an agency owner and as a sales and marketing consultant to independent insurance agents. He has trained more than 1,000 agents in the past decade, encouraging them to develop their expertise in all areas of protecting an employer's workforce.

Frank is an accomplished speaker, presenting at national conferences and seminars to agents, employers and other insurance professionals. In addition, he frequently writes articles on Self-funded Group Health, Workers' Compensation, Sales & Selling, and Lead Generation for industry publications including American Agent & Broker, Risk and Insurance, Professional Insurance Agent, HR Magazine and Insurance Journal. He is recognized as an expert in the Workers' Compensation community.



Susan Toussaint VP, Growth Solutions

SUSAN TOUSSAINT

Susan Toussaint has been professionally involved in various aspects of the insurance industry for more than a decade. Her expertise is in developing repeatable processes designed to improve an agency's plan for attracting, acquiring and retaining profitable business.

Susan has held leadership, sales and operations positions with Florida's largest health care system, where she worked with employers to develop occupational health and wellness initiatives and improve their injury management processes. She has also been responsible for leading multidimensional employer-focused sales teams. In addition, she frequently writes articles on Marketing, Getting in the Door strategies, Sales & Selling, and Client Retention for publications such as American Agent & Broker, Professional Insurance Agent and Property Casualty 360°.





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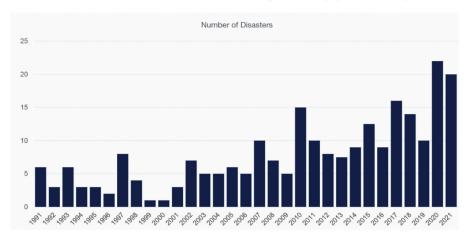
MODULE 1: Emerging Trends, Risks and Updates				
Climate Change				
The Insurance Cycle				



Average Premium Changes, 1999-2022



Volume of disasters in the US with > \$1 billion in damages since 1991 (adjusted for inflation)



Willis Towers Watson Forecast of Rate Changes By Line					
Property					
Challenged Occupancies	+25% to +40%				
Non-challenged occupancies	+10% to +20%				
Casualty					
General liability	3% to +5%				
Umbrella (high hazard)	Flat to +15%				
Excess	-5% to +5%				
Workers compensation	-5% to +2%				
Auto	+5% to +10%				
Executive Risks					
Directors and officers public company (primary)	-10% to flat				
Directors and officers private/not-for-profit (overall)	-15% to -10%				
Errors and omissions (large law firms)	+5% to +10%				
Employment practices liability (primary)	Flat to +10%				
Fiduciary (financial institutions)	-15% to +20%				
Cyber					
Cyber	Flat to +10%				

Source: Willis 2023 Marketplace Realities (April 2023)





Nuclear Verdicts	
Workers' Compensation Trends	
Al and ChatGPT	



	The Experience Rating Plan, also known as the Experience Modification I Experience Modifier, is a method used in workers' compensation insuran premium rates based on the past claims experience of an employer. It is a employers with better safety records and encourage them to maintain sa	ce to adjust a way to reward
Independen	nt Contractor vs. Employee	

explain the Experience Rating Plan for workers' compensation insurance



Fiduciary Liability Risks Emerging Role of an Agent		
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	Emerging Role of an Agent	



MODULE 2: To BOP or Not to BOP - that is the question!

Eligibility and Suitability
Advantages
✓ Combines multiple coverages into a single policy
✓ BOPs are typically more cost-effective
✓ BOPs provide some, but limited flexibility
✓



Questions to Ask

- How long will it take to rebuild the building?
- How much business income is needed every month?
- How much extra expense is needed?
- Are the following limits adequate?
 - Off-premises utilities
 - Business income from dependent properties
 - Pollution
 - Crime
 - Property off-premises
 - Ordinance or law

- Debris removal

Are additional insured requirements met?

encova ReSourcePro

Assess Carrier-Specific Extension of Coverage	
Assess Carrier-Specific Extension of Coverage	



MICHOICE BUSINESSOWNERS BLANKET

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverage provided by this endorsement is subject to the provisions, including exclusions and limitations, applicable to the **BUSINESSOWNERS COVERAGE FORM**, except as provided below:

BLANKET PROVISION

With respects to the coverage provided by this endorsement, we will pay up to \$200,000 for loss or damage caused by a Covered Cause of Loss. This limit may be applied to any one or combination of coverages provided by this endorsement. However, the most we will pay under this endorsement for any one occurrence at any one location is \$200,000. The blanket limit provided by this endorsement applies separately at each location in the Declarations. If you have other insurance provided by another form or endorsement covering the same loss, the limit available in this Blanket Endorsement will be in addition to the specific limit provided.

Coverage Summary – Please refer to the applicable Coverage Section for Full Terms and Conditions
Coverage/Modification
Debris Removal
Ordinance or Law
Business Income from Dependent Properties
Computer Coverage and Data Restoration
Utility Services – Direct Damage
Utility Services – Time Element
Accounts Receivable – including off-premises
Valuable Papers – including off-premises
Money and Securities

A. Debris Removal

If Debris Removal expense exceeds the amount payable under the 25% Debris Removal Coverage Limitation in **SECTION I – PROPERTY, A. COVERAGE, 5. Additional Coverages a. Debris Removal**, we will pay up to the blanket limit of insurance available in this endorsement.

B. Ordinance or Law

1. Application Of Coverages

The Coverages provided by this endorsement apply only if both paragraphs **1.a.** and **1.b** are satisfied and are then subject to the qualifications set forth in paragraph **1.c.**

- a. The ordinance or law:
 - (1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (2) Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- **b. (1)** The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
 - (2) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

- (3) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- **c.** In the situation described in paragraph **1.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **1, 2** and **3** of this endorsement. Instead we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss, otherwise payable under terms of Coverages **1, 2** and **3** of this endorsement.

- 2. We will not pay under Coverages 1, 2 or 3 of this endorsement for:
 - **a.** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any of "fungi", wet or dry rot or bacteria; or
 - **b.** The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

3. Coverage

a. Coverage 1 - Coverage For Loss To The Undamaged Portion Of The Building

With respects to the building that has sustained covered direct physical damage, we will pay under Coverage 1 for loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage 1 does not increase the Limit of Insurance.

b. Coverage 2 - Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

SECTION I – PROPERTY, E. Property Loss Conditions, 5. Loss Payment – paragraph **E.5.d.** - does not apply to Demolition Cost Coverage.

c. Coverage 3 - Increased Cost of Construction Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required; when the increased cost is a consequence of enforcement of the minimum requirement of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- **(2)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

SECTION I – PROPERTY, E. Property Loss Conditions, 5. Loss Payment – paragraph **E.5.d**. - does not apply to the Increased Cost of Construction Coverage.

4. Loss Payment

a. All following loss payment provision **4.b.** through **4.e.**, are subject to the apportionment procedure set forth in Section **1.c.** of this endorsement.

- **b.** When there is a loss in value of an undamaged portion of a building to which Coverage **1** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (1) If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - (a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - **(b)** The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - (2) If the property is **not** repaired or replaced, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- **c.** Unless paragraph **4.e.** applies, loss payment under Coverage **2** Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- (1) The amount you actually spend to demolish and clear the site of the described premises; or
- (2) The blanket limit applicable to this endorsement.
- **d.** Unless paragraph **4.c.** applies, loss payment under Coverage **3** Increased Cost of Construction Coverage will be determined as follows:
 - (1) We will not pay under Coverage 3:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - **(b)** Unless the repairs or replacement are made as soon reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:
 - (a) The increased cost of construction at the same premises; or
 - **(b)** The blanket limit applicable to this endorsement.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:
 - (a) The increased cost of construction at the new premises; or
 - **(b)** The blanket limit applicable to this endorsement.
- e. The terms of this endorsement apply separately to each building to which this endorsement applies.
- f. Under this endorsement, we will not pay for loss due to any ordinance or law that:
 - (1) You were required to comply with before the loss, even if the building was undamaged; and
 - (2) You failed to comply with.

C. SECTION I – PROPERTY, A. COVERAGE, 5. Additional Coverages, m. Business Income From Dependent Properties

We will pay up to the blanket limit of insurance available in this endorsement.

D. Computer Coverage and Data Restoration

We will pay for:

caused by:

- 1. Loss or damage to "electronic data processing equipment" and "electronic media and records"; and
- **2.** The cost of reproducing lost or damage "electronic media and records", which you own, lease or rent from others, for which you are legally responsible, when loss or damage is

b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$1,000.

3. Employee Dishonesty

- **a.** We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.

Employee dishonesty also includes loss caused by the unauthorized use of a credit card or debit card entrusted by you to your employee.

- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - **(b)** A profit and loss computation.
 - (4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- **c.** The most we will pay for loss or damage in any one occurrence is \$10,000.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts;

is considered one occurrence.

- e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- f. This Additional Coverage is cancelled as to any employee immediately upon discovery by:
 - (1) You; or

- (2) Switching stations;
- (3) Substations;
- (4) Transformer;
- (5) Transmission lines and
- (6) Overhead transmission lines.
- **3.** As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

F. Utility Services - Time Element

We will pay for loss of Business Income or Extra Expense at the premises described in the Declarations, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph **2.** if such property is located outside a covered building described in the Declarations.

1. Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or damage to electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

2. Utility Services

- **b.** Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (1) Pumping stations; and
 - (2) Water mains.
- c. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer main, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.
 - Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.
- **d.** Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines;
 - (2) Coaxial cables;
 - (3) Overhead transmission lines; and
 - (4) Microwave radio relays except satellites.
- **d.** Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformer;
 - (5) Transmission lines and
 - (6) Overhead transmission lines.
- **4.** As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- G. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions, e. Valuable Papers and Records
 We will pay up to the blanket limit of insurance available in this endorsement.
- H. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions, f. Accounts Receivable We will pay up to the blanket limit of insurance available in this endorsement.
- I. SECTION I PROPERTY, G. Optional Coverages, 2. Money and Securities
 We will pay up to the blanket limit of insurance available in this endorsement.

All other terms and conditions remain unchanged.

MICHOICE BUSINESSOWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverage provided by this endorsement is subject to the provisions, including exclusions and limitations, applicable to the **BUSINESSOWNERS COVERAGE FORM**, except as provided below.

