

## § 83.1

- (xv) Dry Cleaners
- (xvi) Fast Food/Bakery/Donut (carry-out)
- (xvii) Fine Arts
- (xviii) Flea Markets/Auction Houses
- (xix) Florists
- (xx) Fruit/Newspaper Stands
- (xxi) Funeral Homes
- (xxii) Garages/Auto Repair
- (xxiii) Golf & Other Prof. Sports Shops
- (xxiv) Hardware/Housewares
- (xxv) Health Clubs/Massage Parlors
- (xxvi) Hobby/Toys/Novelty
- (xxvii) Hotel/Motel/Apartments
- (xxviii) Industrial Materials/Metal Work
- (xxix) Laundries
- (xxx) Marine/Aircraft—Sales/Service
- (xxxi) Medical Supplies
- (xxxii) Nursing/Convalescent Homes
- (xxxiii) Office Supplies/Equipment
- (xxxiv) Parking/Rental Cars/Car Wash/Taxi Office
- (xxxv) Photographers Studios
- (xxxvi) Professional Services
- (xxxvii) Radio/TV/Elec Eq. (service only)
- (xxxviii) Realty/Insurance/Travel/Employment Agency
- (xxxix) Restaurant/Caterer
- (xl) Schools/Day Care
- (xli) Security/Locksmiths/Alarms
- (xlii) Specialized Clothing—Sportswear/Lingerie
- (xliii) Stationery/Books/Printing/Paper
- (xliv) Tavern/Bar/Lounge
- (xlv) Vending Machines

(g) The protective device requirements set forth in this section shall not apply to premises which are insured only under Option 2 against the peril of robbery only, as provided in paragraph (c) of §83.25 of this chapter.

[36 FR 24772, Dec. 22, 1971, as amended at 37 FR 15298, July 29, 1972; 38 FR 4508, Feb. 15, 1973; 39 FR 14949, Apr. 29, 1974. Redesignated at 44 FR 31177, May 31, 1979, and amended at 50 FR 16495, Apr. 26, 1985; 52 FR 30685, Aug. 17, 1987; 55 FR 42190, Oct. 18, 1990]

## PART 83—COVERAGES, RATES, AND PRESCRIBED POLICY FORMS

### Subpart A—Residential Crime Insurance Coverage

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- 83.2 Limits of residential coverage.

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AUTHORITY: 12 U.S.C. 1749bbb *et seq.*; Reorganization Plan No. 3 of 1978; E.O. 12127.

### Subpart A—Residential Crime Insurance Coverage

#### §83.1 Description of residential coverage.

(a) The purpose of this §83.1 is descriptive only, and it shall be subject to the express terms and conditions of the policy form prescribed in §83.5.

(b) The initial policy issued by the insurer for residential properties shall be known as the residential crime insurance policy. Subject to its terms, the policy reimburses an insured for loss from burglary and larceny incident thereto, robbery (including observed theft), or attempt thereof, of personal property from the premises or in the presence of an insured, and for damage to the premises caused by any such attempt. It also covers damage to the interior of the part of the building occupied by the named insured's household at the described premises, and to the insured property both therein and away from the premises, caused by vandalism or malicious mischief: *Provided*, That with respect to damage to the building an insured is the owner thereof or is liable for such damage. The policy is subject to the exclusions set forth therein.

(c) The residential crime insurance policy shall be written only for an individual or for a single family or household with respect to a one to four family house or separate living quarters in an apartment building or dormitory.

Premises in hotels (other than residence hotels where normal occupancy exceeds 6 months in duration) and premises within residential properties used in whole or in part for business purposes are not eligible for coverage under the residential policy. A mobile home used as a residence may be insured on a residential application form provided the mobile home has been rendered immobile on a permanent foundation and anchored to resist flotation or lateral movement. A residential premises or a portion thereof owned or leased by a business, corporate or otherwise, may not be insured by said business under a residential policy. A model home held for eventual sale may not be insured under a residential policy. A storeroom used for temporary storage of personal property not pertaining to a business may be insured under a residential policy, provided that the storage area is surrounded by physical barriers which separate it from other storage areas available to other persons and that the storage area utilized by the insured complies with the protective device requirements applicable to residential premises.

[36 FR 24774, Dec. 22, 1971, as amended at 37 FR 15298, July 29, 1972. Redesignated at 44 FR 31177, May 31, 1979, as amended at 47 FR 19350, May 5, 1982]

**§ 83.2 Limits of residential coverage.**

The residential policy may be written in amounts not less than \$1,000 and not in excess of \$10,000 for each insurable premises. An insurable premises is defined as a physically separate area occupied for residential purposes by one or more persons who are permanent members of a single household. The \$10,000 limit of coverage for each insurable premises may not be increased by subdividing the premises shared by members of a common household. Any amount of insurance or fraction thereof, above a specified limit shall be charged the applicable rate for the next higher limit of coverage. Specified limits of coverage are set forth in § 83.4.

[47 FR 19350, May 5, 1982]

**§ 83.3 Amount of residential policy deductible.**

The residential crime insurance policy shall be subject to a deductible in the amount of \$100 for each loss occurrence, or 5 percent of the gross amount of the loss, whichever is greater. The face amount of coverage specified in the policy is not reduced by the application of this deductible. Thus, if an insured having a \$5,000 policy incurs a \$5,000 covered loss, he would receive \$4,750. If the loss were \$6,000, he would receive the full \$5,000.

[39 FR 2361, Jan. 21, 1974. Redesignated at 44 FR 31177, May 31, 1979, as amended at 47 FR 19350, May 5, 1982]

**§ 83.4 Residential crime insurance rates.**

The specific limits of coverage for applicable annual premiums for residential crime insurance coverage are revised to read as follows:

	<i>Annual pre- mium</i>
Policy limits:	
\$1,000 .....	\$32
2,000 .....	42
3,000 .....	52
4,000 .....	62
5,000 .....	74
6,000 .....	84
7,000 .....	94
8,000 .....	104
9,000 .....	116
10,000 .....	126

[53 FR 11276, Apr. 6, 1988]

**§ 83.5 Required residential policy form.**

The following shall constitute the policy form for the residential crime insurance policy and no other policy form shall be used. Coverage will commence at 12 noon following the date of a U.S. Post Office affixed postmark or proof of Certified or Registered mailing. In the absence of such postmark or other proof sufficient to substantiate the date of mailing, coverage will be effective at 12 noon following receipt by the servicing company, unless a later date is specified in the application.

