

September 26-29, 2024 | Sheraton Boston Hotel



09/27/2024

Business or Pleasure

2:30 PM - 3:30 PM

Marshall Katz

1 CEU

Sponsored by Arbella Insurance Group

Business or Pleasure

Marshall Katz



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Keep for the future

- Follow up
- Questions
- Jokes 😊

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With special thanks to the Insurance Services Office, Inc. (ISO) and The Automobile Insurers Bureau of MA (AIB) for advance information, continued support, and permission to use their forms and information.

▪ **Business or Pleasure**

- Find out before the loss happens is my thought.
- 15 Minutes
 - The Music Teacher
- 15 Minutes
 - The Artisan
- 15 Minutes
 - The Cool Aid Stand
- 15 Minutes
 - The Pickleball Instructor

Warning!



What forms will we be talking about today.

- © Insurance Services Office, Inc.
- Copyright, Automobile Insurers Bureau

What forms will we NOT be talking about today.

- Contains copyrighted material of the Insurance Services Office, Inc.

If it's not ISO or AIB out of the box; know what the differences are by asking the claims department to give you the cheat sheets.

- Contains copyrighted, of the Automobile Insurers Bureau
- AAIS
- MSO
- Carriers own forms

Review what they state and compare and contrast coverage.

Thanks ISO & AIB and Others for allowing us to use your forms!

The Music Teacher



- Your long time customer teaches music at the local high school
- He brings his \$10,000 custom Gibson guitar to teach students
- It winds up stolen
- What will his out of the box ISO form give for coverage



Business Property from the ISO Forms

- 2022 ISO Form
 - \$3,000 (on premises if used primarily for business purposes)
 - \$1,500 (off premises if used primarily for business purposes)
- 2011 ISO Form
 - \$2,500 (on premises if used primarily for business purposes)
 - \$1,500 (off premises if used primarily for business purposes)
- 2000 ISO Form
 - \$2,500 (on premises if used primarily for business purposes)
 - \$500 (off premises if used primarily for business purposes)
- 1991 ISO Form
 - \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
 - \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose.



3. "Business" means:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis;
- b. The leasing of the mineral rights of an "insured location";
- c. "Home-sharing host activities"; or
- d. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$5,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured".

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Can we schedule the guitar

- **Maybe**
- **What's the company state**
- **Do they have a business rate for the guitar**

Other things:

Sporting goods

Eyes, ears and other medical

Dogs

Stuff company allows

SCHEDULED PERSONAL PROPERTY ENDORSEMENT

SCHEDULE*

Class Of Personal Property	Amount Of Insurance	Premium
1. Jewelry , as scheduled below.	\$	\$
2. Furs and garments trimmed with fur or consisting principally of fur, as scheduled below.		
3. Cameras , projection machines, films and related articles of equipment, as listed below.		
4. Musical instruments and related articles of equipment, as listed below. You agree not to perform with these instruments for pay unless specifically provided under this policy.		
5. Silverware , silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry.		
6. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.		
7.a. Fine Arts , as scheduled below. This premium is based on your statement that the property insured is located at the following address: at at	Total Fine Arts Amount \$	
7.b. For an additional premium, Paragraph 5.b. under C. Perils Insured Against is deleted only for the articles marked with a double asterisk (**) in the schedule below.	Amount of 7.b. only \$	
8. Postage Stamps		
9. Rare and Current Coins		

Article Or Property	Description	Amount Of Insurance

THE AMOUNTS SHOWN FOR EACH ITEM IN THIS SCHEDULE ARE LIMITED BY THE LOSS SETTLEMENT CONDITION IN PARAGRAPH F.2.
*Entries may be left blank if shown elsewhere in this policy for this coverage.

We cover the classes of personal property which are indicated in the Schedule above by an amount of insurance. This coverage is subject to the:
1. Definitions;
2. Section I – Conditions; and
3. Sections I and II – Conditions;
in the policy and all provisions of this endorsement.
Any deductible stated in this policy does not apply to this coverage.