Coverage Summary – Please refer to the applicable Cove	stage dection for run renns and conditions
Coverage/Modification	Limit
Buildings	1,000 feet
Business Personal Property	1,000 feet
Outdoor Signs (attached or detached)	Included as part of Building or as part of Business Personal Property for tenants.
Furs, fur garments, garments trimmed with fur	\$ 5,000
Jewelry, watches, watch movements, jewels, pearls, precious & semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals	\$ 5,000
Patterns, dies, molds and forms	\$ 5,000
Business Income and Extra Expense	1,000 feet
Money Orders and Counterfeit Money	\$ 5,000
Forgery or Alteration	\$ 10,000
Reward Coverage	Up to \$ 10,000
Lock Replacement	\$ 1,000
Employee Dishonesty – including unauthorized business credit/debit card use	\$ 10,000
Theft Damage – theft to equipment used to maintain building	\$ 5,000
Fine Arts	\$ 10,000
Water Back-up and Sump Overflow	\$ 10,000
Newly Acquired or Constructed Property – Business Personal Property	\$ 250,000/90 days
Newly Acquired or Constructed Property – Building	90 days
Property Off-Premises	\$ 25,000
Outdoor Property	\$ 5,000/\$1,500 for any one tree, shrub or plant
Personal Effects	\$ 5,000
Business Personal Property Temporarily in Portable Storage Units	1,000 feet
Inventory and Appraisal	\$ 2,500
Newly Acquired Organizations	Included as a Named Insured
Fellow Employee Coverage	Included

The BUSINESSOWNERS COVERAGE FORM is amended as follows:

- A. SECTION I PROPERTY, A. COVERAGE, 1. Covered Property paragraph A.1.a.(6)(b) is deleted and replaced with the following:
 - A.1.a.(6)(b) If not covered by other insurance:

Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

B. SECTION I – PROPERTY, A. COVERAGE, 1. Covered Property – paragraph A.1.a. The following is added to paragraph a.

Signs

C. SECTION I – PROPERTY, A. COVERAGE, 1. Covered Property – paragraph A.1.b. is deleted and replaced with the following:

Business Personal Property located in or on the building or structure at the described premises or in the open (or in a vehicle) within 1,000 feet of the building or structure or within 1,000 feet of the premises described in the Declarations, whichever is greater, including:

D. SECTION I – PROPERTY, **A. COVERAGE**, **1. Covered Property –** paragraph **A.1.b.** The following is added to paragraph **b.**

Your signs and signs for which you have a contractual responsibility to insure unless otherwise provided for under Building coverage.

- E. SECTION I PROPERTY, A. COVERAGE, 4. Limitations
 - 1. Increased Limits for Specified Property
 - (a) The special limit applicable to furs, fur garments and garments trimmed with fur in paragraph **A.4.c.(1)** is increased from \$2,500 to \$5,000.
 - **(b)** The special limit applicable to jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals in Paragraph **A.4.c.(2)** is increased from \$2,500 to \$5,000.
 - (c) The special limit applicable to patterns, dies, molds and forms in paragraph A.4.c.(3) is increased from \$2,500 to \$5,000.
- F. SECTION I PROPERTY, A. COVERAGE, 5. Additional Coverage, f. Business Income paragraphs A.5.f.(1)(a) and A.5.f.(1)(a)(ii) are deleted and replaced with the following:
 - (a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.
 - (ii) The area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respects to loss of or damage to personal property in the open or personal property in a vehicle); and
- G. SECTION I PROPERTY, A. COVERAGE, 5. Additional Coverage, g. Extra Expense paragraphs A.5.g.(1) and A.5.g.(1)(b) are deleted and replaced with the following:
 - (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.

- **(b)** The area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respects to loss of or damage to personal property in the open or personal property in a vehicle); and
- H. SECTION I PROPERTY, A. COVERAGE, 5. Additional Coverage, j. Money Orders And "Counterfeit Money" is amended to read:

The most we will pay for any loss under this Additional Coverage is \$5,000.

- I. SECTION I PROPERTY, A. COVERAGE, 5. Additional Coverage, k. Forgery or Alteration paragraph A.5.k.(4) is deleted and replaced with the following:
 - (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.
- J. SECTION I PROPERTY, A. COVERAGE, 5. Additional Coverage the following are added to paragraph A.5. Additional Coverages of Section I Property:

1. Reward Payment

- **a.** We will reimburse you for rewards paid as follows:
 - (1) Up to \$10,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss of or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
 - **(b)** The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
 - (5) Up to \$10,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
 - **(b)** The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
- **b.** This Additional Coverage applies, subject to the following conditions:
 - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
 - (a) You or any family member;
 - **(b)** Your employee (including a temporary or leased employee) or any of his or her family members;
 - (c) An employee of a law enforcement agency;
 - (d) An employee of a business engaged in property protection;
 - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
 - **(f)** Any person involved in the crime.
 - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
 - (3) The lesser of the amount of the reward or \$10,000 is the most we will reimburse for loss under the Additional Coverage in any one occurrence.

2. Lock Replacement

a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.

b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$1,000.

3. Employee Dishonesty

- **a.** We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.

Employee dishonesty also includes loss caused by the unauthorized use of a credit card or debit card entrusted by you to your employee.

- **b.** We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - **(b)** A profit and loss computation.
 - (4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- c. The most we will pay for loss or damage in any one occurrence is \$10,000.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts;

is considered one occurrence.

- e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- f. This Additional Coverage is cancelled as to any employee immediately upon discovery by:
 - (1) You; or

- (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- **i.** The insurance under paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Additional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- j. With respects to the Employee Dishonesty Additional Coverage in paragraph J.3., employee means:
 - (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - **(2)** Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent employee, as defined in paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term workload conditions.
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
 - (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
 - (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Theft Damage

With respects to premises described in the Declarations where you are a tenant and are legally liable for such damage:

- **a.** We will pay for damage caused directly by theft to:
 - (1) That part of any building you occupy containing Covered Property; or
 - (2) Equipment within the building you occupy used to maintain or service the building.

- b. We will not pay for loss to a building or its equipment under this Additional Coverage caused by fire.
- c. The most we will pay for any loss under this Additional Coverage is \$5,000.

5. Fine Arts Coverage

- a. We will pay for direct loss of or damage to Fine Arts, whether owned by:
 - (1) You; or
 - (2) Others, and in your care, custody or control.
- **b.** Fire arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.
- **c.** The most we will pay for loss in any one occurrence under this Additional Coverage is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
- **d.** The value of fine arts will be the least of the following amounts:
 - (1) The actual cash value of that property at the time of loss;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss;
 - (3) The cost of replacing that property with substantially identical property.
- **e.** In the event of loss, the value of property will be determined as of the time of loss.
- f. The following are added to SECTION I PROPERTY, E. Property Loss Conditions:
 - (1) In case of loss to any part of a pair or set we will:
 - (a) Repair or replace any part to restore the pair or set to its value before the loss; or
 - **(b)** Pay the difference between the values of the pair or set before and after the loss.
 - (2) You must arrange for fine arts to be packed and unpacked by competent packers.

6. Water Back-Up and Sump Overflow

- 1. We will pay for direct physical loss or damage to Covered Property, covered under **Section I Property**, caused by or resulting from:
 - (1) Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
 - (2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respects to paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- 2. The coverage described in paragraph a. of this Additional Coverage does not apply to loss or damage resulting from an insured's failure to:
 - (1) Keep a sump pump or its related equipment in proper working condition; or
 - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- **3.** The most we will pay for coverage provided under this Additional Coverage for any one occurrence is \$10,000 per location.
- **4.** With respects to the coverage provided under this Additional Coverage, **SECTION I PROPERTY**, **B. Exclusions**, **g. Water** is deleted and replaced with the following:

Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow; or
- (3) Water under the ground surface pressing on, or flowing or seeping through;
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in paragraph 1. or 3., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in paragraphs **1.** through **4.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But, if any of the above, in paragraphs **1.** through **4.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- K. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions (2) Business Personal Property paragraph A.6.a.(2) is increased from \$100,000 to \$250,000.
- L. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions (2) Business Personal Property, (3) Period Of Coverage paragraph A.6.a.(3)(b) is increased from 30 days to 90 days.
- M. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions, b. Personal Property Off-premises paragraph A.6.b. is increased from \$10,000 to \$25,000.
 - **SECTION I PROPERTY**, **A. COVERAGE**, **6. Coverage Extensions**, **c. Outdoor Property -** paragraph **A.6.c.** is increased from \$2,500, but not more than \$1,000 for any one tree, shrub or plant to \$5,000, but not more than \$1,500 for any one tree, shrub or plant.
- N. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions, d. Personal Effects paragraph A.6.d. is increased from \$2,500 to \$5,000.
- O. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions, g. Business Personal Property Temporarily In Portable Storage Units paragraph A.6.g. is increased from 100 feet to 1,000 ft.
- P. SECTION I PROPERTY, A. COVERAGE, 6. Coverage Extensions the following is added:

Inventory and Appraisal

You may extend this insurance to apply to the following expenses you incur to prepare claim data when we require it.

- a. The cost of taking inventory;
- **b.** The cost of making appraisals; and
- **c.** The cost of preparing a statement of loss and other supporting exhibits.

The most we will pay under this Extension for any claim is \$2,500.

We will not pay for any expenses billed by and payable to independent insurance adjusters, public adjusters or loss consultants or for expenses to prepare claims not covered by this policy.

- R. SECTION II LIABILITY C. Who Is An Insured the following is added:
 - 1. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

2. SECTION II - LIABILITY A. Coverages, 1. Business Liability - does not apply to:

- a. "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- **b.** "Personal and advertising injury" arising out of an offense committed before you acquire or form the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.

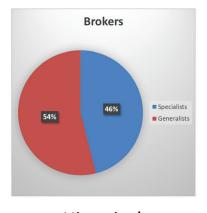
S. SECTION II - LIABILITY C. Who Is An Insured - is changed as follows:

Subparagraph (1) of paragraph 2.a does not apply to "bodily injury" or "personal injury" to a co-employee while in the course of his or her employment.

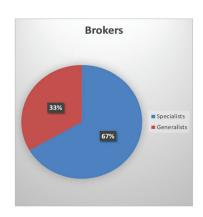
All other terms and conditions remain unchanged.

MODULE 3: Industry Focus - Building Expertise and Industry Specialization

McKinsey & Company



Historical



Present

Construction as a niche



Mod as a bid qualifier		

.osses	Losses	Losses (H - I)	(G) Ballast	
619,622	186,304	508,07	1 90,389	
Losses	Stabilizir	ng Value	Ratable Excess	
	C*(1-A)+G		(A) * (F)	
)48	393,	712	152,421	
	C*(1-A)+G		(A) * (C)	
304	393,	712	129,995	
	FLARAP	SARAP	MAARAF	
	1.08			

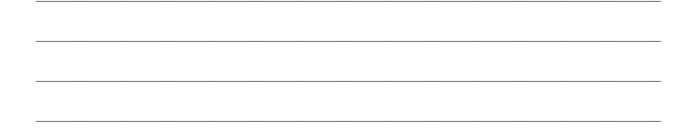




EXHIBIT F

INSURANCE REQUIREMENTS

Contractor shall procure and maintain the following insurance coverage prior to commencement of the Work until completion of the Work or longer, as may be required by the terms of the Contract:

1. Commercial Ge and personal and adv products/completed on the most recent I shall be named as add coverage for OWNE insurance purchase	vertising injury operations agg SO Commerce ditional insure ER shall be p	y with minim gregate, and \$ ial General L d under such a rimary insura	um limits of \$2,000,000 aggriability Policy general liability nce and not ex	1,000,000 per regate, written form or equiv coverage and	occurrence, son an occurrence, such addition contributing	52,000,000 ence basis Inc nal insured with, any
The products/comple						
the work and shall sunder this Contract.	specifically co	ver as insur	ed contracts s	Subcontractor s	indemnity (obligations
under this Contract.						