(a) Owner's or tenant's Residential Crime Insurance Policy form:

FEDERAL INSURANCE ADMINISTRATION  
RESIDENTIAL CRIME INSURANCE POLICY

The Federal Insurance Administrator, herein called the Insurer, agrees with the insured, named in the Application made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the Application, and subject to (1) the provisions of title VI of Public Law 91-609 (12 U.S.C. 1749bbb-10a, et seq.) and subchapter B, chapter I, title 44 of the Code of Federal Regulations (44 CFR parts 80 through 84), and (2) the limits of liability, exclusions, conditions, deductibles, and other terms of this Policy with respect to the following criminal acts:

Insuring Agreements

I. *Loss by burglary and larceny or robbery, including observed theft.* (a) To pay for loss by burglary and larceny incident thereto, or robbery, including observed theft, of all personal property from the premises or in the presence of an insured.

II. *Damage.* To pay for damage to the premises and to the insured property by burglary or robbery, including observed theft, or attempt threat, and for damage to the interior of that portion of any building occupied by the named insured's household at the premises and to the insured property therein or away from the premises by vandalism or malicious mischief which occurs during a burglary or robbery, provided that with respect to damage to the building an insured is the owner thereof or is liable for repairing such damage.

With respect to loss occurring at any part of the premises not occupied exclusively by the named insured's household, this Insuring Agreement applies only to property owned or used by an insured.

III. *Application of insurance while the premises are rented to another.* Such insurance as is afforded for loss at or damage to the premises applies while the premises are rented by an insured owner or tenant to another for use as a private residence only, subject to the following provisions:

1. The insurance applies only with respect to property owned by an insured.

2. The insurance does not apply (a) to money, securities, jewelry, watches, necklaces, bracelets, gems, precious and semiprecious stones, and articles of gold or platinum, furs, fine arts, antiques, coin or stamp collections, or (b) to loss caused by a tenant of such premises or any of his employees or members of his household.

IV. *Application of insurance while the premises are occupied by three or more persons not related to the named insured.* Such insurance as is afforded for loss at or damage to the premises applies while the premises are occupied by three or more persons not related

to the named insured owner or tenant, subject to the following provisions:

1. The insurance applies only with respect to property owned by the named insured.

2. The insurance does not apply (a) to money, securities; gems, precious and semiprecious stones, gold or platinum (other than jewelry); antiques, coin or stamp collections; or (b) to loss caused by a tenant of such premises or any of his employees or members of his household.

3. Under this insuring agreement, the actual cash value of any one article of jewelry (including watches) shall be deemed not to exceed \$50.

V. *Removal to other premises.* If the named insured moves to other premises which he intends to occupy permanently as his private residence, such insurance as it afforded for loss at or damage to the premises designated in the Application applies subject to the following provisions:

1. During the moving, for a period not to exceed thirty (30) days, the insurance applies at the premises and at the other premises and to the insured property while in transit.

2. Upon completion of the moving the insurance applies at the other premises and no longer applies at the original premises: *Provided*, That all coverage under this policy shall cease at the end of the thirty (30) day period, and the policy shall be deemed canceled by the Insurer as of such date.

VI. *Policy period, territory.* This policy applies only to loss which occurs during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States and the Trust Territory of the Pacific Islands as defined in 12 U.S.C. 1749bbb-2 and set forth in 44 CFR 55.1.

EXCLUSIONS

This Policy does not apply:

(a) To loss committed by an insured;

(b) To loss of (1) any aircraft, motor vehicle (other than motorized equipment designed for service purposes and not licensed for highway use), trailer, boat or the equipment thereof, (2) articles carried or held as samples or for sale or for delivery after sale, or (3) animals, fish or birds;

(c) To loss sustained by a person not related to an insured who pays board or rent to an insured;

(d) To loss of property pertaining to a business, trade, profession or occupation of an insured;

(e) To loss if the premises are not protected in accordance with the regulations of the Federal Insurance Administration, as published at the time of the inception of the then current term of the Policy in Crime Insurance Program 44 CFR part 80 et seq.

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- (f) To any burglary loss from a motor vehicle.
- (g) To loss while the property is vacant.

### Conditions

#### 1. Definitions—

(a) *Named insured.* “Named Insured” means the insured named in the Application. “Insured” means the named insured and any person while a permanent member of the insured’s household, including a residence employee, but not including a tenant who is not related to the named insured, the named insured’s spouse, or any other permanent member of the named insured’s household, and who pays board or rent to the named insured.

(b) *Premises.* “Premises” of paragraph 1 means the premises designated in the application and includes garages and other out-buildings incidental thereto.

(c) *Burglary.* “Burglary” or “burglary and larceny incident thereto” mean the felonious abstraction of insured property from within the premises by a person making felonious entry.

(d) *Robbery.* “Robbery” or “robbery, including observed theft,” means the taking of insured property (1) by violence inflicted on an insured; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by an insured; or (4) from the person or direct care and custody of an insured who has been killed or rendered unconscious.

(e) *Money.* “Money” means currency, coins, bank notes, and bullion.

(f) *Securities.* “Securities” mean all negotiable and nonnegotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets, but does not include money.

(g) *Business.* “Business” includes trade, profession, or occupation.

(h) *Loss.* “Loss” includes damage.

(i) *Residence employee.* “Residence employee” means an employee of an insured who performs duties in connection with the maintenance or use of the residence premises, including household or domestic service.

2. *Interests covered.* The insurance does not apply to the interest in insured property of any person or organization, unless included in the named insured’s proof of loss.

