



**YOUR BUSINESS INSURANCE SOLUTION
SPECTRUM® PROPOSAL**

Prepared for:

Human Nutrition Industries Inc
DBA International Science Pro
9901 E La Palma Ave., Anaheim, CA 92807

Reference Number:

57ABC123456 - 001

Proposal Date:

06/18/2015, 7:04 PM

Proposed by:

PAPERLESS INSURANCE SERVICES INC
625 46th Avenue
San Francisco, CA 94121



Proposal Created by:

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Total Estimated Annual Premium for Spectrum:

\$ 1,576.00

POLICY LEVEL

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LOCATION BUILDING LEVEL

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Important Messages:

[Empty box for important messages]

This document is a proposal of insurance for the applicant indicated above. It is not to be used as proof of coverage, unless bound by an authorized agent.

WHY THE HARTFORD

200 years experience | 1 million customers | Named One of the World's Most Ethical Companies | Recognized by JD Power

The Hartford is the market leader for small business with more than 200 years of experience, trusted by over 1 million customers and [rated 4.8 out of 5 by Small Businesses.](#)

Spectrum Proposal
with
Sentinel Insurance Company
A member company of The Hartford
6/19/2015 - 6/19/2016

Policy Level

Property Coverage

Limits of Insurance

Special Property Coverage Form automatically includes the following coverages at no additional charge:

Accounts Receivable Coverage Off Premises	\$	25,000
Accounts Receivable Coverage On Premises	\$	25,000
Appurtenant Structures - business personal property within appurtenant structure	\$	5,000
Arson Reward	\$	10,000
Business Income - Civil Authority - 30 Days - A waiting period applies	\$	Included
Business Income to Dependant Properties	\$	5,000
Business Personal Property Seasonal Automatic Increase: 25%	\$	Included
Data and Software	\$	10,000
Definition of Premises: 1000 feet	\$	Included
Extended Business Income - 30 consecutive days	\$	Included
Fire Department Service Charge	\$	25,000
Fire Extinguisher Recharge	\$	Included
Forgery Coverage	\$	5,000
Leasehold Improvements	\$	25,000
Lease Assessment	\$	2,500
Lock and Key Replacement	\$	1,000
Money and Securities - Inside	\$	10,000
Money and Securities - Outside	\$	5,000
Newly Acquired or Constructed Property - Building - 180 Days Max	\$	500,000
Newly Acquired or Constructed Property - Business Income 180 Days Max	\$	50,000
Newly Acquired or Constructed Property - Business Personal Property - 180 Days Max	\$	250,000
Ordinance or Law Coverage:		
• Tenants Improvements & Betterments Increased Cost of Construction	\$	25,000
Outdoor Property - Aggregate	\$	10,000
Outdoor Property - For any one tree, shrub or plant	\$	1,000
Outdoor Signs - Attached to buildings - Per sign	\$	5,000
Personal Effects	\$	10,000
Property Off-Premises - Business Personal Property	\$	2,500
Tenant's Glass	\$	25,000
Valuable Papers Coverage Off Premises	\$	25,000
Valuable Papers Coverage On Premises	\$	25,000

Property Coverage

Limits of Insurance

Premium

The following Property coverages are applicable at all locations:

Property Deductible	\$	500		
Automatic Equipment Breakdown Coverage which includes:	\$	Included	\$	31
• Mechanical Breakdown	\$	Included	\$	Included
• Artificially Generated Electric Current	\$	Included	\$	Included
• Explosion of Steam Equipment	\$	Included	\$	Included
• Loss or damage to Steam Equipment	\$	Included	\$	Included
• Loss or damage to Water Heating Equipment	\$	Included	\$	Included
• Contamination by Hazardous Substance	\$	50,000	\$	Included
• Expediting Expenses	\$	50,000	\$	Included
Business Income And Extra Expense Specified Limit coverage -12 mos.	\$	500,000	\$	159
Identity Recovery Coverage	\$	15,000	\$	Included
Policy Base Premium			\$	68
Terrorism	\$	Included	\$	31