COMMERCIAL GENERAL LIABILITY CG 20 33 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.



COMMERCIAL GENERAL LIABILITY CG 20 39 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN CONSTRUCTION AGREEMENT WITH YOU (COMPLETED OPERATIONS)



CONTRACTOR PROTECTOR

MiChoice Contractor is available to qualified businesses.

Encova Insurance's business program gives you a customized solution of service and protection that is best suited for your business's needs.

PACKAGE	CONTRACTOR PROTECTOR
 Inland marine Contractors installation floater	_ \$50,000 for one location and property in transit; \$2,500 for portable tools rented to insured; \$500 deductible
Tool floater (portable tools andemployee tools)	_ \$50,000; actual cash value (ACV) or \$2,500, whichever is less for any one item; \$500 deductible
Borrowed/leased equipment	_ \$100,000; \$500 deductible
Commercial property	
Business income and extra expense	
Contract penalty coverage	
Business personal property	- \$5,000; \$500 deductible
General liability	
Care, custody or control	- \$50,000 with \$500 deductible
 Amendment - construction project(s) general	
 Pollution liability coverage limited exception to the pollution exclusion for a short-term event 	_ \$100,000
Contractors professional liability coverage	_ \$50,000
 Additional insured - lessor of leased	_ included
 Additional insured - automatic status by contract, agreement or permit, ongoing operations 	_ included
Blanket waiver of subrogation	_ included
Primary non-contributory liability coverage	_ included

Your independent Encova agent can tell you more about certain guidelines that apply to these coverages and the cost associated with the different limits available.

This coverage summary is designed to highlight specific features of MiChoice Business Program. This is not an insurance policy, nor does it become part of an insurance policy. For a complete statement of coverages and exclusions, please see the policy coverage forms.



MI-0114-CLFR 08-22 ENCOVA.COM

Manuf	acturing as a niche
Predoi	minant Issues to Manufacturing (Top four)
V	Property limit
\checkmark	Business Income and Extra Expense



✓	Utilities off-premises
✓	Dependent Properties
Client	-Specific Risks
Produ	ict recall



Contract Penalties		
Property in Transit		
Robotics		



Design	
Retail as a niche	
retail as a mone	
Property Limit	
Business Income	



Utilities off-premises	
Dependent Properties	
Cyber	



Lease Review	



MANUFACTURING DEFENDER

MiChoice Manufacturing is available to qualified businesses.

Encova Insurance's business program gives you a customized solution of service and protection that is best suited for your business's needs.

MANUFACTURING PACKAGE	MANUFACTURING
Commercial property	DEFENDER
Business personal property - seasonal increase	25%
Business interruption from dependent properties	\$100,000
Theft of patterns and dyes	\$100,000
Theft of precious metals and alloys	\$100,000
Property off premises	\$100,000
Property in transit	\$100,000
Manufacturer's consequential loss assumption	\$100,000
Manufacturer's selling price (finished stock only)	\$100,000
Replacement cost valuation of stock	included
Marring or scratching	\$50,000
Unidentifiable inventory	\$10,000
Brands and labels	\$100,000
Contract penalties	\$100,000
Commercial general liability	
 Additional insured - when required by contract for ongoing operations 	included
Additional insured - vendors	included
Blanket additional insured - lessor of leased equipment	included
 Blanket additional insured - managers or lessors of	included
Blanket waiver of subrogation	included
Employment benefits liability	\$1 million employee
	\$3 million aggregate
Fellow employee	
Limited product withdrawal expense	\$100,000

CONTINUED ON BACK

Some state restrictions may apply.

Your independent Encova agent can tell you more about certain guidelines that apply to these coverages and the cost associated with the different limits available.

This coverage summary is designed to highlight specific features of MiChoice Business Program. This is not an insurance policy, nor does it become part of an insurance policy. For a complete statement of coverages and exclusions, please see the policy coverage forms.



MANUFACTURERS ERRORS AND OMISSIONS AND COST OF CORRECTION OF WORK

Our MiChoice Manufacturing program offers additional coverages for a complete solution for your clients' needs. Including manufacturers errors and omissions and manufacturers cost of correction of work are great coverage options to consider.

Manufacturers errors and omissions

Manufacturers errors and omissions coverage is available with a qualified manufacturing risk, and can be added to complement the MiChoice Manufacturing suite of endorsements.

Manufacturers errors and omissions is a claims-made liability insurance policy, designed to cover an unintentional manufacturing mistake or negligent service that results in a third-party financial loss that does not involve bodily injury or property damage. These exposures can include:

- Faulty, non-conforming products that are manufactured, handled or sold by the insured,
- Errors and omissions that can cause property or a product to be less useful or useless to a customer, and
- Defense costs are included within the limit.

Cost of correction of work

Complement manufacturers errors and omissions with manufacturers cost of correction of work to provide the highest standard of service if there are problems with manufacturing services.

By adding manufacturers cost of correction of work, your Encova Insurance policy can assist with expenses related to correcting deficiencies or defects, including reprints, recalls and replacements and packaging and shipping costs.

Your independent Encova agent can tell you more about certain guidelines that apply to these coverages and the cost associated with the different limits available.

This coverage summary is designed to highlight specific features of MiChoice Business Program. This is not an insurance policy, nor does it become part of an insurance policy. For a complete statement of coverages and exclusions, please see the policy coverage forms.



GROWTH SOLUTIONS AGENCY





A CHANGING MARKETPLACE

Insurance producers tend to fall into one of two categories with respect to their approach to the marketplace. Usually, producers engage with prospects and clients as either a generalist or as a specialist. Although there are advantages and disadvantages to both options, it is critical for agencies and producers to reassess their positions due to dramatic disruptions in the marketplace. The insurance industry is changing at an accelerated pace, and agencies and producers must adapt or risk an erosion in their current book of business and reduced new business production.

THE MYTHS OF GENERALISTS

Operating as a generalist has a strong appeal. Generalists are not restricted to certain industries or lines of business, and are available to all opportunities in the marketplace. Historically, insurance agencies have even marketed themselves as a one stop shop that can handle all insurance needs. And in areas with less population density, it is necessary to operate as a generalist due to the paucity of niche business opportunities.

If an agent or agency lacks unique expertise in a class of business or line of coverage, they tend to gravitate toward less hazardous or less complex accounts. We don't usually find generalists writing such risks as: oil and gas, interstate trucking, large construction, food manufacturing, or medical malpractice, just to name a few. High hazard and complex accounts, by their nature, require specific expertise, and the learning curve is usually too steep for generalists.

Generalists must be aware that they face a number of serious emerging risks that were not present just a few years ago. The first, and likely most significant, are the changes insurance companies are making with their distribution channels. Numerous personal lines insurance companies have been going direct to the customer for quite a while, but we are now seeing a similar shift in the commercial space.

A report by McKinsey and Company entitled "Agents of the Future: The Evolution of Property and Casualty Insurance Distribution" created much debate, and at least some consternation, in the insurance agency community. The report said, "There are signs that the economics of the traditional agent model are beginning to unravel. Carriers are interacting more directly with customers, at lower cost and often with more consistent service levels. The once clear division of labor between carrier and agent is diminishing, but agent commission structures remain largely unchanged. Many carriers are now reconsidering how they allocate their distribution budgets and asking themselves what role agents should play in the system."



So, generalists must ask themselves: "Who is more likely to change from a traditional agent model to an internet-based or other alternative model?" Will it be the high hazard, complex risks that require specialty expertise, or companies that are less hazardous and less complex? It is reasonable to assume that it is far less likely for those companies who need specialized expertise to move to an alternative distribution source than those who perceive themselves as a main street company.

Additional threats to generalists include the emergence of non-traditional players who are either entering or gaining greater market share in the insurance space. They include: payroll companies, private equity/hedge funds, and software as service (SAAS) companies. Sometimes, it is difficult to determine the primary focus of a company that sells insurance. Payroll companies have been in the mix for a while. However, we are now seeing companies emerge that do payroll but would not describe themselves as a payroll company.

Start-up business models are becoming more difficult to describe or categorize since they are bundling multiple business products and services. Are they a payroll company that sells insurance, or are they an insurance agency that offers payroll on a pay as you go platform? Are they a human resource company that sells insurance or are they an insurance agency that bundles in technology with their insurance sale? Again, you can be certain that these nontraditional competitors will, at least initially, feed from the lower risk, less complex accounts.

WHY SPECIALIZE?

Insurance agents frequently push back at the notion that their opportunities will be eroded in much the same way as travel agents and stock and mortgage brokers. Many assert that insurance is more complex and that consumers need greater support that only an agent can offer. Are you willing to bet your future on that position? The smart money, such as the folks at McKinsey, would suggest that would be a bad bet.

In addition, it is wise to take a look at the macro trends for professional services in the broader economy. Specialists in medical, legal, and financial, just to name a few, are in much higher demand and are remunerated at a higher level than generalists. In some professions, we are even seeing specialties within specialists, such as a when an orthopedic only treats and operates on hands.

Another drawback to selling as a generalist is that it is difficult, if not impossible, to gain the necessary knowledge and insight into a particular industry or business to differentiate from competitors. There are two primary ways to differentiate from competitors. One is to assist business owners and managers in discovering risks, threats, and waste in their business of which they were not previously aware. And the other is to demonstrate that you have a unique approach to address them.



Without a dedicated focus on a specific market segment or line of coverage, it is unlikely an agent will have the ability to accomplish either of the above objectives. This inability leads to an agent being forced to differentiate on price or by using the dreaded "value-added" sales process. If it is a price game, then the internet is more efficient, convenient, and always available.

Ample choices await agents who wish to move from being a generalist to a specialist. The first step is to commit to change, then pick one or a few areas of focus. As mentioned, specialist insurance agents typically choose to specialize either in specific industries or lines of business. In some cases, there is overlap, where a line of coverage is also specific to a class of business, as with medical malpractice insurance.