3. *Limits of liability; settlement options.* The Insurer shall not be liable on account of any loss unless the amount of such loss shall exceed the amount of the deductible described in the Application which is made a part of this Policy and the Insurer shall then be liable only for such excess over and above the deductible, subject to and within the limit of

insurance covered by the Policy. The limit of the Insurer’s liability for loss or damage in any one occurrence shall not exceed the applicable limit of insurance stated in the Application, nor what it would cost at the time of loss to repair or replace the property with other of like kind and quality, nor the actual cash value thereof at the time of loss: Provided, however, that the limit of the insurer’s liability for loss of money is \$200 and for loss of securities is \$500, and for loss of jewelry, including without limitation, watches, necklaces, bracelets, rings, gems, precious and semi-precious stones, and articles of gold, silver or platinum, including flatware and holloware, furs, fine arts, antiques, coin or stamp collections is \$500 for any one article and \$1500 in the aggregate per occurrence.

If there is a loss of an article which is part of a pair or set, the measure of loss shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article, but such loss shall not be construed to mean total loss of the pair or set.

The applicable limit of insurance stated in the application is the total limit of the Insurer’s liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence.

All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

The Insurer may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the named insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. Any property recovered after settlement of a loss shall be applied first to the expense of the parties in making such recovery, with any balance applied as if the recovery had been made prior to said settlement, and loss readjusted accordingly. The insured or the Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other.

4. *Insured’s duties when loss occurs.* Upon knowledge of loss or of an occurrence which may give rise to a claim for loss, the insured shall (a) give notice thereof as soon as practicable to law enforcement authorities and to the Insurer through its authorized agent and (b) file detailed proof of loss, duly sworn to, with the Insurer through its authorized agent within sixty (60) days after the discovery of loss unless such time is extended by the Federal Insurance Administrator in writing. The administrator may, in his/her discretion, waive the requirement that the proof of loss be sworn to. Upon the insurer’s request, the insured and every claimant hereunder shall submit to examination by

the insurer, subscribe the same under penalty of 18 U.S.C. 1001 pertaining to fraud and false representation, and produce all pertinent records, all at such reasonable times and places as shall be designated, and shall cooperate in all matters pertaining to loss or claims with respect thereto. The insured shall as a condition of continued coverage take reasonable action immediately following the discovery of a loss to protect the premises from further loss.

5. *Other insurance.* If there is any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance; provided, that the insurance shall not apply: (a) To property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by an insured.

6. *No benefit to bailee.* The insurance afforded by this Policy shall not inure directly or indirectly to the benefit of any carrier or bailee.

7. *Appraisal.* If the named insured and the Insurer fail to agree as to the amount of loss each shall, on the written demand of either made within sixty (60) days after receipt of proof of loss by the Insurer, appoint a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place within thirty (30) days after the two appraisers are appointed. If the appraisers fail to agree, they shall jointly select a competent and disinterested third appraiser and submit the question to him within fifteen (15) days thereafter. The first two appraisers shall state separately the actual cash value at time of loss and the amount of the loss. Subsequent agreement in writing by any two of the three appraisers within thirty (30) days after the third appraiser was selected shall be considered by the Insurer in determining the amount of the loss but shall not be considered binding upon him and shall not be admissible as such in court. The named insured and the Insurer shall each pay its chosen appraiser and shall bear equally the expenses of the third appraiser and the other expenses of appraisal.

The Insurer shall not be held to have waived any of its rights such as, without limitation, the right to deny liability under the Policy by any act relating to appraisal.

8. *Action against insurer.* No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until ninety (90) days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within 2 years from the date when the insured first has knowledge of the loss and within 1 year after the date upon which the claimant received written notice of disallowance or par-

tial disallowance of the claim. Any such action shall be brought in a U.S. district court, as required by 12 U.S.C. 1749bbb-11.

9. *Subrogation.* In the event of any payment under this Policy, the Insurer shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

10. *Changes.* Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Insurer from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy, as approved by the Federal Insurance Administrator.

11. *Cancellation.* This Policy may be canceled by the named insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. The grounds for cancellation of coverage by the Insurer shall be limited to those set forth in subchapter B, parts 80 *et seq.*, chapter I, title 44 of the Code of Federal Regulations. Except as otherwise provided by such regulations and by Insuring Agreement V(2), notice of cancellation by the Insurer shall be mailed to the named insured at the address shown in this Policy, stating when not less than thirty (30) days thereafter such cancellation shall be effective. The premium due notice for installment or renewal premiums is issued to notify the insured that the policy will be cancelled or will expire, as appropriate, unless the insured pays the premium in sufficient time for it to be received by the insurer, or postmarked by the United States Postal Service, on or before the due date. The mailing of any premium due notice, cancellation notice, or any other notice required by the policy, to the mailing address shown on the application or policy shall be conclusive evidence of notice to the insured. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the named insured or by the Insurer shall be equivalent to mailing.

In the event of cancellation, earned premium shall be computed in accordance with the customary short rate table and procedure, unless otherwise specifically provided in said regulations issued by the Insurer. Premium adjustment may be made either at the time cancellation is effected or as soon

as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

12. *Assignment.* Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the named insured shall die, this Policy shall cover the named insured's spouse, if a resident of the same household at the time of such death, and legal representative as named insured: *Provided*, That notice of cancellation addressed to the insured named in the Application and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy. If the legal representative of the named insured is not a person who was a permanent member of the named insured's household at the time of the death of the named insured, this Policy shall apply as it applied prior to such death but shall not apply to loss of property owned or used by such legal representative, a member of his household or a residence employee thereof, unless such loss occurs at a part of the premises occupied exclusively by said named insured's household.

13. *Declarations.* By signing the Application or by acceptance of this Policy the named insured certifies and agrees, under penalty of Federal law dealing with fraud and false representation (18 U.S.C. 1001), that the statements in the Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations, that he is aware of the applicability of the Regulations issued by the Insurer, and that this Policy and said regulations embody all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

In witness whereof, the Federal Insurance Administration has accepted the declarations of the Insured set forth in the Application and has caused this Policy to be issued.

\_\_\_\_\_  
Federal Insurance Administrator.

(b) Such endorsements to the owner's or tenant's Residential Crime Insurance Policy forms as the insurer may approve.