No deductible

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOMEOWNERS
HO 04 90 10 00

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

- Covered losses to the following property are settled at replacement cost at the time of the loss:
 - Coverage C; and
 - If covered in this policy:
 - Awnings, outdoor antennas and outdoor equipment; and
 - Carpeting and household appliances; whether or not attached to buildings.
- This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - Jewelry;
 - Furs and garments:
 - Trimmed with fur; or
 - Consisting principally of fur;
 - Cameras, projection machines, films and related articles of equipment;
 - Musical equipment and related articles of equipment;
 - Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding:
 - Pens or pencils;
 - Flasks;
 - Smoking implements; or
 - Jewelry; and
 - Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

- Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
- Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
- Articles not maintained in good or workable condition.
- Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

- The following loss settlement condition applies to all property described in A. above:
- We will pay no more than the least of the following amounts:
 - Replacement cost at the time of loss without deduction for depreciation;
 - The full cost of repair at the time of loss;
 - The limit of liability that applies to Coverage C, if applicable;
 - Any applicable special limits of liability stated in this policy; or
 - For loss to any item described in A.2.a. - f. above, the limit of liability that applies to the item.
 - If the cost to repair or replace the property described in A. above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
 - You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

- Your long time customer teaches music at the local high school
- He also plays in a band
- Someone trips over his amplifier cord at a wedding and
- Sues for the bodily injury sustained
- Will his ISO HO provide any coverage?



E. Coverage E – Personal Liability And Coverage

F – Medical Payments To Others

Coverages **E** and **F** do not apply to the following:

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

When asking questions...ask more questions.

The Artisan



- Can we expect any real coverage on the HO form?
- No, it's business
- The artisan needs a real business package
 - Commercial property policy or BOP
 - Commercial liability policy or BOP
 - Business income policy or BOP
 - Workers compensation
 - ERPLI
 - Disability policy
 - Life insurance

The Cool Aid Stand



3. "Business" means:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis;
- b. The leasing of the mineral rights of an "insured location";
- c. "Home-sharing host activities"; or
- d. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$5,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured".

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So the insured might find some coverage under the policy?




b. With respect to other than "home-sharing host activities", this Exclusion E.2. does not apply to:

- (1) The rental or holding for rental of an "insured location";
 - (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

ISO's 2000, 2011 & 2022 forms. Not in the 1991 form

The Pickleball Instructor







- So Marshall is teaching someone to play pickleball
- The student trying to get to a ball by backpedaling falls over backwards and breaks both wrists
- He sues Marshall for not teaching him proper technique
- Will Marshall's ISO HO policy respond
- No, it's business
- What endorsement could have given him coverage
- Business Pursuits 

POLICY NUMBER:	HOMEOWNERS HO 24 71 03 22
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.	
DESIGNATED BUSINESS PURSUITS LIABILITY COVERAGE	
SCHEDULE	
Name And Business Of Insured:	
<input type="checkbox"/> Corporal Punishment Check here if liability for corporal punishment is covered and Section II, Exclusion 4.b. below does not apply.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	
SECTION II – LIABILITY COVERAGES	
Coverage E – Personal Liability and Coverage F – Medical Payments To Others apply to the "business" pursuits of the "insured" named in the Schedule above.	
SECTION II – EXCLUSIONS	
Coverages E and F do not apply:	
1. To "bodily injury" or "property damage" arising out of the "business" pursuits of the "insured" in connection with a "business" owned or financially controlled by the "insured" or by a partnership of which the "insured" is a partner or member:	

Excerpted for today. Read the whole form.

Typical uses

- Sales
- Clerical
- Messengers
- Teachers
- For those that are employees

The Nonsense I've Heard and Read

- It's not fair to ask the insured
- 40 or 50 questions before
- You write their policy then
- How in the world would we know what to recommend for
 - Coverage
 - Policy forms
 - Endorsements
 - Etc.

Questions
Comments
Suggestions

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**Thank you for
sharing part of
your day!**