The downside to specialization is that in some geographic areas, there are not as many potential clients. Agents should take a two-step process. First, decide what types of businesses or industries are appealing to you and your interests. Then, determine if there are a sufficient number of them in your market area or territory to make the niche viable.

Here is a word of caution, especially to young producers, with regard to selecting your geographic area. Driving three to four hours to write a large account may seem worth it, but as you grow older, you may not feel the same way. For lifestyle purposes, you may want to develop niches within a two hour or less drive from your home base.

In addition, it is risky and unwise to put too many eggs in one basket. For example, let's assume you were to exclusively specialize in boat dealers and your entire book of business consists of boat dealers. Then, an insurance company that you don't represent decides to "buy up" the boat dealer market. You, as it has happened to others, could witness your book of business evaporate quickly. It is best to identify and execute on more than one niche.

Even though it may not be feasible for all agents and agencies to specialize in niches, it is advisable to explore the option. If your demographics allow for specialization, then it is probably the best way to insulate and protect yourself from dramatic disruptions in the marketplace. As Abraham Lincoln said, "The best way to predict your future is to create it."

IT IS RISKY TO PUT TOO MANY EGGS IN ONE BASKET. THE BEST SPECIALISTS IDENTIFY AND EXECUTE ON MORE THAN ONE NICHE.



ABOUT THE AUTHORS

FRANK PENNACHIO

Frank Pennachio has spent more than 30 years in the insurance industry as an agent and producer, expertise he's leveraged to personally train more than 1,000 insurance professionals. In 2009, he sold his agency and co-founded Oceanus Partners with his partner, Susan Toussaint. Oceanus Partners was acquired by ReSource Pro in 2019, and Frank now serves as Practice Leader, Growth Solutions, helping independent insurance agents and insurance carriers develop risk management expertise and drive new business.

Frank is an expert in the technical elements of workers' compensation, emphasizing the need for agents to understand all aspects of protecting an employers' workforce to provide true value. In addition, Frank is knowledgeable in agency sales and marketing strategies designed specifically to reduce reliance on contingency commissions and increase agency revenues.

Highly regarded as a speaker and thought leader, Frank regularly presents at conferences and publishes articles in outlets as Risk and Insurance, Professional Insurance Agent, WCEC, HR Magazine, and Insurance Journal. When speaking, he hopes to educate, entertain, and provoke his audiences to think in a new way about emerging challenges.

SUSAN TOUSSAINT

For over a decade, Susan Toussaint has been training, coaching, and developing programs to help insurance professionals overcome barriers to organic growth. In 2006, she started Injury Management Partners, and in 2009 she co-founded Oceanus Partners with her partner, Frank Pennachio. Today, she serves as Vice President of ReSource Pro's Growth Solutions team and is focused on developing products and training that help clients attract, acquire, and retain profitable, right-fit business.

Susan is recognized as a thought leader in the industry and frequently contributes to national publications on topics related to prospecting and selling. She enjoys developing confidence in new producers and creating content that inspires others to think differently.

FOR MORE INFORMATION

visit us: resourcepro.com/agencygrowth

email us: fpennachio@resourcepro.com, susan@resourcepro.com

MODULE 4: Strategies to Leverage Your Most Important Assets to Improve Client Outcomes
The Focus Formula
(Goals + Activities) X Time = Success
The Three Goals of Every Producer
✓ Become known and develop opportunities with right-fit prospects



/ D	ifferentiate and close new business
_	
Ŕ	etain and grow existing accounts
_	

Leveraging Your Calendar

	Monday	Tuesday	Wednesday	Thursday	Friday
7:00-8:00	Writing Time	Meet Karen C. to discuss cross- selling Johnson Mechanical	Writing Time	Q2 Reminder: Send an Email to clients asking for a referral or introduction	Writing Time
8:00-9:00	Research, Read or Listen	Breakfast with Client to discuss Action Plan Updates	Debrief & send Recap email to ABC Manufacturing Send Agenda to Smith Bros. Electrical	Breakfast with Client to discuss Action Plan updates	Grab coffee with Pete M. to discuss cross-selling Phillips Construction
9:00-10:00	Role Play ABC Manufacturing			Prospect Meeting (Smith Bros. Electrical)	
10:00-11:00					
11:00-12:00	COI Meeting	Research New Prospects	Research New Prospects	Research New Prospects	
1:00-2:00					COI Meeting
2:00-3:00		Prospect Meeting (ABC Manufacturing)			
3:00-4:00					
4:00-5:00	Send Agenda to ABC Manufacturing		Role Play Smith Bros. Electrical		
5:00-6:00	After Hours Networking	Research, Read or Listen		Research, Read or Listen	





The Time Nibblers	
✓ Support team	
✓ Clients	
✓ Colleagues	
Stop the Nibbling!	



	Monday	Tuesday	Wednesday	Thursday	Friday
7:00-8:00	Writing Time	Meet Karen C. to discuss cross- selling Johnson Mechanical	Writing Time	Q2 Reminder: Send an Email to clients asking for a referral or introduction	Writing Time
8:00-9:00	Research, Read or Listen	Breakfast with Client to discuss Action Plan Updates	Debrief & send Recap email to ABC Manufacturing	Breakfast with Client to discuss Action Plan updates	Grab coffee with Pete M. to discuss cross-selling Phillips Construction
			Send Agenda to Smith Bros. Electrical		
9:00-10:00	Role Play ABC Manufacturing			Prospect Meeting (Smith Bros. Electrical)	Quarterly Meeting with BBB
10:00-11:00	Meet with Team	1		Meet with Team	
11:00-12:00	COI Meeting	Research New Prospects	Research New Prospects	Research New Prospects	
1:00-2:00	Quarterly Meeting with Smith & Assoc.				COI Meeting
2:00-3:00		Prospect Meeting (ABC Manufacturing)	1		Monthly
3:00-4:00			7		Colleague
4:00-5:00	Send Agenda to ABC Manufacturing	•	Role Play Smith Bros. Electrical	Quarterly Meeting with Jones Manufacturing	Strategy Meeting
5:00-6:00	After Hours Networking	Research, Read or Listen		Research, Read or Listen	IVICCIIIS

Focus Time			

What is your Deep Work Routine?

Location	
Duration	
Structure	
Requirements	





THE FOCUS FORMULA

By Susan Toussaint, VP, Growth Solutions

This is the first in a series of articles on time management. Blocking, planning, and leveraging time effectively is an often underutilized strategy that can make the difference between a producer achieving their goals and failing.

As we approach the mid-point of the year and budget season looms, year to date performance assessments will begin. Whether these assessments are structured or casual in nature, assessing performance metrics is an important part of managing goals.

An important component of assessment is reflection, looking backwards to evaluate the activities that have been conducted and determining if they generated the results necessary to achieve or exceed goals. What is often conveyed to us is that even if planning did occur, the activities that the producer intended to complete often were not. In other words, a process which began with good intentions often ends in frustration.

To help producers stay focused, we've developed the Focus Formula, a simple equation that can enhance success.



At the end of the day, every producer has the same three goals:

- To become known and develop new opportunities
- Differentiate and close new business
- Retain and grow existing accounts

It's how the goals are pursued and how much time is committed to execution that determine success. When producers are relentlessly focused on allocating the necessary time to the key drivers of success, it has an amazing impact on their ability to reduce the noise that often causes them to go off track.

To illustrate how this works, let's apply the Focus Formula to one of the three goals common to most producers outlined above.

GOAL #1 - BECOME KNOWN AND DEVELOP NEW OPPORTUNITIES

The activities to become known will vary from producer to producer but may include joining, contributing, and networking within an association that relates to their perfect-client type, such as a manufacturers or contractors association. Writing articles, blogging, and recording webinars or video messages on topics of interest to prospects is another a set of activities that helps producers to become known. And finally, researching and calling prospects to facilitate introductions is a staple of every business development strategy.



These sets of activities require time to execute. A question I often ask producers after they tell me they need more at bats is, "How much time do you have on schedule for the purpose of connecting with or communicating to prospects?" The answer is typically a grimace, followed by uncomfortable laughter!

The time necessary to gain traction in becoming known will vary from producer to producer, but at a minimum, producers should consider the following dedication of time on a weekly basis:

- (3) hours to research new prospects
- (3) hours to focus on topics that are relevant to their perfect client type to write a blog, post on social

- media, send emails, or record a podcast or webinar
- (3) hours per week participating in networking activities, association meetings, or center of influence development

Putting the Focus Formula into action for becoming known, or any other goal, isn't difficult, it simply requires action to dedicate time on the calendar and commitment to execute.

Applying the Focus Formula to each of the goals mentioned will help drive execution and ultimately lead to greater success. Seeing the time set aside on the calendar like an appointment and treating it as if it is one with a valued client will create important habits. It will also illustrate just how much "white space" is left to accomplish other activities.

WHAT DOES THIS LOOK LIKE IN REALITY?						
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
7:00-8:00	Writing Time	Meet Karen C. to discuss cross-selling Johnson Mechanical	Writing Time	Q2 Reminder: Send an email to clients asking for a referral or introduction	Writing Time	
8:00-9:00	Research, Read or Listen	Breakfast with Client to discuss Action Plan Updates	Debrief and send recap email to ABC Manufacturing	Breakfast with Client to discuss Action Plan Updates	Grab coffee with Pete M. to discuss cross-selling Phillips Construction	
9:00-10:00	Role Play - ABC Manufacturing			Prospect Meeting - Smith Bros. Electrical		
11:00-12:00	COI Meeting	Research New Prospects	Research New Prospects	Research New Prospects		
12:00-1:00					COI Meeting	
2:00-3:00		Prospect Meeting - ABC Manufacturing				
4:00-5:00	Send agenda to ABC Manufacturing		Role Play - Smith Bros. Electrical			
5:00-6:00	After Hours Networking	Research, Read or Listen		Research, Read or Listen		

In my next article, I'll discuss "white space" and how to effectively leverage it and eliminate time nibblers, who often erode productivity and motivation.

ABOUT THE AUTHOR



For over a decade, Susan Toussaint has been training, coaching, and developing programs to help insurance professionals overcome barriers to organic growth. She enjoys developing confidence in new producers and creating content that inspires others to think differently.

FOR MORE INFORMATION

visit us: resourcepro.com

email us: susan@resourcepro.com



THE ATTACK OF THE TIME NIBBLERS

By Susan Toussaint, VP, Growth Solutions

In last month's article, I shared the *Focus Formula*, a strategy for ensuring that you have the time set aside to accomplish the necessary activities to achieve your goals of becoming known, developing new opportunities, differentiating, and closing new business, as well as retaining and growing existing accounts.

The sample calendar below was shared, visually demonstrating what a week could look like utilizing the Focus Formula.