[36 FR 24774, Dec. 22, 1971. Redesignated at 44 FR 31177, May 31, 1979, as amended at 45 FR 41951, 41952, June 23, 1980; 48 FR 19371, Apr. 29, 1983; 49 FR 43472, Oct. 29, 1984; 52 FR 30686, Aug. 17, 1987; 54 FR 31681, Aug. 1, 1989]

### Subpart B—Commercial Crime Insurance Coverage

#### § 83.21 Description of commercial coverage.

(a) The purpose of this § 83.21 is descriptive only, and it shall be subject

to the express terms and conditions of the policy form prescribed in § 83.26.

(b) The initial policy issued by the insurer for commercial properties shall be known as the Commercial Crime Insurance Policy. Subject to its terms, the policy reimburses an insured for loss from robbery inside the premises, robbery outside the premises (up to a limit of \$5,000 unless an armed guard accompanies the insured's messenger), the wrongful taking of insured property by compelling an insured to admit a person into the premises, safe burglary and larceny incident thereto (up to a limit of \$5,000 unless the insured property is in a Class E safe anchored to the floor), theft observed by the insured, burglary and larceny incident thereto, robbery of a watchman (not to exceed \$50 for any one article of jewelry), and damage to the premises (of which the insured is owner or for which the insured is liable) as a result of any of the foregoing. The policy is subject to the exclusions set forth therein.

(c) The commercial crime insurance policy may be written for any industrial, commercial, nonprofit, or public property in accordance with the risk classifications set forth in § 83.24 and within the limits of coverage set forth in § 83.22, subject to the applicable requirements of this subchapter, such as the requirement for adequate protective devices set forth in subpart C of part 82 of this chapter.

(d) Certain portions of the materials contained in the sections that follow are based upon the Burglary Insurance Manual issued by the Insurance Services Office, 160 Water Street, New York, NY 10038, and are being reproduced in these regulations and in the related commercial crime insurance manual with the permission of the copyright owner.

[36 FR 24774, Dec. 22, 1971. Redesignated at 44 FR 31177, May 31, 1979, as amended at 52 FR 30686, Aug. 17, 1987]

#### § 83.22 Limits of coverage and number of applications required.

The Commercial Crime Insurance Policy may be written in amounts not less than \$1,000 and not in excess of \$15,000 for each insured premises. The maximum limit may not be increased

(a) by insuring several departments of

a single business or institution at one insurable premises as separate premises, or (b) by establishing separate businesses for different portions of business operations having a common majority ownership which are located at one insurable premises. Each \$1,000 of insurance or fraction thereof shall be charged the applicable rate for the full \$1,000 of insurance coverage. Insurable premises is defined as one premises or portion thereof utilized for the purpose of conducting the business of the insured. Two or more buildings which are adjoining and have a common connecting door or passageway are considered one building and should be included in one application. Multiple rooms or floors within one building are considered one premises and should be specifically enumerated on one application. Physically separate buildings or portions thereof must be covered on separate applications using the appropriate IRS number, with a different suffix on each application, in order to identify multiple premises of one business. The commercial policy form must be used by a business for residential properties owned or leased by said business, incorporated or otherwise and for model homes. Such risks must meet commercial protective device requirements. If an insured shares a premises with one or more other businesses but there is no physical barrier meeting protective device requirements to separate the business, the insured is entitled to coverage with limitations as described in §§82.5(i) and 83.22.

[47 FR 19350, May 5, 1982]

**§83.23 Amount of commercial policy deductible.**

(a) The Commercial Crime Insurance Policy for industrial and commercial risks shall be subject to a deductible in the following amounts for each loss occurrence or 5 percent of the gross amount of the loss, whichever is greater, in accordance with the following categories of annual gross receipts (or operating budget, if applicable):

Less than \$299,999 .....	\$250
\$300,000 to \$499,999 .....	350
\$500,000 and above .....	500

(b) The Commercial Crime Insurance Policy for non-profit or public property risks shall be subject to a deductible in the amount of \$250 for each loss occurrence or 5 percent of the amount of loss, whichever is greater.

(c) Higher deductibles, percentage participation clauses and other underwriting devices may be employed by the insurer to meet special problems of insurability.

[47 FR 19351, May 5, 1982, as amended at 49 FR 43472, Oct. 29, 1984]

**§83.24 Classification of commercial risks.**

(a) The governing factor in determining the risk classification applicable to a particular premises is the kind of business conducted by the insured at that location. If there are several types of merchandise applicable to the risk, the highest classification of merchandise inventoried and held for sale governs. For example, a business with the following types of merchandise inventoried, 60% handbags and wigs, and 40% fine jewelry, shall be classified as Class 5 Fine Jewelry.

Any change in classification must be reported to the insurer through the servicing company.

(b) Individual concessionaires operating within a premises are classified according to the business or merchandise of the concessionaire.

(c) Warehouses and/or other storage areas shall take the classification of the merchandise or inventory comprising the majority value of the contents.

(d) Following are minimum alarm requirements for various classifications of businesses:

Code	Business description	Class		Alarm type
		Burglary	Robbery	
A1	NOC .....	3	4	D
02	Amusement enterprises.	2	3	D
B1	Antique stores .....	3	4	C
C1	Art galleries .....	3	4	D
33	Art supplies .....	5	5	C
D1	Auto parts—no service	2	2	C
03	Auto parts—sales/service.	2	2	D
47	Beach concessions .....	3	4	D
32	Beauty/barber shops ...	2	2	D
41	Beauty & health supplies.	3	4	C
C6	Beer/wine with food (retail).	5	5	C

