Explanatory Memorandum

We are submitting The Dealers Inventory Protection Program for your review and approval to be used as Master Policies for the following insureds:

Honda

Estimated GWP: $1.5 M

# of Dealers/Members: 600

Kawasaki –

Estimated GWP: $1M

# of Dealers/Members: 300

The Program provides first-party, physical damage coverage on inventory held for sale by retail dealers of new and used automobiles, trucks, equipment, recreational vehicles, motorcycles, ATVs, snowmobiles and personal watercraft.

The rates, rules and forms for this program are based on those approved for American Safety Casualty Insurance Company. The CDI filing number for the American Safety Casualty filing was 09-7298 approved 11/10/2009.

The policies will be effective 2/1/16.