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## Marine Coverage

**Inland Marine Insurance** is a form of property insurance which protects movable property wherever it is, on or off the insured's premises or being transported.

**Nationwide Definition** - To help identify the kinds of risks which are eligible for Marine Insurance, the ISO developed the *nationwide definition*. The six categories of eligible risks are:

1. **Imports** (Ocean Marine)
2. **Exports** (Ocean Marine)
3. **Domestic Shipments** (Inland Marine)
4. **Instrumentalities of Transportation or Communication** - This category includes property such as bridges, tunnels, oil pipelines, loading docks, and radio/TV towers. While this property is not portable, it does have a direct connection with transportation and is subject to many of the same perils as property in transit. (Inland/Ocean Marine)
5. **Personal Property Floater Risks** (Inland Marine)
6. **Commercial Property Floater Risks** (Inland Marine)

 **Students should remember these six categories of Marine Coverage for the state exam.**

**Commercial Inland Marine** insurance was first developed as an extension of Ocean Marine coverage to provide coverage for cargo traveling over land instead of by sea. **The characteristic which makes property eligible for Inland Marine coverage is an element of portability.** Generally, Marine forms **do not** cover such stationary property as real estate, furniture, fixtures or merchandise in the course of manufacture. Examples of Inland Marine coverage include:

1. **Accounts Receivable Coverage Form** Covers sums due to the insured from customers that are uncollectible due to loss or destruction of accounts receivable records. It also covers the expense of reconstructing the accounts receivable records and interest on short-term loans that may be required until the unpaid accounts are collected.
2. **Bailees Customers' Coverage** is a Commercial Property Floater that provides coverage for bailees (the temporary holder of customers' property) such as shoe repair shops, dry cleaners, and other businesses with a large amount of customers' goods in their possession. Coverage is provided even if the insured is not negligent for the loss. This helps to retain the good will of a service type of business.

3. **Furrier Customers' Coverage** is a **Bailee's Coverage** that will cover clients' furs that are within the furrier's care, custody and control. A *furrier* is a business which stores furs on its premises.
4. **Equipment Dealer's Coverage Form** Covers the interest of a dealer of mobile equipment, including equipment used primarily for agriculture and construction. Also protects similar property of others that is in the care, control, or custody of the insured. Autos, trucks, motorcycles, and boats are not covered.
5. **Jeweler's Block Coverage Form** Covers a jewelry dealer's merchandise held for sale and customers' property in the care, custody, or control of the insured. It also covers property in transit and property in showcases, including precious stones and metals. Property on exhibit away from the premises is generally not covered, nor is property transported by someone other than the insured.
6. **Valuable Papers and Records Form** Covers the cost of replacing or reconstructing lost documents, including books, deeds, drawings, maps, and mortgages. It does not include money, securities, or computer software programs.
7. **Contractors' Equipment Floater** is a Commercial Property Floater that provides extensive coverage for a contractor's heavy machinery, equipment, and tools that is not available through commercial property or auto policies. ***Vehicles designed for use principally on public roads are not eligible for this coverage.***
8. **Electronic Data Processing Floater** Provides both Property and Liability Insurance in a single package. It provides coverage for both hardware and software. Coverage is also provided for extra expense and business interruption due to an operational shutdown due to a covered loss. Liability insurance is included, which covers the insured's liability arising from handling and storing data for other firms.
9. **Installation Floater** Purchased by contractors to cover property that must be installed in a building or structure. These floaters are used to insure things such as heating and air conditioning equipment and building materials during transportation to the site, during unloading and installation, and until control is passed to the purchaser or owner of the building.
10. **Sign Coverage Form** Covers neon, fluorescent, automatic, and mechanical signs. Not covered is artificially generated electrical current that creates a short circuit or electrical disturbance within the sign.

## **Farm & Ranch Coverage**

4 items

- 1) **Farmowners/Ranchowners Package Policy** Combines a Homeowners policy coverages for the home and business coverage for the business for the property and adds liability for the business as well.
- 2) **Property Covered:** Basic, Broad or Special forms are available for residential property and are similar to that of Section "I" of the Homeowners Policy, i.e.:

### **Personal Coverage**

- a) **Coverage A - Residential Building** occupied by the farmer, the farmhouse or ranch house
- b) **Coverage B - Other Structures** covers other structures not attached to the main dwelling. Structures not used for commercial purposes, garden shed, garage, cabana, etc.
- c) **Coverage C - Household Personal Property**
- d) **Coverage D - Loss of Use** covers similarly to HO3 policies, covers additional living expenses and fair rental value of the home.

Please review the conditions , endorsements and exclusions in a dwelling policy , homeowners, or commercial package policy.

### **Business Coverage**

- e) **Coverage E - Scheduled Property** covers grains, farm produce, poultry, livestock, machinery, vehicles, and equipment on and off the premises on a scheduled basis meaning a limit is shown in the Declarations page for the specific type of property.
- f) **Coverage F - Unscheduled Property** covers grains, farm produce, poultry, livestock, machinery, vehicles, and equipment on and off the premises, on a blanket basis. Limits are involved as in the homeowners policies. For example, \$1000 per horse, mule , or head of cattle under 1 year of age, \$2000 per for those over 1 year of age.

**g) Coverage G - Other Structures** covers farm buildings and structures other than dwelling : barns, silos, sheds, portable buildings, fences forming corrals, outdoor radio and TV equipment, antennas, masts, towers, building materials kept on or adjacent to the building etc.

**Liability Coverage** pays for bodily injury or damage to property of others arising out of farming and ranching operations and personal activities; personal and advertising injury; and medical payments without regard to fault.

**h) Coverage H - Bodily Injury and PD Liability** Liability is to the third party for damages caused by an insured or arising from the business. In order for the policy to pay the insured must be deemed legally liable for damages. Coverage can be a Combined Single Limit which pays claims as they come in until the policy limits are reached. Coverage can be written on a split limit with three figures,

**Bodily Injury to any one person/ Bodily Injury total maximum for all persons injured/ Property Damage**  
**100/300/100**

**i) Coverage I - Personal and Advertising Injury** Personal injury includes false arrest, malicious prosecution, libel (in writing), slander (verbal), defamation of character, invasion of privacy and wrongful eviction or entry.

- **Advertising Injury** is personal injury caused by advertising, which includes slander, libel, and invasion of privacy, and also such things as copyright infringement or stealing someone's advertising idea.

**j) Coverage J - Medical Payments** covers medical expenses without regard to fault when an accident arises out of the insured's operations or on the insured's premises.

covers medical expenses **without regard to fault** when an accident arises out of the insured's operations or on the insured's premises.

- The coverage applies to: **reasonable expenses for first aid administered** at the time of the accident; necessary medical, surgical, x-ray and dental services resulting from the accidental injuries; necessary ambulance, hospital and professional nursing services; and funeral services if death results from the injuries.
- The accident must occur during the policy period and expenses must be reported within **one year** from the date of the accident.

- **Injuries to an insured or a tenant of the insured or employee of the insured are NOT covered.**

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- The accident must occur during the policy period and expenses must be reported within one year from the date of the accident.

- Injuries to an insured or a tenant of the insured or employee of the insured are NOT covered.