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Code	Business description	Class		Alarm type	Code	Business description	Class		Alarm type
		Bur-glary	Rob-bery				Bur-glary	Rob-bery	
F1	Beer/wine (wholesale)	6	6	B	54	Medical supplies .....	2	2	D
04	Billiard/pool parlors .....	3	4	D	Q1	Motorbikes/bicycles .....	3	4	C
70	Boutiques .....	6	6	B	56	Music stores/instru- ments.	3	4	C
05	Bowling lanes/skating rinks.	2	3	E	35	Nursing/convalescent homes.	2	3	D
34	Building contractors/ materials.	2	3	D	C3	Office supplies/equip- ment.	2	3	D
06	Cameras/photo/film processing.	5	5	B	58	Parking/rental cars/car wash/taxi office.	2	2	D
43	Candy/nuts stores .....	3	4	C	23	Pawn brokers .....	4	2	B
G1	Check cashing/money exchange/collectors.	4	6	D	76	Pet stores/kennels .....	3	4	C
J1	Churches/charities/pub- lic properties.	1	1	E	R1	Photographers studios	2	3	D
36	Clothing childrens 12 & under.	5	2	B	S1	Precious metals/elec- troplating (storage).	6	6	C
11	Clothing mfg./tailoring	3	6	B	C8	Precious metals/elec- troplating (retail, wholesale, mfg.).	4	2	B
22	Clothing men's .....	6	5	B	74	Professional services ..	2	2	D
30	Clothing women's .....	6	6	B	24	Radio/TV/electronic equip.	6	5	B
07	Clubs (serving alcohol)	3	4	D	C4	Radio/TV/elec eq. (service only).	2	3	D
K1	Coin/stamp shop .....	3	4	D	62	Realty/insurance/travel/ employment agency.	2	3	D
08	Discos/dance halls/pa- vilions.	2	3	D	T1	Record shop .....	5	4	B
50	Distributors—variety/ Nonalcoholic.	2	4	D	25	Restaurant/caterer .....	3	4	D
C5	Donut/pastry/coffee shop (seated).	3	4	D	26	Savings & loans/banks	4	3	B
09	Drug stores .....	5	4	B	66	Schools/day care .....	2	3	D
L1	Drugs (wholesale) .....	5	6	B	64	Security/locksmithe/ alarms.	2	4	D
10	Dry cleaners .....	5	5	D	68	Shoe stores .....	6	5	B
38	Dry Goods—textile/ sewing.	3	4	C	H1	Specialized clothing- sportswear/lingerie.	4	2	D
11	Electrical appliances/ parts.	5	5	B	U1	Sports goods/general ..	5	2	C
E1	Fast food/bakery/donut (carryout).	4	3	D	60	Stationery/books/print- ing/paper.	3	4	D
39	Fine arts .....	2	3	D	27	Tavern/bar/lounge .....	4	4	D
78	Flea markets/auction houses.	2	3	D	V1	Taxi/limousines (rob- bery only).	2	3	E
40	Florists .....	2	4	D	28	Theatres .....	2	3	E
M1	Food stuffs (wholesale)	3	5	B	29	Tobacco dealers (re- tail).	5	5	C
N1	Fruit/newspaper stands	4	3	D	C9	Tobacco dealers (wholesale).	3	4	B
45	Funeral homes .....	2	3	D	72	Used clothing/shoe re- pair/thrift stores.	5	5	B
421	Furniture/home furnish- ings.	4	3	C	W1	Variety/department stores.	6	6	B
12	Furriers .....	5	5	C	X1	Vending machines .....	2	3	D
13	Garages/auto repair ....	3	3	D	Y1	Wig shops .....	5	2	C
14	Gasoline service sta- tion.	5	4	B					
44	Gift store/costume jew- elry.	6	4	B					
15	Golf & other prof. sports shops.	2	3	D					
16	Grocery stores/deli/ health food stores.	5	5	C					
17	Guns/ammunition .....	6	6	C					
46	Hardware/housewares	3	4	D					
C2	Health clubs/massage parlors.	2	3	D					
80	Hobby/toys/novelty .....	3	4	D					
48	Hotel/motel/apartments	2	3	D					
01	Industrial materials/ metal work.	2	3	D					
18	Jewelry .....	3	6	B					
19	Laundries .....	2	3	D					
52	Leather products .....	6	4	B					
20	Liquor stores .....	2	2	B					
P1	Liquor (wholesale) .....	4	2	C					
37	Marine/aircraft—sales/ service.	3	4	D					
21	Meat/poultry/fish deal- ers.	2	3	C					

[47 FR 19351, May 5, 1982, as amended at 50 FR 16496, Apr. 26, 1985; 52 FR 30686, Aug. 17, 1987; 55 FR 42191, Oct. 18, 1990]

**§83.24a Gross receipts.**

The annual gross receipts figure of a business is used as a significant factor in calculating the annual premium and for determining the deductible applica- ble to any loss. It is therefore material to the issuance of a policy and must be correctly stated. Misstatement of gross receipts at the time of application or any subsequent renewal will cause the

policy to be voided and any claim denied. Gross receipts must be verified at the time of adjustment of any loss. Renewal payment of a Commercial Crime Insurance Policy will not be accepted and the policy renewed unless the current gross receipts figure is submitted with the premium payment. Failure to submit the gross receipts figure may result in a lapse of coverage. The following guidelines are applicable in determining the correct annual gross receipts figure to be reported.

(a) The annual gross receipts figure should be taken from the most recent annual Federal Income Tax Return (or comparable tax return in Puerto Rico and Virgin Islands) filed prior to the date of the application or renewal date. The figure is applicable to the policy for a period of one year and the policy can be changed in term to reduce or increase the premium because of a reduction or increase in gross receipts provided there are no incurred claims.

(b) A new business that has not as yet filed an annual Federal Income Tax Return (or *ventas netas* in Puerto Rico) shall insert an estimated projection of gross sales. However, an applicant is not considered to be a “new business” if any of the owners or officers of the business have been owners or officers of any similar business previously operated at the same address. In such a case the annual gross receipts figure as listed in the most recently filed income tax return of the former business should be used, if available. If such figure is not available, an estimate by the insured’s accountant of the annual gross receipts reasonably anticipated during the first year of operation will be accepted.

(c) A non-profit or public entity that has no gross receipts (*ventas netas* in Puerto Rico) or whose annual operating budget exceeds the gross receipts shall report its operating budget rather than gross receipts.

