

RULES – INFORMATION

SEPTEMBER 20, 2018

COMMERCIAL INLAND MARINE

LI-CM-2018-004

INLAND MARINE HANDBOOK UPDATED

KEY MESSAGE

We are providing an update to the Inland Marine Handbook. This revision includes an update to the Contractors Equipment Rules section in the Handbook.

BACKGROUND

The Inland Marine Handbook makes available to insurers information relating to the classes of Inland Marine business generally exempted from state filing requirements (non-filed classes). In general, this information includes coverage forms, endorsements, applications and declarations, sample instructions for preparing policies, ranges of possible loss costs, premium calculation worksheets, general underwriting guidelines and suggested loss control recommendations. In addition, the Handbook includes an exhibit in the Introduction section which reproduces the Inland Marine class information from the 1976 Nation-Wide Marine Definition and lists the ISO forms available for those classes.

We do **not** file this product with state regulators on behalf of our insurers. Individual insurers are responsible for complying with any statutory or regulatory requirements.

ISO ACTION

We are revising the pricing calculation of certain coverages for further enhancement under the Contractors Equipment Rules section in the Inland Marine Handbook:

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- Revised calculations are being introduced.

CAUTION – COMPANY ACTION

The Handbook consists of advisory material that has NOT been filed on behalf of insurers in any jurisdiction. Since regulatory practices differ by jurisdiction, each company planning to use this material is responsible for complying with statutory and regulatory requirements.

CALIFORNIA CAUTION

This product is NOT distributed for insurer use in California. We will keep you advised of any action we take in California. In the meantime, refer to circular [LI-CM-2006-103](#) for the Handbook material that is available for use in California.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of October 2018, along with the new and revised Handbook material.

REFERENCE(S)

[LI-CM-2006-103](#) (04/21/2006) California Forms Update To The Inland Marine Handbook Filed And Approved; List Of CDI Tracking Numbers Provided

ATTACHMENT(S)

- Explanatory Memorandum
 - Update to the Inland Marine Handbook (including final copies of the pages)
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Inland Marine Handbook Update

About This Material

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This explanatory document was prepared for the education and use of ISO Circular recipients. In states where we submit an informational copy of the Inland Marine Handbook to the Insurance Department as a courtesy, this explanatory document is **not** part of such submission.

Revised Rules Page(s)

We are revising the following pages:

- ◆ IH-CE-7 thru IH-CE-12; IH-CE15 thru IH-CE-17; IH-CE-20 thru IH-CE-38

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the ## ## editions. Concurrent with implementation, the ## ## editions will supersede the prior editions.

Introduction

This material includes enhancements to certain pages in our Contractors Equipment Rules in our Inland Marine Handbook.

Explanation of Changes

To our Contractors Equipment Rules in our Inland Marine Handbook the pricing method has been enhanced for Equipment Borrowed From Others, Equipment Loaned To Others and Waterborne in the Optional Coverages section as well as Underground and Underwater in the Endorsements section. In addition, some editorial changes have been made.

Attachments

Various pages as described above, including final printed copies of revised pages.

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**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
CONTRACTORS EQUIPMENT POLICIES**

Deductible Percentage	Factors
1%	0.80 – 0.99
2%	0.75 – 0.95
3%	0.70 – 0.90
4% - 5%	0.60 – 0.85
6% - 10%	0.50 – 0.85

Table 7.A.2.#2 Percentage Deductible Factors

3. If coverage is provided on a scheduled basis, multiply the rate from Paragraph 2. by the applicable coinsurance factor from the table below.

Coinsurance Percentage	Factors
91% – 100%	.92 – .85
81% – 90%	.93 – 1.00
80%	1.00
71% – 79%	1.00 – 1.25
61% – 70%	1.10 – 1.40
51% – 60%	1.20 – 1.75
Less than 50%	1.50 – 3.50

Table 7.A.3. Coinsurance Factors

4. If coverage is provided on a blanket basis, multiply the result from Paragraph 2. by factor from the range of 1.50 – 3.00.
5. To determine the premium for Basic Coverage, multiply the resulting rate from Paragraphs 3. or 4., as applicable, by the limit of insurance in \$100's.

B. ~~Coverage Options~~ Additional Coverages

1. Debris Removal

- a. If the selected limit is greater than \$10,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

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2. False Pretense

- a. If the selected limit is greater than \$25,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

3. Rewards

- a. If the selected limit is greater than \$10,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

4. Additionally Acquired Property

- a. If the selected limit is greater than \$250,000, the additional premium for this optional ~~coverage~~ may be determined by:
 - (1) Multiplying the company rate from Paragraph **7.A.** by a factor in the range of 0.05 to 0.25.
 - (2) Multiplying the result from Paragraph **a.(1)** by the amount of coverage (in 100's) in excess of \$250,000.
- b. If the selected limit is less than \$250,000, the premium credit for this optional ~~coverage~~ may be determined by:
 - (1) Multiplying the company rate from Paragraph **7.A.** by a factor in the range of 0.05 to 0.25.
 - (2) Multiplying the result from Paragraph **b.(1)** by the difference in the amount of coverage (in 100's) between \$250,000 and the selected limit.

5. Employee Tools and Clothing

- a. If the selected per employee limit is greater than \$1,000, the additional premium for this option may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$1,000.
- b. If the selected per employee limit is less than \$1,000, the premium credit for this option may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$1,000 and the selected limit.
- c. If the selected per any one occurrence limit is greater than \$5,000, the additional premium for this option may be determined by:
 - (1) Adding the result from Paragraph **a.** or subtracting the result from Paragraph **b.**, as appropriate, to adjust the company rate ~~in~~ calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph **c.(1)** by the amount of coverage (in 100's) in excess of \$5,000.
- d. If the selected per any one occurrence limit is less than \$5,000, the premium credit for this option may be determined by:
 - (1) Subtracting the result from Paragraph **a.** or adding the result from Paragraph **b.**, as appropriate, to adjust the company rate ~~in~~ calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph **d.(1)** by the difference in the amount of coverage (in 100's) between \$5,000 and the selected limit.

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6. Expediting Expenses

- a. If the selected limit is greater than \$25,000, the additional premium for this optional ~~coverage~~ may be determined by:
 - (1) Multiplying the company rate from Paragraph **7.A.** by a factor in the range of 0.75 to 1.00.
 - (2) Multiplying the result from Paragraph **a.(1)** by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this optional ~~coverage~~ may be determined by:
 - (1) Multiplying the company rate from Paragraph **7.A.** by a factor in the range of 0.75 to 1.00.
 - (2) Multiplying the result from Paragraph **b.(2)** by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

7. Fire Department Service Charge

- a. If the selected limit is greater than \$10,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

8. Fire Extinguishing Systems Expense

- a. If the selected limit is greater than \$10,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

9. Fuel, Accessories and Spare Parts

- a. If the selected limit is greater than \$10,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

10. Inventory and Appraisal Expense

- a. If the selected limit is greater than \$25,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

11. Pollutant Cleanup and Removal

- a. If the selected limit is greater than \$25,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

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12. Rental Reimbursement

- a. If the selected per day limit is greater than \$500, the additional premium for this option may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$500.
- b. If the selected per day limit is less than \$500, the premium credit for this option may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$500 and the selected limit.
- c. If the selected per any one occurrence limit is greater than \$10,000, the additional premium for this option may be determined by:
 - (1) Adding the result from Paragraph **a.** or subtracting the result from Paragraph **b.**, as appropriate, to adjust the company rate ~~in~~ calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph **c.(1)** by the amount of coverage (in 100's) in excess of \$10,000.
- d. If the selected per any one occurrence limit is less than \$10,000, the premium credit for this option may be determined by:
 - (1) Subtracting the result from Paragraph **a.** or adding the result from Paragraph **b.**, as appropriate, to adjust the company rate ~~in~~ calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph **d.(1)** by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.
- e. If Waiting Period other than 72 hours is selected, multiply the applicable premiums or credits from Paragraphs **a.**, **b.**, **c.** and **d.** by the applicable factors from the table below.

