Explanatory Memorandum Louisiana

# Description:

This optional endorsement is designed for Firearms Retailers and/or Wholesalers but is available to any account holding a valid Federal Firearms License. The endorsement provides coverage for defense costs and related expenses **only** for an insured found to be in violation of Federal Firearms Regulations and requesting or required to attend a hearing with the Bureau of Alcohol, Tobacco, and Firearms(ATF). The endorsement also covers the resulting costs should the insured appeal an ATF licensing decision to a federal or state court.

While we understand the DOI’s previous refusal on the grounds that defense is included within the limits, it should be noted that this endorsement does not provide any Bodily Injury or Property Damage coverage. The loss or claim that can be anticipated under this coverage form will not involve any Bodily Injury or Property Damage. Any claim will only be expense related and therefore, the coverage and limits provided under the endorsement are only expense related.

# Form:

102143 Defense Only for Certain ATF Proceedings Endorsement attaches to the ISO CGL, but does not provide coverage under coverages A, B or C.

This coverage is not provided by the Commercial General Liability policy as this endorsement does not respond to a loss caused by bodily injury , property damage, personal or advertising injury and is limited to defense only for certain ATF proceedings..

# Limit:

**Basic limits:**

$25,000 Each Proceeding

$25,000 Aggregate

The charge will be “a” rated. A percentage of the general liability premium generated from the sale of retail or wholesale of firearms will be the charge for this endorsement. The percentage will vary based on the relationship of wholesale to retail sales and will be subject to the following minimum and maximum premiums.

Minimum Premium: $100 Maximum Premium: $1,000

# Increased Limits:

Higher Limits will be offered in increments of $25,000 up to $100,000.

The Increased Limits factor will be 1.05 for $50,000, 1.10 for $75,000 and 1.15 for

$100,000. These factors will be applied to the premium developed for $25,000.

The minimum and maximum premiums will not be subject to the Increased Limits factors.