(d) The gross receipts figure for a bank or other financial institution shall be the total income line of the tax return (*ventas netas* in Puerto Rico) as derived from dividends, interest, investment income, capital gains and other income. If several branches of one business are covered, the total

income shall be divided equally among the branches insured.

(e) The gross receipts figure (*ventas netas* for Puerto Rico) for a real estate, property management or similar type of business shall be the “Total Income” line of the tax return as derived from interest, rents, capital gains, other, etc.

(f)(1) A warehouse operated as a distribution center for store(s) under common ownership and management shall report the total gross receipts of the store(s) it supplies. If a warehouse supplies more than one store, it shall report the sum of the gross receipts figures for all the stores it supplies. If more than one warehouse supplies one store, the gross receipts figure applicable to the store shall be apportioned among the warehouses according to the percentage the value of merchandise supplied by each warehouse bears to the total value of merchandise supplied.

(2) A warehouse operated as a distribution center for store(s) *not* under common ownership and management shall report the total gross receipts of the warehouse only, if the business is taxed on gross receipts.

(3) A warehouse operated as a distribution center for store(s) *not* under common ownership and management shall report the “Total Income” line of the tax return as derived from interest, rents, capital gains, other, etc., if the business is not taxed on gross receipts.

(g) If an insured has multiple premises as defined in § 83.22, the gross receipts of the total business shall be divided among the various locations in accordance with the percentage of the total gross receipts generated by each location.

(h) If an insured premises is regularly utilized as a collection center for performing accounting or bookkeeping functions with respect to the receipts delivered from two or more other premises, resulting in the accumulation of the combined receipts from such other premises at one location, the gross receipts for such location shall be determined by using the sum of the gross receipts amounts of all the other premises from which receipts are received. Further, if such insured

premises is regularly utilized as a collection center at which there is accumulated money or property for distribution to one or more other insured premises, the gross receipts for such location shall be determined by using the sum of the gross receipt amounts of all the other insured premises to which distribution is made.

(i) Any questions regarding gross receipts or unique or unusual risk requiring special rating treatment shall be submitted to the servicing company listed in §80.6 of this chapter for rate quotation.

[47 FR 19355, May 5, 1982, as amended at 50 FR 16497, Apr. 26, 1985]

**§83.25 Commercial crime insurance rates.**

(a) Premium rates for Commercial Crime Insurance Policies for risks shall be determined by reference to the rate charts contained in paragraph (e) of this section. The annual gross receipts shall be determined in accordance with §83.24(a).

(b) *Option 1:* An applicant may apply for insurance coverage under Insuring Agreements I, II, III, IV, and VII of the Commercial Policy dealing with Safe Burglary, Theft from Night Depository,

and Burglary or Robbery of a Watchman, and Damage resulting from losses under Insuring Agreements I and VII only. Such coverage shall be referred to as Option 1.

(c) *Option 2:* An applicant may apply for insurance coverage under Insuring Agreements V, VI, VII, and VIII of the Commercial Policy dealing with Robbery and Observed Theft inside and outside the premises and Damage resulting from losses under Insuring Agreements V and VI only. Such coverage shall be referred to as Option 2.

(d) *Option 3:* An applicant may apply for insurance coverage under all of the Insuring Agreements I, II, III, IV, V, VI, and VII of the Commercial Crime Insurance Policy. This Option provides for uniform as well as varying limits of coverage under Option 1 and 2 but only in the same policy. Both Options 1 and 2 must be applied for at the same time. If one of the options has been selected the other option may be added upon a renewal or upon an endorsement of the original policy. A discount will be provided for Combined Coverage, Option 3.

(e) The following tables shall be used to determine rates for commercial risks:

FEDERAL CRIME INSURANCE PROGRAM, COMMERCIAL CRIME INSURANCE RATES, 1991

Amount of insurance	Gross receipts											
	Less than \$100,000		\$100,000–\$199,999		\$200,000–\$299,999		\$300,000–\$499,999		\$500,000–\$999,999		\$1,000,000 or greater	
	Option		Option		Option		Option		Option		Option	
	1	2	1	2	1	2	1	2	1	2	1	2
<b>Annual Premiums, Class 1</b>												
1,000	90	137	135	206	135	206	180	274	225	343	360	548
2,000	165	245	247	368	247	368	329	490	412	613	659	981
3,000	239	353	359	530	359	530	479	707	599	884	958	1414
4,000	309	452	463	678	463	678	617	904	772	1130	1235	1808
5,000	351	511	527	767	527	767	702	1022	878	1278	1404	2044
6,000	383	562	575	843	575	843	767	1123	959	1404	1534	2247
7,000	403	596	605	894	605	894	806	1192	1008	1490	1613	2384
8,000	421	633	632	949	632	949	842	1266	1053	1582	1685	2532
9,000	428	644	643	966	643	966	857	1288	1071	1610	1714	2576
10,000	441	669	661	1003	661	1003	882	1337	1102	1671	1764	2674
11,000	474	729	711	1093	711	1093	949	1458	1186	1822	1897	2915
12,000	500	778	749	1167	749	1167	999	1556	1249	1945	1998	3113
13,000	511	801	767	1202	767	1202	1022	1603	1278	2004	2045	3206
14,000	518	814	776	1221	776	1221	1035	1628	1294	2034	2070	3255
15,000	525	826	787	1239	787	1239	1049	1652	1312	2065	2099	3304
<b>Annual Premiums, Class 2</b>												
1,000	108	164	162	247	162	247	216	329	270	411	432	658
2,000	198	294	296	441	296	441	395	589	494	736	791	1177
3,000	287	424	431	636	431	636	575	848	718	1060	1149	1697