Waiting Period – Number of Hours	Factors
0 – 23	1.09 – 1.15
24 – 47	1.06 – 1.08
48 – 71	1.01 – 1.05
72 – 95	1.00
96 – 119	0.97 – 0.99
120 – 143	0.94 – 0.96
144 – 167	0.91 – 0.93
168 – 191	0.88 – 0.90
192 or longer	0.85 – 0.87

Table 7.B.12 Waiting Period Factors

13. Trailers and Contents

- a. If the selected limit is greater than \$25,000, the additional premium for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this optional ~~coverage~~ may be determined by multiplying the company rate ~~in~~ calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

14. ~~Equipment Borrowed From Others~~

- a. ~~Determine the per item increment by multiplying the applicable company rate in the Loss Cost Section by the amount of per item coverage (in 100's).~~

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C. Optional Coverages

1. Equipment Borrowed From Others

~~_____b._____~~ The premium for this option may be determined by:

~~(1)a. Adding the result from Paragraph a. to Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage, number of items, type of equipment borrowed and length of period borrowed should be considered during the loss cost selection.~~

~~(2)b. Multiplying the result from Paragraph b.(1) a. by the per occurrence amount of coverage (in 100's).~~

1452. Equipment Leased or Rented From Others

a. Determine the Equipment Leased or Rented From Others rate by multiplying the final rate from Paragraphs ~~7.A.c3.~~ or ~~d4.~~, as applicable, by a factor from the range of 1.25 – 3.00.

b. To determine the premium for the Equipment Leased or Rented From Others optional coverage, multiply the resulting rate from Paragraph a. by the total expenditures on Equipment Leased or Rented From Others in \$100's.

1463. Equipment Loaned To Others

~~a. Determine the per item increment by multiplying the applicable company rate in the Loss Cost Section by the amount of per item coverage (in 100's).~~

~~_____b._____~~ The premium for this option may be determined by:

~~(1)a. Adding the result from Paragraph a. to Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage, number of items, type of equipment loaned and length of period loaned should be considered during the loss cost selection.~~

~~(2)b. Multiplying the result from Paragraph b.(1) a. by the per occurrence amount of coverage (in 100's).~~

1474. Equipment Leased or Rented To Others

a. Determine the Equipment Leased or Rented To Others rate by multiplying the final rate from Paragraphs ~~7.A.c3.~~ or ~~d4.~~, as applicable, by a factor from the range of 1.25 – 3.00.

b. To determine the premium for the Equipment Leased or Rented To Others optional coverage, multiply the resulting rate from Paragraph a. by the total receipts from Equipment Leased or Rented To Others in \$100's.

148.5 Waterborne

~~a. Determine the per item increment by multiplying the applicable company rate in the Loss Cost Section by the amount of per item coverage (in 100's).~~

~~_____b._____~~ The premium for this option may be determined by:

~~(1)a. Adding the result from Paragraph a. to Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage and number of items should be considered during the loss cost selection.~~

~~(2)b. Multiplying the result from Paragraph b.(1) a. by the per occurrence amount of coverage (in 100's).~~

149. Underground

~~a. Determine the per item increment by multiplying the applicable company rate in the Loss Cost Section by the amount of per item coverage (in 100's).~~

~~b. The premium for this option may be determined by:~~

~~(1) Adding the result from Paragraph a. to the per occurrence company rate in the Loss Cost Section.~~

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~~2) Multiplying the result from Paragraph **b.(1)** by the per occurrence amount of coverage (in 100's).~~

20. Underwater

~~a. Determine the per item increment by multiplying the applicable company rate in the Loss Cost Section by the amount of per item coverage (in 100's).~~

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D. Endorsements

1. Underground

The premium for this option may be determined by:

- a. Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage and number of items should be considered during the loss cost selection.
- b. Multiplying the result from Paragraph a. by the per occurrence amount of coverage (in 100's).

2. Underwater

~~_____b._____~~ The premium for this option may be determined by:

- ~~(1)a.~~ Adding the result from Paragraph a. to Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage and number of items should be considered during the loss cost selection.
- ~~(2)b.~~ Multiplying the result from Paragraph ~~b.~~(1)a. by the per occurrence amount of coverage (in 100's).

243. Business Income and Extra Expense

The premium for Business Income and Extra Expense optional coverage may be determined as follows:

- a. Determine the Business Income and Extra Expense rate by multiplying the final rate from Paragraphs ~~7.A.e3.~~ or ~~d4.~~, as applicable, by a factor from the range of 0.50 – 2.50.
- b. To determine the premium for the Business Income and Extra Expense optional coverage, multiply the resulting rate from Paragraph a. by the Business Income and Extra Expense limit of insurance in \$100's.

CE. Annual Premium

Add the applicable premiums for basic and optional coverages to determine the annual premium.

8. REPORTING FORM ONLY

Policies may be written with a monthly or quarterly reporting feature. Contractors Equipment Reporting Form **IH 68 06** may be used to convert the policy to a reporting basis.

The premium charged at inception for a reporting form policy is a deposit premium. The amount is determined by a percentage, such as 25%, of the premium obtained in Instruction **7.A.** for an annual policy. When the deposit premium is exhausted, usually after the first few months, additional premiums may be payable monthly or quarterly.

For a monthly reporting form policy, multiply the annual company rate by .083 to determine the monthly rate. For a quarterly reporting form policy, multiply the annual company rate by .25 to determine the quarterly rate.

Charge an additional premium when the deposit premium has been earned. For a monthly reporting policy, use the monthly rate times the limit of insurance. For a quarterly reporting policy, use the quarterly rate times the limit of insurance.

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CB.Coverage Options Additional Coverages

1. Debris Removal Additional Limit

Loss Cost Range
\$0.01 – \$0.05

2. False Pretense

Loss Cost Range
\$0.05 – \$0.13

3. Rewards

Loss Cost Range
\$0.08 – \$0.13

5. Employee Tools and Clothing

	Loss Cost Range
Per Employee	\$0.01 – \$0.02
Per Any One Occurrence	\$0.75 – \$3.00

7. Fire Department Service Charge

Loss Cost Range
\$0.30 – \$0.50

8. Fire Extinguishing Systems Expense

Loss Cost Range
\$0.05 – \$0.08

9. Fuel, Accessories and Spare Parts

Loss Cost Range
\$0.25 – \$0.2.00

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10. Inventory and Appraisal Expense

Loss Cost Range
\$0.75 – \$1.50

11. Pollutant Cleanup and Removal

Loss Cost Range
\$0.01 – \$0.10

12. Rental Reimbursement

	Loss Cost Range
Per Day	\$0.01 – \$0.02
Per Any One Occurrence	\$0.10 – \$1.50

13. Trailers and Contents

Loss Cost Range
\$0.25 – \$0.40

C. Optional Coverages

141. Equipment Borrowed From Others

	Loss Cost Range
Per Any One Item	\$0.01 – \$0.02
Per Any One Occurrence	\$0.05 – \$1.50

162. Equipment Loaned To Others

	Loss Cost Range
Per Any One Item	\$0.01 – \$0.02
Per Any One Occurrence	\$0.08 – \$2.25

183. Waterborne

	Loss Cost Range
Per Any One Item	\$0.01 – \$0.02
Per Any One Occurrence	\$0.25 – \$2.50

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D. Endorsements

191. Underground

	Loss Cost Range
Per Any One Item	\$0.01 — \$0.02
Per Any One Occurrence	\$0.30 – \$3.25

202. Underwater

	Loss Cost Range
Per Any One Item	\$0.01 — \$0.02
Per Any One Occurrence	\$0.40 – \$3.75

9. POLICYWRITING MINIMUM PREMIUM

Refer to company.

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B. PREMIUM FOR ADDITIONAL COVERAGES OPTIONS

1. Debris Removal – Difference In Limit Of Insurance From \$10,000

Debris Removal Limit Of Insurance minus
\$10,000 \$

Calculate the Debris Removal Rate

$$\begin{array}{|c|} \hline \\ \hline \end{array} \times \begin{array}{|c|} \hline \\ \hline \end{array} = \begin{array}{|c|} \hline \\ \hline \end{array}$$

Debris Removal Loss Cost Loss Cost Multiplier Debris Removal Rate

Calculate the Debris Removal premium or credit for Difference In Limit Of Insurance From \$10,000

$$\begin{array}{|c|} \hline \\ \hline \end{array} \times \$ \begin{array}{|c|} \hline \\ \hline \end{array} = \$ \begin{array}{|c|} \hline \\ \hline \end{array}$$

Debris Removal Rate Difference In Limit Of Insurance From \$10,000 (in 100's) Premium/Credit For Difference In Limit Of Insurance

2. False Pretense – Difference In Limit Of Insurance From \$25,000

False Pretense Limit Of Insurance minus
\$25,000 \$ _____

Calculate the False Pretense Rate

$$\begin{array}{|c|} \hline \\ \hline \end{array} \times \begin{array}{|c|} \hline \\ \hline \end{array} = \begin{array}{|c|} \hline \\ \hline \end{array}$$

False Pretense Loss Cost Loss Cost Multiplier False Pretense Rate

Calculate the False Pretense premium or credit for Difference In Limit Of Insurance From \$25,000

$$\begin{array}{|c|} \hline \\ \hline \end{array} \times \$ \begin{array}{|c|} \hline \\ \hline \end{array} = \$ \begin{array}{|c|} \hline \\ \hline \end{array}$$

