

"A L L R I S K"	PROPERTY INSURANCE	
	Difference In Conditions (DIC)	
	Named Perils	
	● Fire	
	● Extended Coverages	Lightning Explosion Windstorm Hail Smoke Collision by aircraft or vehicle Riot, civil commotion
	● Vandalism and Malicious Mischief	
● Miscellaneous Others		

FORMULA

FIRE (Also known as Named Perils) + **DIC** = "All Risk"

QUESTION

Why is "All Risk" in quotes?

ANSWER

Refer to next panel.

Key Clauses – “All Risk” Property

Valuation

Replacement means replacement new on the same or any site

Demolition & Increased Cost of Construction

Include compliance at all levels of government

Improvements and Betterments

Deemed the property of the insured, any lease or contract to the contrary notwithstanding, and any loss so adjusted.

Rents

Include all recoverables
Add extended period of indemnity

Property Covered

Include parking lots, fences, bridges, lights, signs, walkways, ramps, earthen berms, retaining walls, tunnels.

Loss Reinstatement

Claims paid will not reduce limits of liability (Does not apply to Aggregate limits).

An “All-Risk” policy provides coverage from all risks of physical loss or damage from an external cause subject to exclusions.

EXCLUSIONS

Which Can Be Covered Elsewhere

- ***Flood/Earthquake***
Coverage can be purchased separately with lower sub-limits and added to D.I.C. or “All-Risk” policy.
 - ***Boiler Explosion***
Coverage can be purchased under a Boiler & Machinery policy, including coverage for resultant Business Interruption – If written through a carrier different from the “All Risk” policy, each must execute a Joint Loss Agreement
 - ***Employee Infidelity***
Coverage can be purchased separately under a 3-D or Blanket Crime policy
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EXCLUSIONS

For Which There is Generally No Insurance Coverage Available

- Mysterious disappearance
- Shortage disclosed while taking inventory
- Wear and tear
- Inherent Vice
- Gradual deterioration
- Dampness or drying of atmosphere, changes in or extremes of temperature
- Rust, mold, wet or dry rot, contamination (except in rare cases)
- Smog, smoke from agricultural smudging of industrial operations
- Birds, vermin, rodents, insects or animals
- War*
- Nuclear*
- Radioactive contamination*
- Rain, snow or sleet to property in the open
- Design error
- Defective materials
- Faulty workmanship

* Limited coverage available under separate facilities

Co-Insurance Example

Specifics:

Value of Property - \$ 1,000,000

Insurance Carried - \$ 500,000

Amount of loss - \$ 400,000

Co-insurance requirement - 80%

(Why shouldn't the insured collect in full for a \$400,000 loss if they have \$500,000 in coverage?)

Formula:

$$\frac{\text{Actual Insurance}}{\text{Required Insurance}} \times \text{Loss} = \text{Measure of Recovery (less any deductible)}$$

CLIENT COMPANY
Property and Casualty Market Requests and Suggested Allocation

Group Affiliation	Carrier	Best's Rating	S&P Rating	Broker A	Broker B	Broker C
Property				Property	Property	Property
Allianz	Allianz	A:XV	AA-	1		
Hartford Group	Hartford	A+:XV	AA-	2		
Liberty Mut. Cos	Liberty Mutual	A:XV	A+	3	3	
Travelers P/C Group	Travelers	A+:XV	AA-	4	7	3
CNA Insurance Cos.	CNA	A:XV	A-	5	7	2
AIG	Lexington	A+:XV	AAA	1	1	1
St. Paul Cos.	St. Paul	A:XV	A+	2	2	
Allianz	Fireman's Fund	A:XV	A+	4	4	
Fairfax	Crum & Forster	A:-XI	BBB	5	5	
ACE/INA	Westchester	A:X	A+	6	6	
General Liability				General Liability	General Liability	General Liability
Chubb Group	Chubb	A+:XV	AA	1 (shopping center)	1	
Zurich Group	Zurich	A:XV	A+	1 (residential)		
Hartford Group	Hartford	A+:XV	AA-	2		
Liberty Mutual Cos.	Liberty Mutual	A:XV	A+	3	7	
Travelers P/C Group	Travelers	A+:XV	AA-	4		
CNA Insurance Cos.	CNA	A:XV	A-	5		3
Axis Group	Axis Specialty	A:XIII	A		2	
IFG Cos.	Burlington	A:-VIII	BBB		3	
ACE/INA	Westchester	A:X	A+		4	
Arch Capital Group	ARCH	A:-X	NR		5	
Great American Grp.	Great American	A:XIII	A		6	
AIG	Lexington	A+:XV	AAA			1
Greater NY Group	Greater NY Mutual	A+:VIII	A			2
Excess				Excess	Excess	Excess
	<ul style="list-style-type: none"> • Preferred Concepts/ Integrated Risk: 					
Chubb Group	- Chubb	A+:XV	AA	1	1	
St. Paul Cos.	- St. Paul	A:XV	A+	1	1	
ACE/INA	- Westchester/ACE	A:X	A+	1	1	
Zurich Group	- Zurich	A:XV	A+	1	1	
	<ul style="list-style-type: none"> • HLI 				2	
AIG	<ul style="list-style-type: none"> • National Union 	A+:XV	AAA		3	1