



## BLANKET LIMIT WITH MARGIN CLAUSE

Refer to the Declarations if information is not shown on this form.  
This endorsement is subject to the *terms* contained in *your* policy.

### SCHEDULE

Loc. No.	Bldg. No.	Cov. A—Bldg. or Cov. B— <i>Bus.</i> Prop.	Description of Property
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Margin Clause Percentage: \_\_\_\_\_

### HOW MUCH WE PAY FOR LOSS OR CLAIM

1. Blanket Limit
  - a. All property shown in the Schedule is subject to a Blanket Limit. The Blanket Limit is a single amount of insurance shown in the Declarations.
2. Margin Clause
  - a. For property subject to a Blanket Limit, the maximum loss payable will be computed by multiplying the Margin Clause Percentage shown in the Schedule by its value shown in the latest statement of values.
  - b. If the statement of values does not indicate individually the value of each building and the value of *business* property at each building or at each location, *we* will determine individual values as a part of the total reported values prior to applying the Margin Clause Percentage.
  - c. The actual loss payment for covered property will not exceed the maximum loss payable as computed in 2.a. or 2.b. above. The Margin Clause calculation does not increase, and cannot exceed, the Blanket Limit.
  - d. All other applicable settlement provisions of *your* policy still apply.

### APPLICATION OF BLANKET LIMIT WITH MARGIN CLAUSE

The following examples are provided for illustrative purposes only and are not indicative of *your* actual amount of insurance.

Example 1: The Blanket Limit is adequate.

a. Blanket Limit for all buildings and <i>business</i> property	\$450,000
b. Value of all buildings and <i>business</i> property at the time of loss	\$500,000
c. Coinsurance percentage shown in the Declarations	90%
d. Minimum Blanket Limit required (\$500,000 x 90%)	\$450,000
e. Value stated for Building 1	\$125,000
f. Margin Clause Percentage	115%
g. Maximum amount payable (\$125,000 x 115%)	\$143,750
h. Amount of loss sustained to Building 1	\$85,000
i. Deductible	\$1,000

In this example, *we* would pay *you* \$84,000. *We* arrive at this payment figure as follows:

- 1) The Blanket Limit for all buildings and **business** property (a.) is enough to satisfy the minimum Blanket Limit required (d.) and the loss amount (h.) is below the maximum amount payable (g.). No coinsurance penalty is applied.
- 2) The amount of the loss (h.) \$85,000 minus the deductible (i.) \$1,000.

Example 2: The Blanket Limit is inadequate.

a. Blanket Limit for all buildings and <b>business</b> property	\$382,500
b. Value of all buildings and <b>business</b> property at the time of loss	\$500,000
c. Coinsurance percentage shown in the Declarations	90%
d. Minimum Blanket Limit required (\$500,000 x 90%)	\$450,000
e. Value stated for Building 1	\$125,000
f. Margin Clause Percentage	115%
g. Maximum amount payable (\$125,000 x 115%)	\$143,750
h. Amount of loss sustained to Building 1	\$85,000
i. Deductible	\$1,000

In this example, **we** would pay **you** \$71,250. **We** arrive at this payment figure as follows:

- 1) The amount of the loss (h.) is below the maximum amount payable (g.), however, the Blanket Limit for all buildings and **business** property (a.) is not enough to satisfy the minimum Blanket Limit required (d.). A coinsurance penalty will be applied.
- 2) **Our** part of the loss is 85%. The Blanket Limit (a.) \$382,500 divided by the minimum Blanket Limit required (d.) \$450,000.
- 3) The amount of loss (h.) \$85,000 is then multiplied by the 85% figure computed in 2) above, less \$1,000 deductible (i.).

All other **terms** and conditions remain unchanged.