False Pretense Rate Difference In Limit Of Insurance From \$25,000 (in 100's) Premium/Credit For Difference In Limit Of Insurance

**INLAND MARINE HANDBOOK
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B. PREMIUM FOR ADDITIONAL COVERAGES OPTIONS-(Continued)

3. Rewards – Difference In Limit Of Insurance From \$10,000

Rewards Limit Of Insurance minus \$10,000 \$ _____

Calculate the Rewards Rate

_____	x	_____	=	_____
Rewards Loss Cost		Loss Cost Multiplier		Rewards Rate

Calculate the Rewards premium or credit for Difference In Limit Of Insurance From \$10,000

_____	x	\$	_____	=	\$	_____
Rewards Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

4. Additionally Acquired Property – Difference In Limit Of Insurance From \$250,000

Additionally Acquired Property Limit Of Insurance minus \$250,000 \$ _____

Calculate the Additionally Acquired Property Rate

_____	x	_____	=	_____
Final Basic Coverage Rate		Additionally Acquired Property Factor		Additionally Acquired Property Rate

Calculate the Additionally Acquired Property premium or credit for Difference In Limit Of Insurance From \$250,000

_____	x	\$	_____	=	\$	_____
Additionally Acquired Property Rate			Difference In Limit Of Insurance From \$250,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

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B. PREMIUM FOR ADDITIONAL COVERAGES OPTIONS-(Continued)

5. Employee Tools And Clothing – Difference In Limits Of Insurance

Employee Tools And Clothing per employee limit minus \$1,000	\$	
Employee Tools And Clothing per occurrence limit minus \$5,000	\$	

a. Per Employee Premium Calculation

Calculate the Employee Tools And Clothing Per Employee Rate

	x		=	
Employee Tools And Clothing Per Employee Loss Cost		Loss Cost Multiplier		Employee Tools And Clothing Per Employee Rate

Calculate the Employee Tools And Clothing Per Employee premium or credit for Difference In Limit Of Insurance From \$1,000

	x	\$		=	\$	
Employee Tools And Clothing Per Employee Rate			Difference In Limit Of Insurance From \$1,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

b.1. Per Occurrence Premium Calculation When Per Occurrence Limit Is Greater Than \$5,000

Calculate the Employee Tools And Clothing Per Occurrence Initial Rate

	x		=	
Employee Tools And Clothing Per Occurrence Loss Cost		Loss Cost Multiplier		Employee Tools And Clothing Per Occurrence Initial Rate

Calculate the Employee Tools And Clothing Per Occurrence Final Rate

	+		=	
Employee Tools And Clothing Per Occurrence Initial Rate		Employee Tools And Clothing Per Item Premium/Credit		Employee Tools And Clothing Per Occurrence Final Rate

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B. PREMIUM FOR ADDITIONAL COVERAGES OPTIONS-(Continued)

5. Employee Tools And Clothing – Difference In Limits Of Insurance

Employee Tools And Clothing per employee limit minus \$1,000	\$	
Employee Tools And Clothing per occurrence limit minus \$5,000	\$	

a. Per Employee Premium Calculation

Calculate the Employee Tools And Clothing Per Employee Rate

	x		=	
Employee Tools And Clothing Per Employee Loss Cost		Loss Cost Multiplier		Employee Tools And Clothing Per Employee Rate

Calculate the Employee Tools And Clothing Per Employee premium or credit for Difference In Limit Of Insurance From \$1,000

	x	\$		=	\$	
Employee Tools And Clothing Per Employee Rate			Difference In Limit Of Insurance From \$1,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

b.1. Per Occurrence Premium Calculation When Per Occurrence Limit Is Greater Than \$5,000

Calculate the Employee Tools And Clothing Per Occurrence Initial Rate

	x		=	
Employee Tools And Clothing Per Occurrence Loss Cost		Loss Cost Multiplier		Employee Tools And Clothing Per Occurrence Initial Rate

Calculate the Employee Tools And Clothing Per Occurrence Final Rate

	+		=	
Employee Tools And Clothing Per Occurrence Initial Rate		Employee Tools And Clothing Per Item Premium/Credit		Employee Tools And Clothing Per Occurrence Final Rate

**INLAND MARINE HANDBOOK
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B. PREMIUM FOR COVERAGE OPTIONS ADDITIONAL COVERAGES (Continued)

6. Expediting Expenses – Difference In Limit Of Insurance From \$25,000

Expediting Expenses Limit Of Insurance
minus \$25,000 \$ _____

Calculate the Expediting Expenses Rate

$$\frac{\text{Final Basic Coverage Rate}}{\text{Final Basic Coverage Rate}} \times \frac{\text{Expediting Expenses}}{\text{Factor}} = \frac{\text{Expediting Expenses}}{\text{Rate}}$$

Calculate the Expediting Expenses premium for Difference In Limit Of Insurance From \$25,000

$$\frac{\text{Expediting Expenses}}{\text{Rate}} \times \$ \frac{\text{Difference In Limit Of Insurance From \$25,000}}{\text{(in 100's)}} = \$ \frac{\text{Premium/Credit For Difference In Limit Of Insurance}}$$

7. Fire Department Service Charge – Difference In Limit Of Insurance From \$10,000

Fire Department Service Charge Limit Of
Insurance minus \$10,000 \$ _____

Calculate the Fire Department Service Charge Rate

$$\frac{\text{Fire Department Service Charge Loss Cost}}{\text{Fire Department Service Charge Loss Cost}} \times \frac{\text{Loss Cost Multiplier}}{\text{Loss Cost Multiplier}} = \frac{\text{Fire Department Service Charge Rate}}{\text{Fire Department Service Charge Rate}}$$

Calculate the Fire Department Service Charge premium or credit for Difference In Limit Of Insurance From \$10,000

$$\frac{\text{Fire Department Service Charge Rate}}{\text{Fire Department Service Charge Rate}} \times \$ \frac{\text{Difference In Limit Of Insurance From \$10,000}}{\text{(in 100's)}} = \$ \frac{\text{Premium/Credit For Difference In Limit Of Insurance}}$$

**INLAND MARINE HANDBOOK
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B. PREMIUM FOR COVERAGE OPTIONS ADDITIONAL COVERAGES (Continued)

8. Fire Extinguishing Systems Expense – Difference In Limit Of Insurance From \$10,000

Fire Extinguishing Systems Expense Limit
Of Insurance minus \$10,000 \$ _____

Calculate the Fire Extinguishing Systems Expense Rate

_____	x	_____	=	_____
Fire Extinguishing Systems Expense Loss Cost		Loss Cost Multiplier		Fire Extinguishing Systems Expense Rate

Calculate the Fire Extinguishing Systems Expense premium or credit for Difference In
Limit Of Insurance From \$10,000

_____	x	\$	_____	=	\$	_____
Fire Extinguishing Systems Expense Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

9. Fuel, Accessories And Spare Parts – Difference In Limit Of Insurance From \$10,000

Fuel, Accessories And Spare Parts Limit Of
Insurance minus \$10,000 \$ _____

Calculate the Fuel, Accessories And Spare Parts Rate

_____	x	_____	=	_____
Fuel, Accessories And Spare Parts Loss Cost		Loss Cost Multiplier		Fuel, Accessories And Spare Parts Rate

Calculate the Fuel, Accessories And Spare Parts premium or credit for Difference In
Limit Of Insurance From \$10,000

_____	x	\$	_____	=	\$	_____
Fuel, Accessories And Spare Parts Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
CONTRACTORS EQUIPMENT POLICIES**

B. PREMIUM FOR COVERAGE OPTIONS ADDITIONAL COVERAGES (Continued)

10. Inventory And Appraisal Expense – Difference In Limit Of Insurance From \$25,000

Inventory And Appraisal Expense Limit Of Insurance minus \$25,000 \$ _____

Calculate the Inventory And Appraisal Expense Rate

_____	x	_____	=	_____
Inventory And Appraisal Expense Loss Cost		Loss Cost Multiplier		Inventory And Appraisal Expense Rate

Calculate the Inventory And Appraisal Expense premium or credit for Difference In Limit Of Insurance From \$25,000

_____	x	\$	_____	=	\$	_____
Inventory And Appraisal Expense Rate			Difference In Limit Of Insurance From \$25,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

11. Pollutant Cleanup And Removal – Difference In Limit Of Insurance From \$25,000

Pollutant Cleanup And Removal Limit Of Insurance minus \$25,000 \$ _____

Calculate the Pollutant Cleanup And Removal Rate

_____	x	_____	=	_____
Pollutant Cleanup And Removal Loss Cost		Loss Cost Multiplier		Pollutant Cleanup And Removal Rate

Calculate the Pollutant Cleanup And Removal premium or credit for Difference In Limit Of Insurance From \$25,000