WHAT DOES THIS LOOK LIKE IN REALITY?						
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12:00-1:00					COI Meeting	
2:00-3:00		Prospect Meeting - ABC Manufacturing				
4:00-5:00	Send agenda to ABC Manufacturing		Role Play - Smith Bros. Electrical			
5:00-6:00	After Hours Networking	Research, Read or Listen		Research, Read or Listen		

What this calendar also demonstrates is the amount of available time on the calendar. We refer to unscheduled timeslots as "whitespace." Unless protected, whitespace can be eroded, impacting your ability to complete other essential activities.

In this article, we will focus on "time nibblers" and how to prevent them from encroaching on your whitespace, so you can remain in control of your time and achieve greater success.





THE 3 TYPES OF NIBBLER

We'll focus on the most common time nibblers: the client, the colleague, and the teammate. Each of these groups represent important relationships. The need to spend time with them is real, but instead of having scheduled, agenda-driven meetings, often times a series of impromptu calls, emails, or meetings occur, disrupting your day and ability to stay focused.

Research from *Clockwise: How Interruptions at Work Impact Performance* by Lulu Tang shows that being constantly interrupted at work can lower your IQ twice as much as smoking cannabis, and frequent interruptions impact men's IQ more than women's.

THE CLIENT NIBBLER

Probably one of the most challenging nibblers to manage, the client nibbler can erode your time with frequent phone calls and requests. While there are legitimate needs and reasons for your clients to reach out to you, often times these touches can be more effective if time is coordinated in advance. For example, if you're worried that your client isn't getting the attention they need and deserve, you may find it more efficient to schedule a standing monthly or quarterly meeting to address your clients' needs.

Of course, emergencies do happen, but they are infrequent. Emergency scenarios must be delt with as they arise, but for day-to-day management, a standing meeting at an agreed upon frequency can reduce interruption and actually enhance the client relationship.

THE NIBBLING COLLEAGUE

We all fall victim to this nibbler, and in some cases are the cause of it. Spending time texting, phoning, or visiting colleagues to catch up and shoot the breeze are nibbling activities. In the moment, they We'll focus on the most common time nibblers: the client, the colleague, and the teammate. Each of these groups represent important relationships. The need to spend time with them is real, but instead of having scheduled, agenda-driven meetings, often times a series of impromptu calls, emails, or meetings occur, disrupting your day and ability to stay focused.

seem like no big deal, we'll just touch base and get back to work. But doing this 3-4 times a day can have a seriously negative impact on your productivity. According to productivity gurus Cal Newport and Nir Eyal, "Profitable work requires chunks of uninterrupted time that are at least 2 hours in duration."

Instead of having impromptu sessions with a colleague, schedule a monthly meeting to spend time together, in or out of the office. The key is to schedule it and make it an event that you can manage versus an interruption that will impact your focus.

Questions that you can ask to determine if it makes sense to set aside time with these individuals are:

"Will I learn something as a result of the time I spend with them?" and "Will it help me grow my business or bring value to what I do?"

THE NIBBLING TEAMMATE

Another essential group to stay connected to are your teammates, the people who support your client relationships and activities. In many instances, they can be the biggest nibblers of all! Not because they want to pester you, but because they are trying to accomplish their own work, which often requires them to engage with you for input, answers, or direction.



Setting a standing weekly meeting with them can help reduce repeated interruptions. Whether it's two 30-minute sessions or one 60-minute session, the time set aside, complete with an agenda, will ensure that questions get answered and work continues to get done. As with clients, rules can be broken when an emergency arises.

Once you've updated your calendar to reflect these additional meetings, you will notice that you still have a healthy allotment of free time as illustrated in the graphic below.

This free time is your time to focus on the activities that only you can do. I will explore focus time in my next article.

ABOUT THE AUTHOR



For over a decade, Susan Toussaint has been training, coaching, and developing programs to help insurance professionals overcome barriers to organic growth. She enjoys developing confidence in new producers and creating content that inspires others to think differently.

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9:00-10:00	Role Play - ABC Manufacturing			Prospect Meeting - Smith Bros. Electrical	Quarterly Meeting With Bbb
10:00-11:00	Meet with Team			Meet With Team	
11:00-12:00	COI Meeting	Research New Prospects	Research New Prospects	Research New Prospects	
1:00-2:00	Quarterly Meeting with Smith & Assoc.				COI Meeting
2:00-3:00		Prospect Meeting - ABC Manufacturing			
3:00-4:00					Monthly Golf
4:00-5:00	Send agenda to ABC Manufacturing		Role Play - Smith Bros. Electrical	Quarterly Meeting with Jones Manufacturing	Meet-Up With Colleagues
5:00-6:00	After Hours Networking	Research, Read Or Listen		Research, Read Or Listen	

FOR MORE INFORMATION

visit us: resourcepro.com

email us: susan@resourcepro.com



MODULE 5: What's Business is Personal, What's Personal is Business - Identifying and Addressing Personal Risks That Can Put a Business at Risk

- ✓ Dwelling and Personal Liability
- ✓ Personal Auto
- √ "Toys"
- √ Historic Home
- √ Flood
- ✓ Personal Effects
- √ Business Personal Property
- √ Collections
- ✓ Antiques
- √ Fine Arts
- ✓ Unusual Items
- √ Cash
- ✓ Personal Property off-premises



Liability Risks	
✓ Pet exposure	
✓ Publisher liability	
✓ "Attractive nuisance"- Pools & Ponds	
✓ Volunteer/Professional Liability	
✓ Trustee Liability	
✓ Domestic Help	
✓ Vacant Land	
✓ Exotic Pets	
✓ Rental Property	
✓ Cyber Risks	
✓ Excess Liability	
,	



Umbrella Insurance	
Trends	



Question to consider: Are risks arising from non-business
activities putting the business at risk?





ENHANCED COVERAGE AND SPECIALIZED SERVICE

FOR POLICYHOLDERS WHO ARE MORE SELECTIVE

Encova Premier Homeowners coverage provides enhanced coverages and value-added services that create a specialized service experience. Encova's dedicated service team has the expertise to handle the complex needs of your policy, and you'll know your high-value property is well taken care of. The Encova Premier Homeowners program provides HO 05 Comprehensive Form coverage, plus additional coverages and enhanced limits to help ensure you are adequately protected.

BUNDLED COVERAGES INCLUDE

Extended replacement cost coverage for your home - up to 50% of your coverage A amount

Replacement cost coverage for your personal property

 Pays for the full cost to replace your contents in the event of a loss due to a covered peril.
 Encova Premier Homeowners policyholders are covered at 75% of the replacement cost value of your home for your home's contents.

Loss of use - 50% coverage A

 Kicks in if you are unable to live in your home due to a covered peril and have additional living expenses that occur while you are staying in temporary housing; 50% of the dwelling value is allotted to cover incurred costs, such as groceries, moving expenses, pet costs and temporary residence. Personal liability - up to \$500,000

Medical payments - up to \$10,000

Increased special limits of liability for theft of silverware, jewelry and firearms - up to \$10,000

Ordinance or law - up to 50% of your coverage A amount

Accidental death benefit - up to \$10,000

Water backup coverage – available in limits from \$5,000 - \$100,000

Buried utility lines - up to \$10,000

 When a buried utility line is damaged by mechanical breakdown, root invasion, or wear and tear, we will cover your repair of the line and temporary living expenses. The repair of the line includes replacement of the area as if the line had never been touched.





BUNDLED COVERAGES (CONT.)

Replacement cost cash out coverage

 Cash out the replacement cost of your dwelling and build the home you want and need at the time of loss.

Personal injury coverage

Lock replacement coverage

Land restoration coverage - up to \$10,000

Fire department service charge coverage – up to \$2,000

Mortgage acquisition expense coverage

ADDITIONAL OPTIONAL COVERAGES

- Inland flood
- Blanket jewelry
- · Family cyber
- Equipment breakdown

VALUE-ADDED SERVICES

- On-site loss control inspection completed by expert professionals in the exposures you face
- Exceptional concierge claims services
 - Same day, single point of contact with expert claims advocate for losses to follow through with claim from start to finish
 - Experienced loss professionals
 - Expert high-value reconstruction adjusters
 - Concierge contents valuation services with knowledge of artwork, jewelry, wine and other valuable property
 - High-value temporary accommodation experts who ensure you are comfortable in the event you are displaced due to loss

EASY ACCOUNT ACCESS

Your policy comes with online access to your account information from anywhere. Set up AutoPay, file a claim and access policy documents from any connected device.





PERSONAL AUTO INSURANCE

- Exceed Auto
- Available discounts
- Endorsement options
- Encova ChoicePaksM









Exceed Auto, Encova Insurance's auto product, is designed to exceed your expectations.

In addition to private passenger automobiles and classic cars, we also write limited use (antique) vehicles, motorcycles*, trailers/camper bodies, motorhomes, snowmobiles and all-terrain vehicles.

CLAIM FORGIVENESS

Exceed Auto offers two levels of claim forgiveness. Claim forgiveness is provided to all policyholders as part of their policy, and for an additional premium, policyholders can opt for enhanced claim forgiveness.

Claim forgiveness (included)

A chargeable claim under the convictions and accidents or disclosed driver factor rule will not be surcharged if the policy has been in force with Encova without any lapse in coverage for at least five consecutive years and there have been no other paid claims on the policy in the prior 59 months. Refer to the Exceed rule manual for a complete list of claim types not considered for eligibility.

Enhanced claim forgiveness (optional)

This is available for purchase at policy effective date – for new and renewal business – for policies with at least one private passenger automobile. Coverage may not be added or removed from the policy mid-term. A chargeable claim will not be surcharged if the claim occurred after the enhanced claim forgiveness endorsement was added to the policy, the endorsement is active on the policy and there were no other forgiven paid claims in the past 35 months.

*Subject to availability by state







AVAILABLE DISCOUNTS

- Advance quote
- Advanced driver assistance systems (ADAS)
- Anti-lock brake
- Anti-theft
- AutoPav
- Driver training
- Good student
- Learn-and-earn
- Multi-policy
- Newlywed

- Next generation
- Paperless
- Passive restraint
- Pay-in-full
- Pay-on-time
- Senior operator motor vehicle accident prevention course*
- Student away at school

EXCITING NEW COVERAGES

- Enhanced claim forgiveness
- Claim forgiveness (included)
- Roadside assistance In addition to 24-hour emergency service, our two roadside assistance levels include but are not limited to:
 - Battery charge
 - Ride assistance payment up to \$20 (\$40 with extended)
 - Service calls
 - Tire change
 - Towing up to 20 miles
 (40 miles with extended)
 - Winching/towing from accessible areas
- Better car replacement Provides 20% of the actual cash value of the insured private passenger automobile five model years or less in the event of a total loss.

