

Blanket Earnings & Expense Coverage Application

AGENCY NAME:

NAME OF APPLICANT:

POLICY NUMBER:

EFFECTIVE DATE:

SIMPLIFIED EARNINGS WORKSHEET-Total earnings is defined in the policy as the sum of: (1) Total Net Profit, (2) Payroll Expense, (3) Taxes, (4) Interest, (5) Rent and (6) all other operating expense, earned by the business. In lieu of totaling these items to obtain the Total Earnings, you may use the method shown below. (Net Sales minus cost of Stock or Merchandise) which will produce the proper Earnings figure.

		Example	Location 1	Location 2	Location 3	Location 4	Location 5
The net annual sales are the gross sales less discounts, returns, bad accounts, prepaid freight, and (for manufacturers) finished stock inventory at the beginning of the year plus cash discounts received, commissions or rents from leased departments, other earnings from the business, and (for manufacturers) finished stock inventory at the end of the year.	Net Annual Sales	\$800,000					
DEDUCT the cost of non-continuing outside services and the cost of (1) raw stock used in production, (2) materials directly consumed in production and (3) merchandise sold including packaging materials.	Cost of Raw Stock or Merchandise sold	(\$200,000)					
The Net Annual Sales minus Cost of Raw Stock or Merchandise sold equals Total Earnings.	Total Earnings	\$600,000					
The total Earnings must be adjusted to reflect the anticipated time it would take to repair or replace property destroyed by a serious loss: 6 months = .50; 9 months = .75; 12 months = 1.00. The factor should also reflect fluctuations in the insured's business.	Rebuild Time	.75 (9 months)					
The Rebuild Time multiplied by the Total Earnings equals Earnings Exposure.	Earnings Exposed	\$450,000					
Enter the anticipated amount needed to pay the increased expenses over normal expenses to keep an interrupted business in operation. Consider such items as increased rent, advertising costs, moving expenses, additional salaries and increased utilities.	Expense Exposure	\$50,000					
The Earnings Exposure added to the Expense Exposure equals the Location Exposure.	Location Exposure	\$500,000					
Please Provide Building Square Footage for each location.	Square Footage	60,000					

Ordinary Payroll Excluded? YES NO

Policy Limit Desired: Deductible Total Earnings (all Locations)

Extension of damage to Data Processing Media (60 days included)

90 Days 180 Days Unlimited

Signature

Date