_____	x	\$	_____	=	\$	_____
Pollutant Cleanup And Removal Rate			Difference In Limit Of Insurance From \$25,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

B.	<u>PREMIUM FOR COVERAGE OPTIONS</u>	<u>\$ADDITIONAL COVERAGES</u>	(Continued)
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Rental Reimbursement per day limit minus \$500	\$	_____
Rental Reimbursement per occurrence limit minus \$10,000	\$	_____
Waiting Period		_____

$$\frac{\text{Rental Reimbursement Per Day Loss Cost}}{\text{Loss Cost Multiplier}} = \text{Rental Reimbursement Per Day Rate}$$

Rental Reimbursement Per Day Rate	x	\$	Difference In Limit Of Insurance From \$500 (in 100's)	=	\$	Premium/Credit For Difference In Limit Of Insurance
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$$\frac{\text{Rental Reimbursement Per Occurrence Loss Cost}}{\text{Loss Cost Multiplier}} = \text{Rental Reimbursement Per Occurrence Initial Rate}$$
$$\begin{array}{ccccc} \boxed{\text{Rental Reimbursement}} & + & \boxed{\text{Rental Reimbursement Per}} & = & \boxed{\text{Rental Reimbursement}} \\ \text{Per Occurrence Initial} & & \text{Item Premium/Credit} & & \text{Per Occurrence Final} \\ \text{Rate} & & & & \text{Rate} \end{array}$$

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B. PREMIUM FOR COVERAGE OPTIONS ADDITIONAL COVERAGES (Continued)

Calculate the Rental Reimbursement Per Occurrence premium for Difference In Limit Of Insurance From \$10,000

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Final Rate	x \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Difference In Limit Of Insurance From \$10,000 (in 100's)	= \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Premium For Difference In Limit Of Insurance
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b.2. Per Occurrence Premium Calculation When Per Occurrence Limit Is Less Than \$10,000

Calculate the Rental Reimbursement Per Occurrence Initial Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Loss Cost	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Loss Cost Multiplier	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Initial Rate
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Calculate the Rental Reimbursement Per Occurrence Final Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Initial Rate	-	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Item Premium/Credit	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Final Rate
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Calculate the Rental Reimbursement Per Occurrence Credit for Difference In Limit Of Insurance From \$10,000

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Final Rate	x \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Difference In Limit Of Insurance From \$10,000 (in 100's)	= \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Credit For Difference In Limit Of Insurance
---	------	--	------	---

Calculate Total Rental Reimbursement Premium/Credit

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Day Premium/Credit	+ \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Rental Reimbursement Per Occurrence Premium/Credit	= \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Total Rental Reimbursement Premium/Credit
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INLAND MARINE HANDBOOK SAMPLE INSTRUCTIONS FOR PREPARING CONTRACTORS EQUIPMENT POLICIES

[illegible]

Calculate Final Rental Reimbursement Premium/Credit

Total Rental Reimbursement Premium/Credit	x	\$	Waiting Period Factor	=	\$	Final Rental Reimbursement Premium/Credit
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13. Trailers And Contents – Difference In Limit Of Insurance From \$25,000

Trailers And Contents Limit Of Insurance minus \$25,000	\$
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Calculate the Trailers And Contents Rate

$$\text{Trailers And Contents Loss Cost} \times \text{Loss Cost Multiplier} = \text{Trailers And Contents Rate}$$

Calculate the Trailers And Contents premium or credit for Difference In Limit Of Insurance From \$25,000

Trailers And Contents Rate	x \$	Difference In Limit Of Insurance From \$25,000 (in 100's)	= \$	Premium/Credit For Difference In Limit Of Insurance
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**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
CONTRACTORS EQUIPMENT POLICIES**

BC. PREMIUM FOR OPTIONAL COVERAGES OPTIONS (Continued)

14. Equipment Borrowed From Others

Equipment Borrowed From Others per item limit \$ _____
Equipment Borrowed From Others per occurrence limit \$ _____

Calculate the Equipment Borrowed From Others Per Item Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Item Loss Cost	×	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Loss Cost Multiplier	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Item Rate
---	---	--	---	--

Calculate the Equipment Borrowed From Others Per Item increment

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed from Others Per Item Rate	×	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Per Item Limit Of Insurance (in 100's)	=	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed from Others Per Item Increment
--	---	----	--	---	----	---

Calculate the Equipment Borrowed From Others Per Occurrence Initial Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Occurrence Loss Cost	×	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Loss Cost Multiplier	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Occurrence Initial Rate
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Calculate the Equipment Borrowed From Others Per Occurrence Final Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Occurrence Initial Rate	+	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Item Increment	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Occurrence Final Rate
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Calculate the Equipment Borrowed From Others Premium

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Occurrence Final Rate	×	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Per Occurrence Limit (in 100's)	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Borrowed From Others Premium
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BC. PREMIUM FOR OPTIONAL COVERAGES OPTIONS-(Continued)

152 Equipment Leased Or Rented From Others

Equipment Leased Or Rented From Others
per item limit \$ _____
Equipment Leased Or Rented From Others
per occurrence limit \$ _____

Calculate the Equipment Leased Or Rented From Others Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Final Basic Coverage Rate	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Leased Or Rented From Others Factor	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Leased Or Rented From Others Rate
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Calculate the Equipment Leased Or Rented From Others Premium

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Leased Or Rented From Others Rate	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Leased Or Rented From Others Total Expenditures (in 100's)	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Equipment Leased Or Rented From Others Premium
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**INLAND MARINE HANDBOOK
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BC. PREMIUM FOR OPTIONAL COVERAGES OPTIONS (Continued)

163 Equipment Loaned To Others

Equipment Loaned To Others per item limit \$ _____
Equipment Loaned To Others per occurrence limit \$ _____

Calculate the Equipment Loaned To Others Per Item Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Item Loss Cost</div>	×	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Loss Cost Multiplier</div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Item Rate</div>
---	---	--	---	--

Calculate the Equipment Loaned To Others Per Item increment

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Item Rate</div>	×	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Per Item Limit Of Insurance (in 100's)</div>	=	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Item Increment</div>
--	---	----	--	---	----	---

Calculate the Equipment Loaned To Others Per Occurrence Initial Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Occurrence Loss Cost</div>	×	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Loss Cost Multiplier</div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Occurrence Initial Rate</div>
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Calculate the Equipment Loaned To Others Per Occurrence Final Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Occurrence Initial Rate</div>	+	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Item Increment</div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Occurrence Final Rate</div>
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Calculate the Equipment Loaned To Others Premium

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Occurrence Final Rate</div>	×	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Per Occurrence Limit (in 100's)</div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; font-size: small;">Equipment Loaned To Others Premium</div>
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**INLAND MARINE HANDBOOK
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BC. PREMIUM FOR OPTIONAL COVERAGES OPTIONS (Continued)

174 Equipment Leased Or Rented To Others

Equipment Leased Or Rented To Others
per item limit \$ _____
Equipment Leased Or Rented To Others
per occurrence limit \$ _____

Calculate the Equipment Leased Or Rented To Others Rate

<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>	x	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>	=	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
Final Basic Coverage Rate		Equipment Leased Or Rented To Others Factor		Equipment Leased Or Rented To Others Rate

Calculate the Equipment Leased Or Rented To Others Premium

<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>	x	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>	=	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
Equipment Leased Or Rented To Others Rate		Equipment Leased Or Rented To Others Total Receipts (in 100's)		Equipment Leased Or Rented To Others Premium

BC. PREMIUM FOR <u>OPTIONAL COVERAGES</u> OPTIONS (Continued)									
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Waterborne Equipment per item limit	\$	_____
Waterborne Equipment per occurrence limit	\$	_____

Waterborne Equipment Per Item Loss Cost	*	Loss Cost Multiplier	=	Waterborne Equipment Per Item Rate
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Waterborne Equipment Per Item Rate	x	\$	Per Item Limit Of Insurance (in 100's)	=	\$	Waterborne Equipment Per Item Increment
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$$\frac{\text{Waterborne Equipment Per Occurrence Loss Cost}}{\text{Loss Cost Multiplier}} = \frac{\text{Waterborne Equipment Per Occurrence Initial Rate}}{\text{Rate}}$$
$$\text{Waterborne Equipment Per Occurrence Initial Rate} \pm \text{Waterborne Equipment Per Item Increment} = \text{Waterborne Equipment Per Occurrence Final Rate}$$