Location/Building Level

Location/Building Information

Location No./Building No.	:	001/001
Street Address	:	9901 E La Palma Ave.,
City, State and Zip Code	:	Anaheim, CA 92807
Protection Class	:	0002
Class Code	:	50481
Description	:	Nutritions Distributor
Construction	:	Frame
Year Built	:	1952
Sprinklered	:	Yes
Annual Sales/Receipts	:	\$500,000

Location/Building Coverage

Limits of Insurance

Premium

Business Personal Property	\$	200,000	\$	957
Fungi Limited Coverage	\$	50,000	\$	Included
Fungi Limited Business Interruption		30 Days	\$	Included

Stretch Endorsements

Premium

Super Stretch for Wholesaler-Distributors	See Stretch Summary Attached	\$	330
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The Limits of Insurance for the following Additional Coverages are in addition to any other limit of insurance provided under this policy.

Super Stretch Wholesaler-Distributors Summary

Blanket Coverage Limit of Insurance: \$250,000

Blanket Coverages

- Accounts Receivable - On/Off Premises
- Computers and Media
- Debris Removal
- Personal Property of Others
- Temperature Change
- Valuable Papers and Records - On/Off Premises

Coverage

- Brands and Labels
- Claim Expenses
- Computer Fraud
- Contract Penalty
- Contractors Equipment
- Contractors Tools
- Employee Dishonesty (including ERISA)
- Fine Arts
- Forgery
- Laptop Computers - Worldwide Coverage
- Non-Owned Trailers
- Off Premises Utility Services - Direct Damage
- Outdoor Signs
- Pairs or Sets
- Property at Other Premises
- Salespersons' Samples
- Sewer and Drain Back Up
- Sump Overflow or Sump Pump Failure
- Tenant Building and Business Personal Property Coverage - Required by Lease
- Tenant's Improvements Due to Ordinance or Law
- Transit Property in the Care of Carriers for Hire
- Unauthorized Business Card Use

Limits of Insurance

- Up to Business Personal Property Limit
- \$ 10,000
- \$ 25,000
- \$ 10,000
- \$ 10,000 / \$ 500 Min per item
- \$ 1,000 / \$ 500 Max per item
- \$ 25,000
- \$ 25,000
- \$ 25,000
- \$ 10,000
- \$ 50,000
- \$ 25,000
- Full Value
- Up to Business Personal Property Limit
- \$ 50,000
- \$ 50,000
- Included up to Covered Property Limit
- \$ 50,000
- \$ 20,000
- \$ 20,000
- \$ 50,000
- \$ 5,000

The Limits of Insurance for the following Coverage Extensions are a replacement of the Limit of Insurance provided under the Property Coverage Form.

Coverage

- Newly Acquired or Constructed Property - 180 Days
 - Building
 - Business Personal Property
 - Business Income and Extra Expense
- Outdoor Property
- Personal Effects
- Property Off-Premises
- Vehicle Damage to Leased Building

Limits of Insurance

- \$ 1,000,000
- \$ 500,000
- \$ 500,000
- \$ 25,000 aggregate / \$ 1,000 per item
- \$ 25,000
- \$ 50,000
- \$ 5,000

The following changes apply only if Business Income and Extra Expense are covered under this policy. The Limits of Insurance for the following Business Income and Extra Expense Coverages are in addition to any other Limit of Insurance provided under this policy:

Coverage

- Business Income Extension for Off-Premises Utility Services
- Business Income Extension for Web Sites
- Business Income from Dependent Properties

Limits of Insurance

- \$ 25,000
- \$ 50,000 / 7 days
- \$ 50,000

Expediting Expenses	\$ 25,000
Transit Business Income	\$ 50,000

The following Limit of Insurance for the following Business Income Coverage is a replacement of the Limit of Insurance provided under the Property Coverage Form.

<i>Coverage</i>	<i>Limits of Insurance</i>
Extended Business Income	90 Days

The following changes apply only if Business Personal Property is covered under this policy. The Limits of Insurance for the following Coverage Extensions are a replacement of the Limit of Insurance provided under the Property Coverage Form.

<i>Coverage</i>	<i>Limits of Insurance</i>
Business Personal Property Limit - Seasonal Increase	35%

The following changes apply to Loss Payment Conditions:

<i>Coverage</i>	<i>Limits of Insurance</i>
Valuation Changes	
Commodity Stock	Included
"Finished Stock"	Included
Mercantile Stock - Sold	Included



Direct Bill Options

The Hartford Direct Bill System puts you in control of making premium payments deciding the bill plan that best fits your budget.