- Encova Deductible ReserveSM Provides a credit amount that can reduce a policyholder's otherthan-collision or collision deductible.
- Common loss deductible Provides for a reduction or waiver of the personal auto deductible* if there is a loss involving both of the insured's Encova policies.
- Full safety glass Provides coverage for the cost of repairing or replacing damaged safety glass without application of the other-than-collision deductible.
- Original equipment manufacturer (OEM) parts Provides coverage for the use of OEM parts in
 the repair of property for private passenger
 automobiles or motorcycles less than 10 years old
 when physical damage coverage is provided.

*Included

^{*}Not available in all states

EXCEED AUTO





ADDITIONAL OPTIONAL ENDORSEMENTS

- Accidental airbag deployment
- Additional resident of household
- Auto loan/lease
- Blanket personal effects
- Child restraint system
- Digital personal assistant device replacement
- Excess custom equipment
- Excess electronic equipment
- Extended non-owned (regular use)
- Key replacement and related services
- Laptop replacement cost
- Limited Mexico
- Limited transportation network driver (no passenger)
- Low speed vehicle
- Optional limits transportation expenses
- Personal property
- Pet injury
- Trip interruption
- Trust endorsement







With Encova ChoicePak, a discount is applied to private passenger automobiles when the policyholder selects at least two of the following optional endorsements. The discount varies based on the number of endorsements selected. Policyholders only pay for the coverage they want. The more they add, the more they save.



CUSTOMIZED COVERAGE OPTIONS

- Accidental airbag deployment
- Better car replacement
- Blanket personal effects
- · Child restraint system
- Digital personal assistant device replacement
- Encova Deductible Reserve
- Enhanced claim forgiveness
- Extended roadside assistance
- Full safety glass
- Key replacement and related services
- Laptop replacement cost
- Original equipment manufacturer (OEM) parts
- Personal property
- Pet injury
- Roadside assistance

All policies are modified by automatically included coverages. Please refer to the manual for a complete listing. The policy terms will prevail in the event of a conflict between the policy and this document. All policies must meet Encova's underwriting guidelines and are subject to review upon submission.

24-HOUR TOWING AND ROADSIDE ASSISTANCE



PROVIDED BY NATION SAFE DRIVERS (NSD)

For 24-hour roadside assistance, policyholders can call 855-979-1394.

Encova Insurance's 24-hour towing and roadside assistance package provides 24-hour peace of mind while on the road. With access to over 45,000 towing providers throughout the United States, Canada, Puerto Rico and Mexico, your policyholders can travel with confidence wherever the road may take them.

24-HOUR EMERGENCY TOWING SERVICE

Towing to the nearest repair facility, including accident[†]- and non-accident-related towing. Hook-up and tow service provided for all vehicle types except motorhomes.*

- Roadside assistance up to 20 miles
- Extended roadside assistance up to 40 miles

(Cost of additional mileage is insured's responsibility.)

*\$1,000 expense limit
†Includes extrication and winching

24-HOUR EMERGENCY ROAD SERVICE

A service truck will be quickly dispatched.

24-HOUR EMERGENCY DELIVERY OF SUPPLIES

A service truck will deliver emergency gasoline, water, oil and other necessary supplies. The insured only pays for the cost of the supplies.

24-HOUR TIRE SERVICE

Nation Safe Drivers will dispatch service to change inflated spare from mount to wheel.

24-HOUR EMERGENCY BATTERY SERVICE

All NSD service vehicles are equipped to boost/jumpstart batteries while on the road.

24-HOUR LOCKOUT SERVICE

If the keys are accidentally locked in the passenger compartment, NSD will dispatch a locksmith.

\$500 THEFT AND HIT AND RUN REWARD

NSD will pay a person \$500 for information leading to the arrest and conviction of anyone responsible for hit and run damages or theft of the covered vehicle.

MECHANICAL FIRST AID

Covers any service requiring a minor adjustment (exclusive of parts) to enable a disabled vehicle to proceed under its own power.

RIDE ASSISTANCE

Transportation via Uber or Lyft will be covered from the site of the disabled vehicle to home or repair facility.

- Roadside assistance up to \$20
- Extended roadside assistance up to \$40

(Cost of additional mileage is insured's responsibility.)

Backed by the leader in roadside assistance since 1962, Nation Safe Drivers.

24-HOUR TOWING AND ROADSIDE ASSISTANCE



PROVIDED BY NATION SAFE DRIVERS (NSD)

ADDITIONAL ENDORSEMENT BENEFITS

Travel discounts

- "Lowest fare guarantee" travel arrangements and assistance from NSD - Members using preferredmembers.com or 800-916-1439 to book one or two hotel nights may receive up to 5% cash back by submitting receipt to NSD. (Discount code: 136142)
- Theme park discounts
 - Universal Orlando theme parks
 - Portofino Bay Hotel
 - Wet 'n Wild, Orlando Water Park
 - Universal Studios Hollywood
- Club USA savings To obtain these discounts, policyholders can call 866-294-0934 or visit preferredmembers.com.
 - Sea World Orlando
 - Sea World San Diego
 - Sea World San Antonio
 - Busch Gardens Tampa Bay
 - Busch Gardens Williamsburg
 - Sesame Place
 - Adventure Island
 - Water Country USA
- Free map routing Policyholders can call 866-294-0934, and NSD will map out their next trip.



Policyholders must contact NSD directly via mobile app or by calling 855-979-1394 to obtain maximum benefits.

24-HOUR TOWING AND ROADSIDE ASSISTANCE



PROVIDED BY NATION SAFE DRIVERS (NSD)

ADDITIONAL ENDORSEMENT BENEFITS (CONTINUED)

Automotive savings

- Car rental savings To obtain discounts, policyholders can call:
 - Enterprise 800-736-8222, #XZ41148
 PIN: NSD
 - National 877-222-9058, #XZ41148
 PIN: NSD
 - Thrifty 800-367-2277, ID#0010027892
- Cruise America RV Rental and Sales
 - Recreational vehicle rental discounts 800-327-7799
- Aamco Transmissions, Inc.
 - FREE Protect Check (Value: \$40) \$500
 - FREE TranScan (Value: \$85)
- Jiffy Lube 10% off all services at participating locations with code: H35
- Maaco Collision Repair 10% off paint services at participating locations
- Meineke Discount Mufflers 10% discount of invoice at time of service
- Precision Tune Auto Care \$10 off Lifetime Brake Service



Policyholders must contact NSD directly via mobile app or by calling 855-979-1394 to obtain maximum benefits.

Discounts are offered to NSD members only. NSD does not warrant or guarantee any offer. Offers may change without notice and availability of products, services and discounts may be prohibited by law in some states.

PERSONAL HOMEOWNERS INSURANCE

- Exceed Homeowners
- Encova Premier HomeownersSM
- Available policy types
- Available discounts



EXCEED HOMEOWNERS

AVAILABLE POLICY TYPES DISCOUNTS



Exceed Homeowners, Encova Insurance's homeowners product, is designed to exceed your expectations.

The Exceed Homeowners program offers property and liability coverage for homeowners, condominium owners and renters. Coverage is available under the Exceed Homeowners program and the Encova Premier Homeowners program.

AVAILABLE POLICY TYPES INCLUDE

- HO 00 03 Special form (homeowner)
- HO 00 05 Comprehensive form (homeowner)
- HO 00 06 Unit-owners form (condominium)
- HO 00 04 Contents broad form (tenant)

DISCOUNTS AVAILABLE

- Advance quote
- AutoPay
- Burglar alarm
- Fire prevention
- Home buyer
- Multi-policy
- Paperless
- Pay-in-full
- Pay-on-time
- Safe premises
- Smart home



EXCEED HOMEOWNERS EXCITING NEW COVERAGES



EXCITING NEW COVERAGES

- for the loss or expenses incurred due to the mechanical or electrical breakdown of household equipment. Also included is new generation coverage, \$2,500 of sump overflow coverage and \$10,000 per occurrence for spoilage and pollutant clean up and removal due to a covered equipment breakdown loss. A special deductible of \$250 (HO 00 04 and HO 00 06) or \$500 (HO 00 03, HO 00 05, Encova Premier Homeowners) applies.
- Buried utility lines Provides up to \$10,000 of coverage for damage to underground pipes and wires as a result of a defined disruption on the residence premises. A special deductible of \$500 applies (HO 00 03, HO 00 05, Encova Premier Homeowners).
- Family cyber protection Provides coverage for up
 to \$15,000 for loss due to identity theft and cyber
 attacks, along with special services to remediate
 and prevent loss. Premier coverage is available,
 which offers a limit up to \$25,000 and also
 includes coverage for extortion threats and system
 compromise. A special deductible of \$500 applies.
- Blanket jewelry Provides blanket coverage for jewelry and articles of personal adornment, with certain exceptions, up to \$50,000. Specific peritem maximums apply.

- Broadened home-sharing host activities –
 Provides broadened property and liability
 coverage for an insured who engages
 in home-sharing host activities on the
 residence premises.
- Inland flood Provides coverage for the peril
 of inland flood with an occurrence limit of
 \$25,000 or \$50,000. An annual aggregate
 limit and a special \$1,000 deductible apply.
 There is a 15-day waiting period for coverage.
- Mortgage acquisition expense Provides \$1,500 of coverage for new mortgage acquisition costs following a covered loss, such as title search fees, appraisal fees and loan application fees.
- Watercraft coverage Encova offers broad coverage options to insure a variety of watercraft exposures. The policy may be endorsed to provide physical damage and liability coverages, including uninsured and underinsured coverage, for watercraft. Coverage is available on a scheduled and blanket basis with deductible options. Additional coverages available include emergency services, wreck removal and accidental fuel spill. The following types of watercraft and related equipment are eligible:
 - Boats and motors up to 40 feet in length
 - Personal watercraft, such as jet skis, wave runners or similar
 - Trailers used with eligible boats and motors
 - Boating equipment and personal effects

EXCEED HOMEOWNERS ADDITIONAL OPTIONAL ENDORSEMENTS



ADDITIONAL OPTIONAL ENDORSEMENTS

- ACV loss settlement
- Additional insured student away at school
- Assisted living care
- Coal mine subsidence
- Coverage C increased special limits of liability
- Credit card, electronic fund transfer card or access device, forgery and counterfeit money
- Damage to property of others
- Earthquake
- Farmers personal liability
- Functional replacement cost loss settlement
- Home business insurance
- Home daycare
- Incidental farming personal liability
- Increased coverage for personal property in a self-storage facility
- Increased limits on business property
- Limited water backup and sump discharge or overflow
- Livestock collision
- Lock replacement
- Loss assessment coverage for earthquake
- Ordinance or law increased limits
- Owned snowmobile
- Permitted incidental occupancies residence premises
- Personal injury aggregate limit of liability
- Personal property replacement cost
- Refrigerated property coverage
- Replacement cost coverage A dwelling up to 150%

- Replacement cost loss settlement for nonbuilding other structures
- Scheduled personal property with or without agreed value
- Sinkhole collapse
- Special computer
- Special loss settlement
- Supplemental loss assessment coverage
- Theft of personal property in a dwelling under construction
- Trust
- Unit-owners rental to others



EXCEED HOMEOWNERS ENCOVA CHOICEPAK



With Encova ChoicePak, a discount will be applied to a policy when your policyholder selects at least two qualifying optional coverages. The discount will vary based on the policy form and the number of coverages selected. The policyholder only pays for the coverage they want, and the more they add, the more they save.