Waterborne Equipment Per Occurrence Final Rate	X	Waterborne Equipment Per Occurrence Limit (in 100's)	=	Waterborne Equipment Premium
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**INLAND MARINE HANDBOOK
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BD. PREMIUM FOR COVERAGE OPTIONS (Continued) ENDORSEMENTS

19. Underground Equipment

Underground Equipment per item limit \$ _____
Underground Equipment per occurrence limit \$ _____

Calculate the Underground Equipment Per Item Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>
Underground Equipment Per Item Loss Cost		Loss Cost Multiplier		Underground Equipment Per Item Rate

Calculate the Underground Equipment Per Item increment

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	x	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	=	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>
Underground Equipment Per Item Rate			Per Item Limit Of Insurance (in 100's)			Underground Equipment Per Item Increment

Calculate the Underground Equipment Per Occurrence Initial Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>
Underground Equipment Per Occurrence Loss Cost		Loss Cost Multiplier		Underground Equipment Per Occurrence Initial Rate

Calculate the Underground Equipment Per Occurrence Final Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	+	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>
Underground Equipment Per Occurrence Initial Rate		Underground Equipment Per Item Increment		Underground Equipment Per Occurrence Final Rate

Calculate the Underground Equipment Premium

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div>
Underground Equipment Per Occurrence Final Rate		Underground Equipment Per Occurrence Limit (in 100's)		Underground Equipment Premium

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BD. PREMIUM FOR COVERAGE OPTIONS ENDORSEMENTS (Continued)

20. Underwater Equipment

Underwater Equipment per item limit \$ _____
Underwater Equipment per occurrence limit \$ _____

Calculate the Underwater Equipment Per Item Rate

_____	x	_____	=	_____
Underwater Equipment Per Item Loss Cost		Loss Cost Multiplier		Underwater Equipment Per Item Rate

Calculate the Underwater Equipment Per Item increment

_____	x	\$	_____	=	\$	_____
Underwater Equipment Per Item Rate			Per Item Limit Of Insurance (in 100's)			Underwater Equipment Per Item Increment

Calculate the Underwater Equipment Per Occurrence Initial Rate

_____	x	_____	=	_____
Underwater Equipment Per Occurrence Loss Cost		Loss Cost Multiplier		Underwater Equipment Per Occurrence Initial Rate

Calculate the Underwater Equipment Per Occurrence Final Rate

_____	+	_____	=	_____
Underwater Equipment Per Occurrence Initial Rate		Underwater Equipment Per Item Increment		Underwater Equipment Per Occurrence Final Rate

Calculate the Underwater Equipment Premium

_____	x	_____	=	_____
Underwater Equipment Per Occurrence Final Rate		Underwater Equipment Per Occurrence Limit (in 100's)		Underwater Equipment Premium

**INLAND MARINE HANDBOOK
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BD. PREMIUM FOR COVERAGE OPTIONS ENDORSEMENTS (Continued)

243 Business Income And Extra Expense

Business Income And Extra Expense limit \$ _____

Calculate the Business Income And Extra Expense Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Final Basic Coverage Rate	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Business Income And Extra Expense Factor	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Business Income And Extra Expense Rate
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Calculate the Business Income And Extra Expense Premium

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Business Income And Extra Expense Rate	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Business Income And Extra Expense Limit (in 100's)	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Business Income And Extra Expense Premium
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**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
CONTRACTORS EQUIPMENT POLICIES**

GE. ANNUAL PREMIUM	
COVERAGES	PREMIUM/CREDIT
Basic Coverage	
Debris Removal	
False Pretense	
Rewards	
Additionally Acquired Property	
Employee Tools And Clothing	
Expediting Expense	
Fire Department Service Charge	
Fire Extinguishing Systems Expense	
Fuel, Accessories And Spare Parts	
Inventory And Appraisal Expense	
Pollutant Cleanup and Removal	
Rental Reimbursement	
Trailers And Contents	
Equipment Borrowed From Others	
Equipment Leased Or Rented From Others	
Equipment Loaned To Others	
Equipment Leased Or Rented To Others	
Waterborne	
Underground	
Underwater	
Business Income And Extra Expense	
Total Premium \$	

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Deductible Percentage	Factors
1%	0.80 – 0.99
2%	0.75 – 0.95
3%	0.70 – 0.90
4% – 5%	0.60 – 0.85
6% – 10%	0.50 – 0.85

Table 7.A.2.#2 Percentage Deductible Factors

3. If coverage is provided on a scheduled basis, multiply the rate from Paragraph 2. by the applicable coinsurance factor from the table below.

Coinsurance Percentage	Factors
91% – 100%	.92 – .85
81% – 90%	.93 – 1.00
80%	1.00
71% – 79%	1.00 – 1.25
61% – 70%	1.10 – 1.40
51% – 60%	1.20 – 1.75
Less than 50%	1.50 – 3.50

Table 7.A.3. Coinsurance Factors

4. If coverage is provided on a blanket basis, multiply the result from Paragraph 2. by factor from the range of 1.50 – 3.00.
5. To determine the premium for Basic Coverage, multiply the resulting rate from Paragraphs 3. or 4., as applicable, by the limit of insurance in \$100's.

B. Additional Coverages

1. Debris Removal

- a. If the selected limit is greater than \$10,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

**INLAND MARINE HANDBOOK
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2. False Pretense

- a. If the selected limit is greater than \$25,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

3. Rewards

- a. If the selected limit is greater than \$10,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

4. Additionally Acquired Property

- a. If the selected limit is greater than \$250,000, the additional premium for this option may be determined by:
 - (1) Multiplying the company rate from Paragraph 7.A. by a factor in the range of 0.05 to 0.25.
 - (2) Multiplying the result from Paragraph 4.a.(1) by the amount of coverage (in 100's) in excess of \$250,000.
- b. If the selected limit is less than \$250,000, the premium credit for this option may be determined by:
 - (1) Multiplying the company rate from Paragraph 7.A. by a factor in the range of 0.05 to 0.25.
 - (2) Multiplying the result from Paragraph 4.b.(1) by the difference in the amount of coverage (in 100's) between \$250,000 and the selected limit.

5. Employee Tools and Clothing

- a. If the selected per employee limit is greater than \$1,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$1,000.
- b. If the selected per employee limit is less than \$1,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$1,000 and the selected limit.
- c. If the selected per any one occurrence limit is greater than \$5,000, the additional premium for this option may be determined by:
 - (1) Adding the result from Paragraph 5.a. or subtracting the result from Paragraph 5.b., as appropriate, to adjust the company rate calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph 5.c.(1) by the amount of coverage (in 100's) in excess of \$5,000.
- d. If the selected per any one occurrence limit is less than \$5,000, the premium credit for this option may be determined by:
 - (1) Subtracting the result from Paragraph 5.a. or adding the result from Paragraph 5.b., as appropriate, to adjust the company rate calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph 5.d.(1) by the difference in the amount of coverage (in 100's) between \$5,000 and the selected limit.

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6. Expediting Expenses

- a. If the selected limit is greater than \$25,000, the additional premium for this option may be determined by:
 - (1) Multiplying the company rate from Paragraph **7.A.** by a factor in the range of 0.75 to 1.00.
 - (2) Multiplying the result from Paragraph **6.a.(1)** by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this option may be determined by:
 - (1) Multiplying the company rate from Paragraph **7.A.** by a factor in the range of 0.75 to 1.00.
 - (2) Multiplying the result from Paragraph **6.b.(2)** by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

7. Fire Department Service Charge

- a. If the selected limit is greater than \$10,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

8. Fire Extinguishing Systems Expense

- a. If the selected limit is greater than \$10,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

9. Fuel, Accessories and Spare Parts

- a. If the selected limit is greater than \$10,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$10,000.
- b. If the selected limit is less than \$10,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.

10. Inventory and Appraisal Expense

- a. If the selected limit is greater than \$25,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

11. Pollutant Cleanup and Removal

- a. If the selected limit is greater than \$25,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

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12. Rental Reimbursement

- a. If the selected per day limit is greater than \$500, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$500.
- b. If the selected per day limit is less than \$500, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$500 and the selected limit.
- c. If the selected per any one occurrence limit is greater than \$10,000, the additional premium for this option may be determined by:
 - (1) Adding the result from Paragraph 12.a. or subtracting the result from Paragraph 12.b., as appropriate, to adjust the company rate calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph 12.c.(1) by the amount of coverage (in 100's) in excess of \$10,000.
- d. If the selected per any one occurrence limit is less than \$10,000, the premium credit for this option may be determined by:
 - (1) Subtracting the result from Paragraph 12.a. or adding the result from Paragraph 12.b., as appropriate, to adjust the company rate calculated from the Loss Cost Section.
 - (2) Multiplying the result from Paragraph 12.d.(1) by the difference in the amount of coverage (in 100's) between \$10,000 and the selected limit.
- e. If Waiting Period other than 72 hours is selected, multiply the applicable premiums or credits from Paragraphs 12.a., 12.b., 12.c. and 12.d. by the applicable factors from the table below.