YOU DECIDE HOW YOUR PAYMENTS ARE MADE...

- **Repetitive EFT:** Sign up for Repetitive Electronic Funds Transfer (EFT) and have payments automatically withdrawn from your bank account. This option saves you money by reducing the amount of the installment fee.
- **Pay Online:** Register at www.thehartford.com/servicecenter. Online Bill Pay is Quick Easy and Secure!
- **Pay by Check:** Send a check with your remittance stub in the envelope enclosed with your bill
- **Pay by Phone:** Call toll-free 1-866-467-8730

The chart below illustrates how you may be billed based upon the bill plan you select. The due date(s) and minimum amount(s) due shown below were calculated based on the anticipated effective date of your policy provided as part of the quote process. These dates and amounts may change based on when your new policy is processed. State surcharges are fees that are assessed by the state(s) on the policy and paid by The Hartford to the appropriate government agency. The full amounts of these fees are typically included in the down payment according to state regulations.

Total Annual Estimated Premium for Spectrum: \$1,576.00				
Bill Plan and Installments	Due Date(s) & Minimum Amount(s) Due		+ Installment Fee (EFT)	Or + Installment Fee (Non-EFT)
Full Pay	07/12/15 - \$1,576.00		-	-
Two Pay Down Payment Installment Final Installment	07/19/15 - \$945.60 12/19/15 - \$630.40		\$5.00 per Installment	\$7.00 per Installment
Three Pay Down Payment Installment Remaining Installments	07/19/15 - \$630.40 11/19/15 - \$472.80 03/19/16 - \$472.80		\$5.00 per Installment	\$7.00 per Installment
Four Pay Down Payment Installment Remaining Installments	07/19/15 - \$472.80 10/19/15 - \$394.00 01/19/16 - \$394.00 04/19/16 - \$315.20		\$5.00 per Installment	\$7.00 per Installment
Ten Pay Down Payment Installment Remaining Installments	07/19/15 - \$394.01 08/19/15 - \$131.75 09/19/15 - \$131.28 10/19/15 - \$131.28 11/19/15 - \$131.28 12/19/15 - \$131.28	01/19/16 - \$131.28 02/19/16 - \$131.28 03/19/16 - \$131.28 04/19/16 - \$131.28	\$5.00 per Installment	\$7.00 per Installment
Eleven Pay Down Payment Installment Remaining Installments	07/19/15 - \$394.48 08/19/15 - \$131.28 09/19/15 - \$131.28 10/19/15 - \$131.28 11/19/15 - \$131.28 12/19/15 - \$131.28	01/19/16 - \$131.28 02/19/16 - \$131.28 03/19/16 - \$131.28 04/19/16 - \$131.28	\$5.00 per Installment	\$7.00 per Installment
Twelve Pay Down Payment Installment Remaining Installments	07/19/15 - \$131.92 08/19/15 - \$131.28 09/19/15 - \$131.28 10/19/15 - \$131.28 11/19/15 - \$131.28 12/19/15 - \$131.28 01/19/16 - \$131.28	02/19/16 - \$131.28 03/19/16 - \$131.28 04/19/16 - \$131.28 05/19/16 - \$131.28 06/19/16 - \$131.28	\$5.00 per Installment	\$7.00 per Installment

An Installment Fee is assessed on each installment invoice except where prohibited by law.

Any down payment provided will be withdrawn immediately regardless of down payment date shown.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Terrorism Coverage and Premium

In accordance with the federal Terrorism Risk Insurance Act (as amended "TRIA"), we are required to make coverage available under your policy for "certified acts of terrorism." The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

The portion of your premium attributable to this terrorism coverage is shown in the premium section(s) of this quote proposal or binder.

Definition of Certified Act of Terrorism

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Disclosure of Federal Share of Terrorism Losses under TRIA

The United States Department of the Treasury will reimburse insurers for 85% of insured losses that exceed the applicable insurer deductible. Effective January 1, 2016, this percentage will be reduced to 84%, effective January 1, 2017 to 83%, effective January 1, 2018 to 82%, effective January 1, 2019 to 81%, and effective January 1, 2020 to 80%.