FEDERAL CRIME INSURANCE PROGRAM, COMMERCIAL CRIME INSURANCE RATES, 1991—Continued

Amount of insurance	Gross receipts											
	Less than \$100,000		\$100,000–\$199,999		\$200,000–\$299,999		\$300,000–\$499,999		\$500,000–\$999,999		\$1,000,000 or greater	
	Option		Option		Option		Option		Option		Option	
	1	2	1	2	1	2	1	2	1	2	1	2
4,000	370	543	556	814	556	814	741	1085	926	1356	1482	2170
5,000	421	613	632	920	632	920	842	1226	1053	1533	1685	2453
6,000	460	674	690	1011	690	1011	920	1348	1150	1685	1840	2696
7,000	484	715	726	1073	726	1073	968	1430	1210	1788	1935	2861
8,000	505	760	758	1139	758	1139	1011	1519	1264	1899	2022	3038
9,000	514	773	771	1159	771	1159	1028	1545	1285	1932	2056	3091
10,000	529	802	794	1203	794	1203	1058	1605	1323	2006	2117	3209
11,000	569	875	854	1312	854	1312	1138	1749	1423	2187	2277	3498
12,000	599	934	899	1401	899	1401	1199	1868	1499	2334	2398	3735
13,000	613	962	920	1443	920	1443	1227	1923	1534	2404	2454	3847
14,000	621	977	932	1465	932	1465	1242	1953	1553	2441	2484	3906
15,000	630	991	944	1487	944	1487	1259	1983	1574	2478	2519	3965

Annual Premiums, Class 3

1,000	121	171	182	257	182	257	243	343	304	428	486	685
2,000	222	307	334	460	334	460	445	613	556	766	889	1226
3,000	323	442	485	663	485	663	646	884	808	1105	1293	1767
4,000	417	565	625	848	625	848	833	1130	1042	1413	1667	2261
5,000	474	639	711	958	711	958	948	1278	1185	1597	1895	2555
6,000	518	702	776	1053	776	1053	1035	1404	1294	1755	2070	2809
7,000	544	745	816	1117	816	1117	1089	1490	1361	1862	2177	2980
8,000	569	791	853	1187	853	1187	1137	1582	1422	1978	2274	3165
9,000	578	805	868	1207	868	1207	1157	1610	1446	2012	2313	3220
10,000	595	836	893	1254	893	1254	1191	1671	1488	2089	2381	3343
11,000	640	911	960	1367	960	1367	1281	1822	1601	2278	2561	3644
12,000	674	973	1011	1459	1011	1459	1349	1945	1686	2432	2697	3891
13,000	690	1002	1035	1503	1035	1503	1380	2004	1725	2505	2760	4007
14,000	699	1017	1048	1526	1048	1526	1397	2034	1747	2543	2794	4069
15,000	708	1033	1063	1549	1063	1549	1417	2065	1771	2582	2833	4131

Annual Premiums, Class 4

1,000	131	178	196	267	196	267	261	356	326	445	522	712
2,000	239	319	358	478	358	478	478	638	597	797	955	1275
3,000	347	459	521	689	521	689	694	919	868	1149	1389	1838
4,000	448	588	671	882	671	882	895	1175	1119	1469	1790	2351
5,000	509	664	763	996	763	996	1018	1329	1272	1661	2036	2657
6,000	556	730	834	1095	834	1095	1112	1460	1390	1826	2224	2921
7,000	585	775	877	1162	877	1162	1169	1549	1462	1937	2339	3099
8,000	611	823	916	1234	916	1234	1221	1646	1527	2057	2443	3291
9,000	621	837	932	1256	932	1256	1242	1674	1553	2093	2485	3348
10,000	639	869	959	1304	959	1304	1279	1738	1599	2173	2558	3477
11,000	688	947	1032	1421	1032	1421	1375	1895	1719	2369	2751	3790
12,000	724	1012	1086	1517	1086	1517	1449	2023	1811	2529	2897	4046
13,000	741	1042	1112	1563	1112	1563	1482	2084	1853	2605	2965	4168
14,000	750	1058	1126	1587	1126	1587	1501	2116	1876	2645	3002	4232
15,000	761	1074	1141	1611	1141	1611	1522	2148	1902	2685	3043	4296

Annual Premiums, Class 5

1,000	135	185	203	277	203	277	270	370	338	462	540	740
2,000	247	331	371	497	371	497	494	662	618	828	988	1324
3,000	359	477	539	716	539	716	718	954	898	1193	1436	1909
4,000	463	610	695	916	695	916	926	1221	1158	1526	1852	2441
5,000	527	690	790	1035	790	1035	1053	1380	1316	1725	2106	2759
6,000	575	758	863	1137	863	1137	1150	1517	1438	1896	2300	3033
7,000	605	805	907	1207	907	1207	1210	1609	1512	2011	2419	3218
8,000	632	854	948	1282	948	1282	1264	1709	1580	2136	2527	3418
9,000	643	869	964	1304	964	1304	1285	1739	1607	2173	2570	3477
10,000	662	903	992	1354	992	1354	1323	1805	1654	2256	2646	3610
11,000	711	984	1067	1476	1067	1476	1423	1968	1779	2460	2846	3936
12,000	749	1051	1124	1576	1124	1576	1499	2101	1873	2626	2997	4202
13,000	767	1082	1150	1623	1150	1623	1534	2164	1917	2705	3067	4328

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FEDERAL CRIME INSURANCE PROGRAM, COMMERCIAL CRIME INSURANCE RATES, 1991—Continued

Amount of insurance	Gross receipts											
	Less than \$100,000		\$100,000–\$199,999		\$200,000–\$299,999		\$300,000–\$499,999		\$500,000–\$999,999		\$1,000,000 or greater	
	Option		Option		Option		Option		Option		Option	
	1	2	1	2	1	2	1	2	1	2	1	2
14,000	776	1099	1164	1648	1164	1648	1553	2197	1941	2747	3105	4394
15,000	787	1115	1181	1673	1181	1673	1574	2230	1968	2788	3148	4461