Waiting Period – Number of Hours	Factors
0 – 23	1.09 – 1.15
24 – 47	1.06 – 1.08
48 – 71	1.01 – 1.05
72 – 95	1.00
96 – 119	0.97 – 0.99
120 – 143	0.94 – 0.96
144 – 167	0.91 – 0.93
168 – 191	0.88 – 0.90
192 or longer	0.85 – 0.87

Table 7.B.12. Waiting Period Factors

13. Trailers and Contents

- a. If the selected limit is greater than \$25,000, the additional premium for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the amount of coverage (in 100's) in excess of \$25,000.
- b. If the selected limit is less than \$25,000, the premium credit for this option may be determined by multiplying the company rate calculated from the Loss Cost Section by the difference in the amount of coverage (in 100's) between \$25,000 and the selected limit.

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C. Optional Coverages

1. Equipment Borrowed From Others

The premium for this option may be determined by:

- a. Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage, number of items, type of equipment borrowed and length of period borrowed should be considered during the loss cost selection.
- b. Multiplying the result from Paragraph 1.a. by the per occurrence amount of coverage (in 100's).

2. Equipment Leased or Rented From Others

- a. Determine the Equipment Leased or Rented From Others rate by multiplying the final rate from Paragraphs 7.A.3. or 7.A.4., as applicable, by a factor from the range of 1.25 – 3.00.
- b. To determine the premium for the Equipment Leased or Rented From Others optional coverage, multiply the resulting rate from Paragraph 2.a. by the total expenditures on Equipment Leased or Rented From Others (in \$100's).

3. Equipment Loaned To Others

The premium for this option may be determined by:

- a. Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage, number of items, type of equipment loaned and length of period loaned should be considered during the loss cost selection.
- b. Multiplying the result from Paragraph 3.a. by the per occurrence amount of coverage (in 100's).

4. Equipment Leased or Rented To Others

- a. Determine the Equipment Leased or Rented To Others rate by multiplying the final rate from Paragraphs 7.A.3. or 7.A.4., as applicable, by a factor from the range of 1.25 – 3.00.
- b. To determine the premium for the Equipment Leased or Rented To Others optional coverage, multiply the resulting rate from Paragraph 4.a. by the total receipts from Equipment Leased or Rented To Others (in \$100's).

5. Waterborne

The premium for this option may be determined by:

- a. Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage and number of items should be considered during the loss cost selection.
- b. Multiplying the result from Paragraph 5.a. by the per occurrence amount of coverage (in 100's).

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D. Endorsements

1. Underground

The premium for this option may be determined by:

- a. Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage and number of items should be considered during the loss cost selection.
- b. Multiplying the result from Paragraph 1.a. by the per occurrence amount of coverage (in 100's).

2. Underwater

The premium for this option may be determined by:

- a. Calculating the per occurrence company rate from the selected loss cost in the Loss Cost Section. The per item amount of coverage and number of items should be considered during the loss cost selection.
- b. Multiplying the result from Paragraph 2.a. by the per occurrence amount of coverage (in 100's).

3. Business Income and Extra Expense

The premium for Business Income and Extra Expense optional coverage may be determined as follows:

- a. Determine the Business Income and Extra Expense rate by multiplying the final rate from Paragraphs 7.A.3. or 7.A.4., as applicable, by a factor from the range of 0.50 – 2.50.
- b. To determine the premium for the Business Income and Extra Expense optional coverage, multiply the resulting rate from Paragraph 3.a. by the Business Income and Extra Expense limit of insurance (in \$100's).

E. Annual Premium

Add the applicable premiums for basic and optional coverages to determine the annual premium.

8. REPORTING FORM ONLY

Policies may be written with a monthly or quarterly reporting feature. Contractors Equipment Reporting Form **IH 68 06** may be used to convert the policy to a reporting basis.

The premium charged at inception for a reporting form policy is a deposit premium. The amount is determined by a percentage, such as 25%, of the premium obtained in Instruction 7.A. for an annual policy. When the deposit premium is exhausted, usually after the first few months, additional premiums may be payable monthly or quarterly.

For a monthly reporting form policy, multiply the annual company rate by .083 to determine the monthly rate. For a quarterly reporting form policy, multiply the annual company rate by .25 to determine the quarterly rate.

Charge an additional premium when the deposit premium has been earned. For a monthly reporting policy, use the monthly rate times the limit of insurance. For a quarterly reporting policy, use the quarterly rate times the limit of insurance.

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B. Additional Coverages

1. Debris Removal Additional Limit

Loss Cost Range
\$0.01 – \$0.05

2. False Pretense

Loss Cost Range
\$0.05 – \$0.13

3. Rewards

Loss Cost Range
\$0.08 – \$0.13

5. Employee Tools and Clothing

	Loss Cost Range
Per Employee	\$0.01 – \$0.02
Per Any One Occurrence	\$0.75 – \$3.00

7. Fire Department Service Charge

Loss Cost Range
\$0.30 – \$0.50

8. Fire Extinguishing Systems Expense

Loss Cost Range
\$0.05 – \$0.08

9. Fuel, Accessories and Spare Parts

Loss Cost Range
\$0.25 – \$2.00

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10. Inventory and Appraisal Expense

Loss Cost Range
\$0.75 – \$1.50

11. Pollutant Cleanup and Removal

Loss Cost Range
\$0.01 – \$0.10

12. Rental Reimbursement

	Loss Cost Range
Per Day	\$0.01 – \$0.02
Per Any One Occurrence	\$0.10 – \$1.50

13. Trailers and Contents

Loss Cost Range
\$0.25 – \$0.40

C. Optional Coverages

1. Equipment Borrowed From Others

	Loss Cost Range
Per Any One Occurrence	\$0.05 – \$1.50

3. Equipment Loaned To Others

	Loss Cost Range
Per Any One Occurrence	\$0.08 – \$2.25

5. Waterborne

	Loss Cost Range
Per Any One Occurrence	\$0.25 – \$2.50

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D. Endorsements

1. Underground

	Loss Cost Range
Per Any One Occurrence	\$0.30 – \$3.25

2. Underwater

	Loss Cost Range
Per Any One Occurrence	\$0.40 – \$3.75

9. POLICYWRITING MINIMUM PREMIUM

Refer to company.

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SAMPLE INSTRUCTIONS FOR PREPARING
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B. PREMIUM FOR ADDITIONAL COVERAGES

1. Debris Removal – Difference In Limit Of Insurance From \$10,000

Debris Removal Limit Of Insurance minus
\$10,000 \$ _____

Calculate the Debris Removal Rate

_____	x	_____	=	_____
Debris Removal Loss Cost		Loss Cost Multiplier		Debris Removal Rate

Calculate the Debris Removal premium or credit for Difference In Limit Of Insurance
From \$10,000

_____	x	\$	_____	=	\$	_____
Debris Removal Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

2. False Pretense – Difference In Limit Of Insurance From \$25,000

False Pretense Limit Of Insurance minus
\$25,000 \$ _____

Calculate the False Pretense Rate

_____	x	_____	=	_____
False Pretense Loss Cost		Loss Cost Multiplier		False Pretense Rate

Calculate the False Pretense premium or credit for Difference In Limit Of Insurance
From \$25,000

_____	x	\$	_____	=	\$	_____
False Pretense Rate			Difference In Limit Of Insurance From \$25,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
CONTRACTORS EQUIPMENT POLICIES**

B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

3. Rewards – Difference In Limit Of Insurance From \$10,000

Rewards Limit Of Insurance minus \$10,000 \$ _____

Calculate the Rewards Rate

_____	x	_____	=	_____
Rewards Loss Cost		Loss Cost Multiplier		Rewards Rate

Calculate the Rewards premium or credit for Difference In Limit Of Insurance From \$10,000

_____	x	\$	_____	=	\$	_____
Rewards Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

4. Additionally Acquired Property – Difference In Limit Of Insurance From \$250,000

Additionally Acquired Property Limit Of Insurance minus \$250,000 \$ _____

Calculate the Additionally Acquired Property Rate

_____	x	_____	=	_____
Final Basic Coverage Rate		Additionally Acquired Property Factor		Additionally Acquired Property Rate

Calculate the Additionally Acquired Property premium or credit for Difference In Limit Of Insurance From \$250,000

_____	x	\$	_____	=	\$	_____
Additionally Acquired Property Rate			Difference In Limit Of Insurance From \$250,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

