**Limited International Coverage**

**Business Personal Property**

**Rate Development/Narrative**

* Minimum premium for the endorsement will be $100.
* Rating for the endorsement will address:
  + Transportation exposure, and
  + Off site exposure at a location with the foreign coverage territory
* Transit pricing is proposed as follows:

Base limit is $50,000 each occurrence

1 to 4 shipments per year: $63

5 to 9 shipments per year: $175

10 to 15 shipments per year: $300

Over 15 shipments per year: add $40 per shipment

Pricing is based upon an average transit rate from the AAIS rate guide, based upon estimated average value of goods shipped within each category of “shipments per year”.

The form to which this endorsement attached provides a limit of $50,000 for inland transit within the domestic coverage territory, so this is an expansion of the territory definition.

* Property at a location within the foreign coverage territory will be rated using a deficiency point system (copy attached – word document provides rules and the Excel document provides the rate calculation).
  + The base rate for superior exposures is .125, average exposures .25, and less well protected exposures .46
  + Risk characteristics capture the basic COPE information that will be available for such foreign exposures
  + When property will be at such locations for less than the policy term, the rates will be pro rated for the period of exposure
  + Review of the current Preferred Aviation portfolio (which will be the initial program for which this is launched) indicates an average rate for building, personal property and business income of .19 per $100 (based upon a portfolio TIV of $3.32 BIL)
  + The .25 average contents rate correlates closely with the proposed rates