Refer to the chart below for qualifying coverage options by policy form.

Coverage option	HO 00 03	HO 00 04	HO 00 05	HO 00 06
Equipment breakdown				
Personal injury				
Refrigerated property	-			
Family cyber protection				
Family cyber protection premier	-			
Limited water backup and sump discharge or overflow		-	-	-
Personal property replacement cost loss settlement			Included*	
Lock replacement				
Mortgage acquisition expense	-			
Ordinance or law - increased amount of coverage				
Specified additional amount of insurance - coverage A				
Buried utility lines				
Unit-owners coverage A special coverage				
Unit-owners coverage C special coverage				
Special personal property				
Building additions and alterations - increased limits				

^{*}Personal property replacement cost loss settlement does not count toward a qualifying coverage for HO 00 05.

ENCOVA PREMIER HOMEOWNERS COVERAGES - PROPERTY



Encova Premier Homeowners coverage is designed for policyholders who seek a specialized service experience.

The Encova Premier Homeowners program provides HO 00 05 comprehensive form coverage, plus the coverages and enhanced limits listed below. When available, higher limits may be selected above the pre-defined limits.

The applicable coverage forms will be automatically attached to the policy.



SECTION I COVERAGES - PROPERTY

- Coverage C personal property 75% of coverage A
- Coverage D loss of use 50% of coverage A
- Credit card, forgery, counterfeit money \$10,000
- Increased coverage C special limits of liability:
 - Money, bank notes and related items \$1,000
 - Securities, records and related items \$5,000
 - Theft of silverware \$10,000
 - Theft of jewelry, watches and furs \$10,000
 - Theft of firearms and related equipment \$10,000
- Increased limits on business property
- Limited fungi, wet or dry rot, or bacteria coverage \$15,000
- Ordinance or law coverage up to 50% of coverage A
- Personal property replacement cost loss settlement
- Replacement cost cash out coverage dwelling
- Replacement cost on dwelling up to 150% of coverage A
- Trees, shrubs, plants \$1,000 per item

ENCOVA PREMIER HOMEOWNERS



COVERAGES - LIABILITY ADDITIONAL COVERAGES

SECTION II COVERAGES - LIABILITY

- Coverage E personal liability \$500,000
- Coverage F medical payments \$10,000
- Personal injury (aggregate limit of liability)
- Damage to property of others \$2,500

ADDITIONAL COVERAGES

- Accidental death benefit \$10,000
- Buried utility lines \$10,000
- Fire department service charge \$2,000
- Land restoration \$10,000
- Limited water backup and sump discharge or overflow - up to \$100,000
- Lock replacement \$500
- Mortgage acquisition expense protection \$1,500
- Refrigerated property \$500
- Supplemental loss assessment \$10,000



All policies are modified by automatically included coverages. Please refer to the manual for a complete listing. The policy terms will prevail in the event of a conflict between the policy and this document. All policies must meet Encova's underwriting guidelines and are subject to review upon submission.





Powerful cyber defense services to protect your family's good name.

Why does my policyholder need Family Cyber Protection services?

The most valuable asset to any family is their good name — and thieves, hackers, and online con artists will employ and evolve tactics, bringing a variety of online risks to policyholders, including:

- Cyberbullying
- Identity Theft
- Data Breach
- Reputation Damage

Offering cyber defense services to your policyholders gives them a layer of defense to better protect their good name.

How can policyholders access cyber defense services through Cyberscout?

Policyholders can access cyber defense services through Cyberscout HQ, the first online marketplace for identity management, privacy and cyber security education, products and services. Once a policyholder registers for Cyberscout HQ, they'll have 24/7 access to a variety of cyber defense services.

How does this offering help me?

- Grow your business by attracting new policyholders and retaining existing ones.
- Reinforce your role as a trusted advisor with solutions to growing cyber risks.
- Minimize E&O exposures.

What coverages and services are included?

Policyholders can take advantage of a variety of cyber defense services with a default coverage limit of \$15,000; \$500 deductible.

COVERAGES INCLUDE:

- Cyberbullying Response. Costs for counseling, tutoring, temporary relocation, tuition expense for the victim.
- **Identity Theft.** Costs of and help in reclaiming your policyholder's identity.
- Internet Clean Up. Expenses associated with removing false statements on the internet.
- Breach Cost. Costs associated with notification, investigation and monitoring a breach.

SERVICES INCLUDE:

Identity Management

 Provides unlimited 24/7 service and support to help minimize damage and resolve identity theft incidents.

Ransomware

- Diagnose the issue and implement a plan to protect data.
- Get access to highly experienced professionals with deep expertise in information security, data privacy and governance.
- · Receive customized ransomware risk assessment and prevention services.

Breach Protection

- Investigation of a breach and corresponding legal requirements.
- Notification services to alert anyone affected by a breach.

Educational Services

- Alerts on the latest scams, fraud attempts and ways to prepare.
- Alerts on the latest malware and how to stay safe online.

Cyberscout Claims

• Personalized handling of every cyber liability claim.

What makes our cyber defense offering unique?

The landscape of the cyber security coverage has significantly changed over recent times allowing us to quickly deliver a robust solution to a demanding need of our policyholders. Our partnership with Cyberscout, a TransUnion brand, as a premier provider of identity management, data breach and cyber services, coupled with our new cyber coverages provide our insureds a comprehensive suite of tools and financial security where other carriers fall short. Our cyber defense solutions offer:

- Personalized customer service with over a 99% satisfaction rate.
- 24/7 access to a team of specialists, including fraud specialists, investigators, and data privacy consultants.
- Access to a self-service portal where policyholders can educate themselves on how to better protect their identity and their family's good name, as well as access to additional online tools that can continually strengthen their cyber defenses.
- Appropriate coverages to assist policyholders during times of need and provide them with a greater sense of security through a trusted advisor.

How do policyholders register and access cyber defense services on Cyberscout HQ?

Policyholders will find the user experience at Cyberscout HQ to be intuitive and hassle-free. They follow these easy steps:

- + Visit
 CyberscoutHQ.com/
 Encovafamily
 and click Get Started
- + Click **Sign Up** and complete the registration form
- Enter your Policy Number and click Sign Up

Cyberscout HQ is the first online marketplace for identity management, data privacy and cyber security services and educational resources.

Powered by:







Powerful Premier Cyber services to protect your family's good name.

Why does my policyholder need cyber defense services?

The most valuable asset to any family is their good name - and thieves, hackers, and online con artists will employ and evolve tactics, bringing a variety of online risks to policyholders, including:

- Online Extortion/Ransomware
 System Compromise
- Cyberbullying
- Identity Theft

- Data Breach
- Reputation Damage

Offering cyber defense services to your policyholders gives them a layer of defense to better protect their good name.

How can policyholders access cyber defense services through Cyberscout?

Policyholders can access cyber defense services through Cyberscout HQ, the first online marketplace for identity management, privacy and cyber security education, products and services. Once a policyholder registers for Cyberscout HQ, they'll have 24/7 access to a variety of cyber defense services.

How does this offering help me?

- Grow your business by attracting new policyholders and retaining existing ones.
- Reinforce your role as a trusted advisor with solutions to growing cyber risks.
- Minimize E&O exposures.

What coverages and services are included?

Policyholders can take advantage of a variety of cyber defense services with a default coverage limit of \$25,000; \$500 deductible.

COVERAGES INCLUDE:

- Online Extortion. Expenses and ransom paid for threats to cause a network disruption.
- Cyberbullying Response. Costs for counseling, tutoring, temporary relocation, tuition expense for the victim.
- Identity Theft. Costs of and help in reclaiming your policyholder's identity.
- System Compromise. Data recovery and system restoration needs.
- Internet Clean Up. Expenses associated with removing false statements on the internet.
- Breach Cost. Costs associated with notification. investigation and monitoring a breach.

SERVICES INCLUDE:

Identity Management

 Provides unlimited 24/7 service and support to help minimize damage and resolve identity theft incidents.

Ransomware

- Diagnose the issue and implement a plan to protect data.
- Get access to highly experienced professionals with deep expertise in information security, data privacy and governance.
- · Receive customized ransomware risk assessment and prevention services.

Breach Protection

- Investigation of a breach and corresponding legal requirements.
- · Notification services to alert anyone affected by a breach.

Educational Services

- Alerts on the latest scams, fraud attempts and ways to prepare.
- Alerts on the latest malware and how to stay safe online.

Cyberscout Claims

• Personalized handling of every cyber liability claim.

What makes our cyber defense offering unique?

The landscape of the cyber security coverage has significantly changed over recent times allowing us to quickly deliver a robust solution to a demanding need of our policyholders. Our partnership with Cyberscout, a TransUnion brand, as a premier provider of identity management, data breach and cyber services, coupled with our new cyber coverages provide our insureds a comprehensive suite of tools and financial security where other carriers fall short. Our cyber defense solutions offer:

- Personalized customer service with over a 99% satisfaction rate.
- 24/7 access to a team of experts, including fraud specialists, investigators, and data privacy consultants.
- Access to a self-service portal where policyholders can educate themselves on how to better protect their identity and their family's good name, as well as access to additional online tools that can continually strengthen their cyber defenses.
- Appropriate coverages to assist policyholders during times of need and provide them with a greater sense of security through a trusted advisor.

How do policyholders register and access Family Premier Cyber Protection services on Cyberscout HQ?

Policyholders will find the user experience at Cyberscout HQ to be intuitive and hassle-free. They follow these easy steps:

- Visit
 CyberscoutHQ.com/
 encovafamilypremier
 and click Get Started
- + Click **Sign Up** and complete the registration form
- + Enter your **Policy Number** and click **Sign Up**

Cyberscout HQ is the first online marketplace for identity management, data privacy and cyber security services and educational resources.