**INLAND MARINE HANDBOOK
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B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

5. Employee Tools And Clothing – Difference In Limits Of Insurance

Employee Tools And Clothing per employee limit minus \$1,000	\$	_____
Employee Tools And Clothing per occurrence limit minus \$5,000	\$	_____

a. Per Employee Premium Calculation

Calculate the Employee Tools And Clothing Per Employee Rate

_____	x	_____	=	_____
Employee Tools And Clothing Per Employee Loss Cost		Loss Cost Multiplier		Employee Tools And Clothing Per Employee Rate

Calculate the Employee Tools And Clothing Per Employee premium or credit for Difference In Limit Of Insurance From \$1,000

_____	x	\$	_____	=	\$	_____
Employee Tools And Clothing Per Employee Rate			Difference In Limit Of Insurance From \$1,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

b.1. Per Occurrence Premium Calculation When Per Occurrence Limit Is Greater Than \$5,000

Calculate the Employee Tools And Clothing Per Occurrence Initial Rate

_____	x	_____	=	_____
Employee Tools And Clothing Per Occurrence Loss Cost		Loss Cost Multiplier		Employee Tools And Clothing Per Occurrence Initial Rate

Calculate the Employee Tools And Clothing Per Occurrence Final Rate

_____	+	\$	_____	=	_____
Employee Tools And Clothing Per Occurrence Initial Rate			Employee Tools And Clothing Per Employee Premium/Credit		Employee Tools And Clothing Per Occurrence Final Rate

**INLAND MARINE HANDBOOK
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B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

Calculate the Employee Tools And Clothing Per Occurrence premium for Difference In Limit Of Insurance From \$5,000

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Final Rate	x	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Difference In Limit Of Insurance From \$5,000 (in 100's)	=	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Premium For Difference In Limit Of Insurance
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b.2. Per Occurrence Premium Calculation When Per Occurrence Limit Is Less Than \$5,000

Calculate the Employee Tools And Clothing Per Occurrence Initial Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Loss Cost	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Loss Cost Multiplier	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Initial Rate
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Calculate the Employee Tools And Clothing Per Occurrence Final Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Initial Rate	-	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Employee Premium/Credit	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Final Rate
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Calculate the Employee Tools And Clothing Per Occurrence credit for Difference In Limit Of Insurance From \$5,000

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Final Rate	x	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Difference In Limit Of Insurance From \$5,000 (in 100's)	=	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Credit For Difference In Limit Of Insurance
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Calculate Total Employee Tools And Clothing Premium/Credit

\$ <div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Employee Premium/Credit	+	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Employee Tools And Clothing Per Occurrence Premium/Credit	=	\$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> Total Employee Tools And Clothing Premium/Credit
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B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

6. Expediting Expenses – Difference In Limit Of Insurance From \$25,000

Expediting Expenses Limit Of Insurance
minus \$25,000 \$ _____

Calculate the Expediting Expenses Rate

$$\frac{\text{Final Basic Coverage Rate}}{\text{Final Basic Coverage Rate}} \times \frac{\text{Expediting Expenses Factor}}{\text{Expediting Expenses Factor}} = \frac{\text{Expediting Expenses Rate}}{\text{Expediting Expenses Rate}}$$

Calculate the Expediting Expenses premium for Difference In Limit Of Insurance From \$25,000

$$\frac{\text{Expediting Expenses Rate}}{\text{Expediting Expenses Rate}} \times \$ \frac{\text{Difference In Limit Of Insurance From \$25,000 (in 100's)}}{\text{Difference In Limit Of Insurance From \$25,000 (in 100's)}} = \$ \frac{\text{Premium/Credit For Difference In Limit Of Insurance}}{\text{Premium/Credit For Difference In Limit Of Insurance}}$$

7. Fire Department Service Charge – Difference In Limit Of Insurance From \$10,000

Fire Department Service Charge Limit Of
Insurance minus \$10,000 \$ _____

Calculate the Fire Department Service Charge Rate

$$\frac{\text{Fire Department Service Charge Loss Cost}}{\text{Fire Department Service Charge Loss Cost}} \times \frac{\text{Loss Cost Multiplier}}{\text{Loss Cost Multiplier}} = \frac{\text{Fire Department Service Charge Rate}}{\text{Fire Department Service Charge Rate}}$$

Calculate the Fire Department Service Charge premium or credit for Difference In Limit Of Insurance From \$10,000

$$\frac{\text{Fire Department Service Charge Rate}}{\text{Fire Department Service Charge Rate}} \times \$ \frac{\text{Difference In Limit Of Insurance From \$10,000 (in 100's)}}{\text{Difference In Limit Of Insurance From \$10,000 (in 100's)}} = \$ \frac{\text{Premium/Credit For Difference In Limit Of Insurance}}{\text{Premium/Credit For Difference In Limit Of Insurance}}$$

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B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

8. Fire Extinguishing Systems Expense – Difference In Limit Of Insurance From \$10,000

Fire Extinguishing Systems Expense Limit
Of Insurance minus \$10,000 \$ _____

Calculate the Fire Extinguishing Systems Expense Rate

_____	x	_____	=	_____
Fire Extinguishing Systems Expense Loss Cost		Loss Cost Multiplier		Fire Extinguishing Systems Expense Rate

Calculate the Fire Extinguishing Systems Expense premium or credit for Difference In
Limit Of Insurance From \$10,000

_____	x	\$	_____	=	\$	_____
Fire Extinguishing Systems Expense Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

9. Fuel, Accessories And Spare Parts – Difference In Limit Of Insurance From \$10,000

Fuel, Accessories And Spare Parts Limit Of
Insurance minus \$10,000 \$ _____

Calculate the Fuel, Accessories And Spare Parts Rate

_____	x	_____	=	_____
Fuel, Accessories And Spare Parts Loss Cost		Loss Cost Multiplier		Fuel, Accessories And Spare Parts Rate

Calculate the Fuel, Accessories And Spare Parts premium or credit for Difference In
Limit Of Insurance From \$10,000

_____	x	\$	_____	=	\$	_____
Fuel, Accessories And Spare Parts Rate			Difference In Limit Of Insurance From \$10,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
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B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

10. Inventory And Appraisal Expense – Difference In Limit Of Insurance From \$25,000

Inventory And Appraisal Expense Limit Of
Insurance minus \$25,000 \$ _____

Calculate the Inventory And Appraisal Expense Rate

_____	x	_____	=	_____
Inventory And Appraisal Expense Loss Cost		Loss Cost Multiplier		Inventory And Appraisal Expense Rate

Calculate the Inventory And Appraisal Expense premium or credit for Difference In
Limit Of Insurance From \$25,000

_____	x	\$	_____	=	\$	_____
Inventory And Appraisal Expense Rate			Difference In Limit Of Insurance From \$25,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

11. Pollutant Cleanup And Removal – Difference In Limit Of Insurance From \$25,000

Pollutant Cleanup And Removal Limit Of
Insurance minus \$25,000 \$ _____

Calculate the Pollutant Cleanup And Removal Rate

_____	x	_____	=	_____
Pollutant Cleanup And Removal Loss Cost		Loss Cost Multiplier		Pollutant Cleanup And Removal Rate

Calculate the Pollutant Cleanup And Removal premium or credit for Difference In
Limit Of Insurance From \$25,000

_____	x	\$	_____	=	\$	_____
Pollutant Cleanup And Removal Rate			Difference In Limit Of Insurance From \$25,000 (in 100's)			Premium/Credit For Difference In Limit Of Insurance

**INLAND MARINE HANDBOOK
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B. PREMIUM FOR ADDITIONAL COVERAGES (Continued)

Calculate the Rental Reimbursement Per Occurrence premium for Difference In Limit Of Insurance From \$10,000

$$\begin{array}{ccccc} \text{[Box]} & \times & \$ & \text{[Box]} & = & \$ & \text{[Box]} \\ \text{Rental Reimbursement} & & & \text{Difference In Limit Of} & & & \text{Premium For Difference} \\ \text{Per Occurrence Final} & & & \text{Insurance From \$10,000} & & & \text{In Limit Of Insurance} \\ \text{Rate} & & & \text{(in 100's)} & & & \end{array}$$

b.2. Per Occurrence Premium Calculation When Per Occurrence Limit Is Less Than \$10,000

Calculate the Rental Reimbursement Per Occurrence Initial Rate

$$\begin{array}{ccccc} \text{[Box]} & \times & \text{[Box]} & = & \text{[Box]} \\ \text{Rental Reimbursement} & & \text{Loss Cost Multiplier} & & \text{Rental Reimbursement} \\ \text{Per Occurrence Loss Cost} & & & & \text{Per Occurrence Initial} \\ & & & & \text{Rate} \end{array}$$