However, if aggregate industry insured losses under TRIA exceed \$100 Billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 Billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

Note to Producer on TRIA: The premium for terrorism coverage and the TRIA disclosures above must be provided to the insured or prospect at the time of quoting. If you are not using this quote proposal, you can use Hartford's stand-alone TRIA disclosure form for quotes and binders, which is available on the EBC or from the company.

Acknowledged and Accepted By

(Signature of the Insured)

(Date)

Reference Number: 57ABC123456 - 001

Total Estimated Annual Premium for Spectrum: \$1,576

SAMPLE

**ELECTRONIC DELIVERY CONSENT FORM
FOR COMMERCIAL BUSINESS INSURANCE CUSTOMERS**



TERMS & CONDITIONS FOR PAPERLESS DELIVERY OF COMMUNICATIONS FOR COMMERCIAL INSURED

By consenting to receive communications from The Hartford, electronically, through your agent: _____ (hereinafter "your agent"), you are agreeing that documents and official notices which you are required to receive may be sent to you electronically rather than in paper form. You agree these paperless communications are the legal equivalent of officially required communications relating to your policy(ies) which you would otherwise receive in paper form. These communications may include, but are not limited to, policy declarations, policy forms and endorsements and related forms, insurance ID cards, billing statements, legally required notices, and other official correspondence. **YOU AGREE TO RECEIVE ALL MAILINGS AND COMMUNICATIONS ELECTRONICALLY. SUCH ELECTRONIC MAILING OR COMMUNICATIONS MAY EVEN INCLUDE CANCELLATION OR NONRENEWAL NOTICES.** This consent will apply to all policies The Hartford may issue to you.

Not all documents are currently available for electronic delivery. Those that are not available will continue to be sent to you by your agent via US mail. As new documents become available for electronic delivery, your agent may send them electronically.

You may at any time, request that your agent resume communications through the delivery of paper documents. You will not be charged a fee for this request and may make such request by notifying your agent in writing or by email: _____. Your request to withdraw consent to receive communications by electronic means will be effective at the conclusion of the policy term.

You agree to provide your agent with your current email address so your agent can send you notices and other documents via email or notify you that documents are available for your review. You also agree to update your account and notify your agent of any change in your email address. You can make such a change by notifying your agent via one of the methods listed above. You agree to be responsible for any late payment fees that result from your failure to provide your agent with your current email address.

You may request a paper copy of an official notice sent to you, or of your policy documents. There is no fee to request such copies. You may make such request by notifying your agent via one of the methods listed above. Official policy notices and other documents will be sent solely and directly to you and will not be emailed to other users.

SYSTEM REQUIREMENTS: You acknowledge and agree that you have sufficient access to a privately owned computer and email system (as opposed to one with limited access, such as those housed in public libraries) that will: Permit you to access, view, and print the communications your agent will send; permit you to receive emails that contain hyperlinks to websites; and permit you to access websites. The following system requirements are necessary for you to receive and view these communications:

You must have Adobe Reader version 4.0 or later. Download the correct version of Acrobat Reader from the Adobe website at www.adobe.com.

ATTENTION AGENTS: THE FOLLOWING SENTENCE MUST BE INCLUDED/COMPLETED ONLY IF INSURED WILL BE ACCESSING DOCUMENTS VIA AN ELECTRONIC FILING CABINET OR OTHER ONLINE PORTAL:

Online documents are supported on Microsoft Internet Explorer version ____ and later, Firefox version ____ and later, and Google Chrome version ____ and later.

**ELECTRONIC DELIVERY CONSENT FORM
FOR COMMERCIAL BUSINESS INSURANCE CUSTOMERS**



By signing this document, you (a) agree that you are the named insured and (b) agree to the terms and conditions of Paperless Delivery.

Please note that even if you enroll in Paperless Delivery, your agent may deliver certain documents via U.S. Mail due to legal requirements and/or system limitations.

I Accept the Terms & Conditions set forth above and Consent to Enroll in Paperless Delivery.

You must list below one policy number from The Hartford; however, please be advised this consent will apply to all policies issued to you by The Hartford.

Policy No. & Description: _____

Authorized Person - Name and Title

Authorized Person Email Address

Date