Powered by:









Phase 1: Your policyholder contacts insurance carrier

- 1. Policyholder calls your claims department.
- Personal Idenity or resolution support issues can be sent directly to the CyberScout resolution center at 866-637-8686 for assistance.
- More advanced claims needs like a breach, Cyber Bullying, and Social Engineering type claims should be sent to the CyberScout Claims team via the FNOL process below.
- 4. Claims representative (rep) verifies eligibility and validates the type of claim and scope.
- 5. Rep records policyholder contact information, including name, number, and contact person.
- Encova Rep provides the plan details of either Family Cyber or Family Premier Cyber to ensure coverages.

Phase 2: Your rep contacts CyberScout

- Claims rep fills out CyberScout Claims FNOL form and sends to fnol@cyberscout.com along with the dec page and policy details.
- 2. Rep indicates whether he wants to be involved in breach handling and if policyholder has a breach reimbursement policy.
- 3. Reinsurer is notified of the claims.

Phase 3: CyberScout consults with policyholder

- A CyberScout consultant contacts policyholder after receiving information from rep.
- CyberScout assesses data exposure risks to determine what remediation steps (if any) are required.
- Within 30 days CyberScout will provide a report to the carrier. CyberScout will provide a proposal to the claims rep and reinsurer with a cost estimate for approval to set claims reserve.
- 4. File status communicated to the reinsurer with product detail (premier v family).

Phase 4: CyberScout, reinsurer, and policyholder execute the plan

- 1. Claims rep sends monthly claims bordereaux to reinsurer.
- Remediation Planning executed to impacted parties may include resolution or monitoring services, notification, forensics and more depending on the type of cyber incident experienced.

Powered by:





Floods are on the rise. Now there's affordable protection.

Flood is the number one most frequently occurring natural disaster in the United States, according to FEMA. It has impacted every state, and homeowners in low-to-moderate risk areas are often uninsured against serious losses and left with expensive repair costs.

Flood coverage for your policyholders

With our Inland Flood Coverage Endorsement, you can now offer your policyholders a new choice for flood coverage. Designed specifically for residents in low-to-moderate risk areas, our endorsement adds affordable flood coverage to existing homeowners policies.

The endorsement covers the most common exposures policyholders face from an inland flood, including personal property, basement exposures and loss of use. With NFIP flood claim payouts averaging \$43,000, it's clear that more homeowners need this protection.⁶

BY THE NUMBERS



occurring natural disaster in the US



25 % Average flood claims in low-to-moderate risk areas¹



1in Of water can cause \$25,000 of damage to a home²



5mn People currently hold flood insurance policies³



States have experienced flood events in the past 5 years⁴



Relevant flood/flash flood events in the United States (2012-2017)⁵

- https://www.fema.gov/news-release/2004/08/16/floodingamericas-1-natural-hazard
- 2. https://www.floodsmart.gov/why/why-buy-flood-insurance
- 3.https://bsa.nfipstat.fema.gov/reports/1011.htm
- 4.https://www.fema.gov/media-library/assets/images/103646
- 5.© 2018 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatSERVICE – As of March 2018
- 6.https://www.fema.gov/data-visualization-floods-data-visualization



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What is an inland flood?



When inland waters, such as streams or rivers, overflow and partially or completely inundate normally dry land



Unusual, rapid rain accumulation, runoff, or snowmelt that doesn't drain away or soak into the ground



When water carries mud and becomes a mudflow

One size does not fit all

The National Flood Insurance Program (NFIP) was formed to cover high-risk areas that require flood insurance by law. For residents outside of these areas, the coverage is "optional." Because of surcharges and exclusions that come with flood coverage in high-risk areas, the take up rate is only 1% in low-to-moderate risk areas. This doesn't stop floods from hitting low-to-moderate risk areas. In fact, 25% of NFIP flood claims come from such areas.

Inland Flood Coverage highlights

Coverage includes damage to:

- Residence and certain other structures (e.g. shed, pool house)
- Personal property, including in a basement or sunken room (sub-limits may apply)
- Loss of use (sub-limits may apply)
- Property the policyholder moves to safety (first 30 days)
- · Debris removal
- \$250 sub-limit for towing charges to move a covered mobile home in danger from a flood occurrence

Exclusions include, but are not limited to, damage to:

- Personal property not inside the home (e.g. patio furniture, barbecue equipment)
- · Decks and fences
- · Lawns, trees, landscaping
- Damage from earth movement, seepage from water table rising with no flooding near the house
- Sump pump discharge or overflow, or back up of sewers or drains, unless caused by flood

Eligibility includes single and multiple family dwellings (1-4 condo units) in all FEMA Flood Zones:

- Except those beginning with A and V prefixes
- Does not satisfy federally regulated mortgage lender requirements

A claim example

A creek behind a home overflows, inundates normally dry land and causes damage. Water enters the basement through its windows. The sump pump in the basement cannot handle the excess water from the flood. There is a clear watermark on the outside of the home. The insured has \$15,000 of Inland Flood Coverage Limit with a \$1,000 deductible.

Total damage - \$18,900 including:

- Personal property in the basement (\$8,200 covered)
- The furnace gets damaged and needs to be repaired (\$1,500 covered)
- Drywall in the basement needs to be replaced (\$2,200 covered)
- Charges for debris removal and fans to dry out the basement (\$5,000 covered)
- Landscaping outside the home is destroyed (\$2,000 not covered)

How coverage applies:

- Covered loss \$16,900
- Deductible \$1,000 deductible

Loss payment to insured: \$15,000

Find out how our Inland Flood Coverage Endorsement can protect your policyholders against serious losses that can come with a damaging flood.



encova.com



EXCEED UMBRELLA

AVAILABLE DISCOUNTS
ADDITIONAL OPTIONAL ENDORSEMENTS



Exceed Umbrella, Encova Insurance's personal umbrella product, is designed to exceed your expectations.

Personal umbrella provides bodily injury, property damage and personal injury liability coverages in excess of underlying retained limits. Limits up to \$10 million are available, with agent binding authority allowed on limits up to \$2 million. Uninsured and underinsured motorists coverage with a \$1 million limit of liability are optional offerings when the uninsured and underinsured limits equal the underlying automobile limits.

AVAILABLE DISCOUNTS

- AutoPay
- Pay-in-full

OPTIONAL ENDORSEMENTS

- Assisted living care liability
- Auto liability following form
- Excess business pursuits
- Excess home business liability
- Excess home daycare liability
- Excess incidental farming personal liability
- Excess permitted incidental occupancies liability



All policies are modified by automatically included coverages. Please refer to the manual for a complete listing. The policy terms will prevail in the event of a conflict between the policy and this document. All policies must meet Encova's underwriting guidelines and are subject to review upon submission.

DWELLING PROGRAM

- Exceed Dwelling
- Available discounts
- Additional optional endorsements







Exceed Dwelling, Encova Insurance's dwelling program, is designed to exceed your expectations.

Our dwelling program offers property coverage for an insured's primary residence, secondary or seasonal residence and rental properties, as well as liability coverage.

AVAILABLE POLICY TYPES

- DP 00 01 Basic form
- DP 00 03 Special form

AVAILABLE DISCOUNTS

- AutoPay
- Multi-policy
- Paperless
- Pay-in-full
- Protective device







OPTIONAL PROPERTY ENDORSEMENTS

- ACV loss settlement (DP 00 03)
- ACV loss settlement wind/hail losses to roof (DP 00 03)
- Assisted living care
- Buried utility lines
- Coal mine subsidence*
- Dwelling under construction (DP 00 03)
- Earthquake
- Functional replacement cost loss settlement (DP 00 03)
- Grave markers
- Inland flood
- · Limited fungi, wet or dry rot, or bacteria
- Limited water backup and sump discharge or overflow
- Loss assessment
- Loss assessment coverage for earthquake
- Ordinance or law
- Owned motorized golf cart
- Sinkhole collapse
- Theft (limited and broad)
- Trees, shrubs and other plants
- Unit owners (DP 00 01)

All policies are modified by automatically included coverages. Please refer to the manual for a complete listing. The policy terms will prevail in the event of a conflict between the policy and this document. All policies must meet Encova's underwriting guidelines and are subject to review upon submission.

OPTIONAL LIABILITY ENDORSEMENTS

- Additional insured
- · Limited fungi, wet or dry rot, or bacteria
- Personal liability
- Premises liability



^{*}Varies by state

MODULE 6: Manuscript Forms: Taking a Deep Dive into Excess Liability, D&O and Cyber

Copyrighted Forms vs. Manuscripted Forms
Advantages of Copyrighted Forms
Advantages of Manuscripted Forms

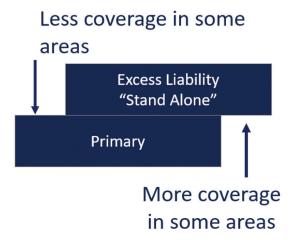


Jmbrella / Exc	ess	
	"True" Umbrella	
	Primary	
	Broader Coverage	



Excess Liability Follow Form Primary

Same coverage



Coverage format						



Who is insured?	
Exclusions	
Directors and Officers Liability	



Policy Form		
Insuring Agreements		
Who is insured?		
	_	



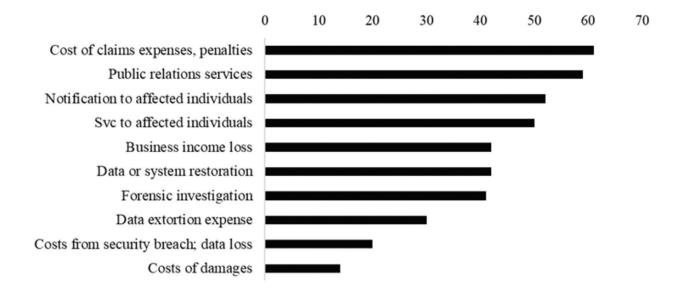
Defense Provisions	
Limit of Liability	
Retention / Deductible Provisions	



Exclusions			

Cyber Liability Insurance

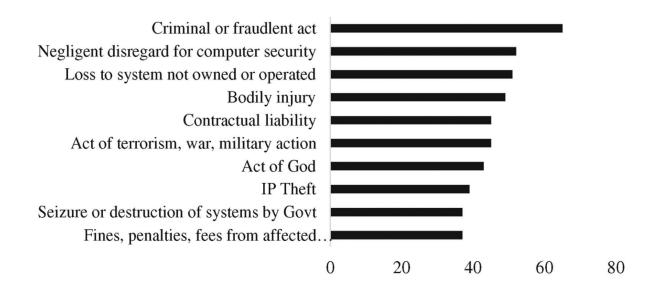
Most common Covered Losses







Most common Exclusions





Coverages			
√ Privacy			
√ Data Breach			
- Data Breach			



General Cyber Incident
Security Liability
Multi-Media Liability



✓ Extortion and Ransomware	
Excertion and randomivale	
√ Cyber fraud	
√ Business interruption	



√	Mobile workforce	
√ (Compliance	
√ [Extended Coverage	



Support Options			