Calculate the Rental Reimbursement Per Occurrence Final Rate

$$\begin{array}{ccccc} \text{[Box]} & - & \$ & \text{[Box]} & = & \text{[Box]} \\ \text{Rental Reimbursement} & & & \text{Rental Reimbursement Per} & & \text{Rental Reimbursement} \\ \text{Per Occurrence Initial} & & & \text{Item Premium/Credit} & & \text{Per Occurrence Final} \\ \text{Rate} & & & & & \text{Rate} \end{array}$$

Calculate the Rental Reimbursement Per Occurrence Credit for Difference In Limit Of Insurance From \$10,000

$$\begin{array}{ccccc} \text{[Box]} & \times & \$ & \text{[Box]} & = & \$ & \text{[Box]} \\ \text{Rental Reimbursement} & & & \text{Difference In Limit Of} & & & \text{Credit For Difference In} \\ \text{Per Occurrence Final} & & & \text{Insurance From \$10,000} & & & \text{Limit Of Insurance} \\ \text{Rate} & & & \text{(in 100's)} & & & \end{array}$$

Calculate Total Rental Reimbursement Premium/Credit

$$\begin{array}{ccccc} \$ & \text{[Box]} & + & \$ & \text{[Box]} & = & \$ & \text{[Box]} \\ \text{Rental Reimbursement} & & & \text{Rental Reimbursement} & & & \text{Total Rental} \\ \text{Per Day} & & & \text{Per Occurrence} & & & \text{Reimbursement} \\ \text{Premium/Credit} & & & \text{Premium/Credit} & & & \text{Premium/Credit} \end{array}$$

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C. PREMIUM FOR OPTIONAL COVERAGES

1. Equipment Borrowed From Others

Equipment Borrowed From Others per item
limit \$ _____
Equipment Borrowed From Others per
occurrence limit \$ _____

Calculate the Equipment Borrowed From Others Per Occurrence Rate

$$\begin{array}{ccccc} \text{_____} & \times & \text{_____} & = & \text{_____} \\ \text{Equipment Borrowed} & & \text{Loss Cost Multiplier} & & \text{Equipment Borrowed} \\ \text{From Others Per} & & & & \text{From Others Per} \\ \text{Occurrence Loss Cost} & & & & \text{Occurrence Rate} \end{array}$$

Calculate the Equipment Borrowed From Others Premium

$$\begin{array}{ccccc} \text{_____} & \times & \text{_____} & = & \$ \text{_____} \\ \text{Equipment Borrowed} & & \text{Equipment Borrowed From} & & \text{Equipment Borrowed} \\ \text{From Others Per} & & \text{Others Per Occurrence} & & \text{From Others Premium} \\ \text{Occurrence Rate} & & \text{Limit (in 100's)} & & \end{array}$$

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C. PREMIUM FOR OPTIONAL COVERAGES (Continued)

2. Equipment Leased Or Rented From Others

Equipment Leased Or Rented From Others
per item limit \$ _____
Equipment Leased Or Rented From Others
per occurrence limit \$ _____

Calculate the Equipment Leased Or Rented From Others Rate

_____	x	_____	=	_____
Final Basic Coverage Rate		Equipment Leased Or Rented From Others Factor		Equipment Leased Or Rented From Others Rate

Calculate the Equipment Leased Or Rented From Others Premium

_____	x	_____	= \$	_____
Equipment Leased Or Rented From Others Rate		Equipment Leased Or Rented From Others Total Expenditures (in 100's)		Equipment Leased Or Rented From Others Premium

**INLAND MARINE HANDBOOK
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C. PREMIUM FOR OPTIONAL COVERAGES (Continued)

3. Equipment Loaned To Others

Equipment Loaned To Others per item limit \$ _____
Equipment Loaned To Others per occurrence limit \$ _____

Calculate the Equipment Loaned To Others Per Occurrence Rate

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; padding-left: 5px;">Equipment Loaned To Others Per Occurrence Loss Cost</div>	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; padding-left: 5px;">Loss Cost Multiplier</div>	=	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; padding-left: 5px;">Equipment Loaned To Others Per Occurrence Rate</div>
--	---	---	---	---

Calculate the Equipment Loaned To Others Premium

<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; padding-left: 5px;">Equipment Loaned To Others Per Occurrence Rate</div>	x	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; padding-left: 5px;">Equipment Loaned To Others Per Occurrence Limit (in 100's)</div>	= \$	<div style="background-color: #cccccc; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: left; padding-left: 5px;">Equipment Loaned To Others Premium</div>
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**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
CONTRACTORS EQUIPMENT POLICIES**

C. PREMIUM FOR OPTIONAL COVERAGES (Continued)

5. Waterborne Equipment

Waterborne Equipment per item limit \$ _____
Waterborne Equipment per occurrence \$ _____
limit

Calculate the Waterborne Equipment Per Occurrence Rate

$$\frac{\text{Waterborne Equipment Per Occurrence Loss Cost}}{\text{Loss Cost Multiplier}} = \text{Waterborne Equipment Per Occurrence Rate}$$

Calculate the Waterborne Equipment Premium

$$\text{Waterborne Equipment Per Occurrence Rate} \times \text{Waterborne Equipment Per Occurrence Limit (in 100's)} = \$ \text{Waterborne Equipment Premium}$$

**INLAND MARINE HANDBOOK
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D. PREMIUM FOR ENDORSEMENTS

1. Underground Equipment

Underground Equipment per item limit \$ _____
Underground Equipment per occurrence
limit \$ _____

Calculate the Underground Equipment Per Occurrence Rate

$$\frac{\text{Underground Equipment Per Occurrence Loss Cost}}{\text{Loss Cost Multiplier}} = \text{Underground Equipment Per Occurrence Rate}$$

Calculate the Underground Equipment Premium

$$\text{Underground Equipment Per Occurrence Rate} \times \frac{\text{Underground Equipment Per Occurrence Limit (in 100's)}}{100} = \$ \text{Underground Equipment Premium}$$

**INLAND MARINE HANDBOOK
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CONTRACTORS EQUIPMENT POLICIES**

D. PREMIUM FOR ENDORSEMENTS (Continued)

2. Underwater Equipment

Underwater Equipment per item limit \$ _____
Underwater Equipment per occurrence \$ _____
limit

Calculate the Underwater Equipment Per Occurrence Rate

$$\frac{\text{Underwater Equipment Per Occurrence Loss Cost}}{\text{Loss Cost Multiplier}} = \text{Underwater Equipment Per Occurrence Rate}$$

Calculate the Underwater Equipment Premium

$$\text{Underwater Equipment Per Occurrence Rate} \times \text{Underwater Equipment Per Occurrence Limit (in 100's)} = \$ \text{Underwater Equipment Premium}$$

**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
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D. PREMIUM FOR ENDORSEMENTS (Continued)

3. Business Income And Extra Expense

Business Income And Extra Expense limit \$ _____

Calculate the Business Income And Extra Expense Rate

<div style="background-color: #cccccc; height: 15px; width: 100%;"></div>	x	<div style="background-color: #cccccc; height: 15px; width: 100%;"></div>	=	<div style="background-color: #cccccc; height: 15px; width: 100%;"></div>
Final Basic Coverage Rate		Business Income And Extra Expense Factor		Business Income And Extra Expense Rate

Calculate the Business Income And Extra Expense Premium

<div style="background-color: #cccccc; height: 15px; width: 100%;"></div>	x	<div style="background-color: #cccccc; height: 15px; width: 100%;"></div>	= \$	<div style="background-color: #cccccc; height: 15px; width: 100%;"></div>
Business Income And Extra Expense Rate		Business Income And Extra Expense Limit (in 100's)		Business Income And Extra Expense Premium

**INLAND MARINE HANDBOOK
SAMPLE INSTRUCTIONS FOR PREPARING
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E. ANNUAL PREMIUM	
COVERAGES	PREMIUM/CREDIT
Basic Coverage	
Debris Removal	
False Pretense	
Rewards	
Additionally Acquired Property	
Employee Tools And Clothing	
Expediting Expenses	
Fire Department Service Charge	
Fire Extinguishing Systems Expense	
Fuel, Accessories And Spare Parts	
Inventory And Appraisal Expense	
Pollutant Cleanup and Removal	
Rental Reimbursement	
Trailers And Contents	
Equipment Borrowed From Others	
Equipment Leased Or Rented From Others	
Equipment Loaned To Others	
Equipment Leased Or Rented To Others	
Waterborne Equipment	
Underground Equipment	
Underwater Equipment	
Business Income And Extra Expense	
Total Premium \$	