Annual Premiums, Class 6

1,000	177	190	266	285	266	285	354	379	443	474	709	759
2,000	324	340	486	509	486	509	649	679	811	849	1297	1359
3,000	471	490	707	734	707	734	943	979	1178	1224	1886	1958
4,000	608	626	912	939	912	939	1216	1252	1520	1565	2431	2505
5,000	691	708	1037	1062	1037	1062	1382	1415	1728	1769	2764	2831
6,000	755	778	1132	1167	1132	1167	1510	1556	1887	1945	3020	3112
7,000	794	825	1191	1238	1191	1238	1588	1651	1985	2063	3176	3302
8,000	829	877	1244	1315	1244	1315	1659	1753	2073	2192	3317	3506
9,000	844	892	1265	1338	1265	1338	1687	1784	2109	2230	3374	3567
10,000	868	926	1302	1389	1302	1389	1737	1852	2171	2315	3473	3704
11,000	934	1009	1401	1514	1401	1514	1868	2019	2335	2524	3736	4038
12,000	984	1078	1475	1617	1475	1617	1967	2156	2459	2694	3934	4311
13,000	1007	1110	1510	1665	1510	1665	2013	2220	2516	2775	4026	4440
14,000	1019	1127	1528	1691	1528	1691	2038	2254	2547	2818	4076	4508
15,000	1033	1144	1550	1716	1550	1716	2066	2288	2583	2860	4133	4577

Option 1: Burglary only.  
 Option 2: Robbery only.  
 Option 3: A combination of coverages under options 1 and 2 in uniform or varying amounts. The premium for option 3 is the sum of the rates for amounts of coverage selected under options 1 and 2.  
 Discounts on these rates are afforded for businesses with alarm systems/safes. A discount of 10% is given for policies with option 3.

(f) If the premises are protected by an acceptable burglar alarm system, class E safe, supervised safe alarm system, holdup alarm or armored car service, premium discounts shall be permitted as follows:

I. BURGLARY CREDITS

PREMISES ALARM SYSTEM

Code	Safe Alarmed	Class E or better	Safe Not Alarmed	
		Other/safe	Class E or better	Other/none
E None .....	.80	.95	.85	1.00
D Local or Silent* .....	.70	.75	.75	.90
C Central Station w/Guard .....	.65	.75	.70	.80
B Central Station w/Guard/Keys .....	.60	.70	.65	.75
A Central Station (UL) Approved .....	.55	.65	.60	.70

\*Professionally installed with maintenance.

NOTE: Multiply the burglary premium by the appropriate factor.

NOTE: Multiply the robbery premium by the appropriate factor.

II. ROBBERY CREDITS

Package Discount

PROTECTION SERVICE

Apply a factor of .90 to the total premium if both burglary and robbery are purchased.

Hold up buttons	Armored car	None
Yes .....	0.85	0.90
No .....	.95	1.00

[50 FR 16497, Apr. 26, 1985, as amended at 53 FR 11276, Apr. 6, 1988; 54 FR 31682, Aug. 1, 1989; 55 FR 42191, 42193, Oct. 18, 1990; 57 FR 26776, June 16, 1992]

**§ 83.25a Application and date of commencement of coverage.**

(a) Application for commercial Federal crime insurance shall be made only on forms approved by the Administrator. When a property is found by preinspection to comply with the applicable protective device requirements, coverage on property under a policy covering burglary losses will commence at 12:00 noon following the date of a U.S. Post Office affixed postmark, or proof of Certified or Registered mailing. In the absence of such postmark or other proof sufficient to substantiate the date of mailing, coverage will be effective at 12:00 noon following receipt by the servicing company, unless a later date is specified in the application.

(b) Coverage under a policy covering robbery only will commence as described in paragraph (a) of this section, except that protective device preinspection is not applicable. When both robbery and burglary coverages are applied for on an application, an advance request may be submitted with the application to issue a policy for Option 2 Robbery Only insurance coverage if the premises fails to meet the protective device requirements which must be complied with as a prerequisite to obtaining burglary coverage. In such an event the Option 2 policy covering only robbery losses will commence as described above.

[45 FR 41956, June 23, 1980]

**§ 83.26 Required commercial policy form.**

The following shall constitute the policy form for the commercial crime insurance policy, and no other policy form shall be used unless otherwise provided by this § 83.26.

(a) [Reserved]

(b) Commercial Crime Insurance Policy form:

FEDERAL INSURANCE ADMINISTRATION  
COMMERCIAL CRIME INSURANCE POLICY

The Federal Insurance Administrator, herein called the Insurer, agrees with the insured, named in the Application made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the Application, and subject to (1) the provisions of title VI of Public Law 91-

609 and subchapter B, parts 80 *et seq.*, chapter I, title 44 of the Code of Federal Regulations, and (2) the limits of insurance, exclusions, conditions, deductibles, and other terms of this Policy with respect to the following criminal acts:

Insuring Agreements

OPTION 1 (BURGLARY ONLY INCLUDING SAFE BURGLARY)

Option 1 includes insurance coverage only under the individually numbered insuring Agreements I, II, III, and IV listed below.

*I. Burglary: Robbery of a Watchman*

To pay for loss by burglary or by robbery of a watchman, while the named premises are not open for business, of merchandise, furniture, fixtures and equipment within the named premises provided that this Insuring Agreement does not extend to the loss of money or securities or to cash value in excess of \$50 for any item of jewelry unless such property is forcibly extracted from a locked safe as provided under Insuring Agreement II entitled "Safe Burglary" which follows:

*II. Safe Burglary*

To pay for loss by safe burglary of money, securities and merchandise within the named premises while the premises are not open for business, but no payment shall be made for loss not forcibly extracted from a locked safe, nor by a loss in excess of \$5,000 except with respect to loss by safe burglary of a safe rated for burglary resistance as Class E or better weighing at least seven hundred and fifty pounds or securely anchored to the floor.

*III. Damage*

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises by burglary, robbery of a watchman, safe burglary or attempt thereof provided the insured is the owner thereof or is liable for such damage.

*IV. Policy Period, Territory*

To pay for losses under Insuring Agreements I, II, and III only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States, including the Trust Territory of the Pacific Islands, as defined in 12 U.S.C. 1749bbb-10a *et seq.* and set forth in 44 CFR part 80 *et seq.*

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### OPTION 2 (ROBBERY ONLY)

Option 2 includes insurance coverage only under the individually numbered Insuring Agreement V, VI, VII and VIII listed below.

#### *V. Robbery, Including Observed Theft Inside the Premises*

To pay for loss by robbery or observed theft of money, securities, merchandise, furniture, fixtures, and equipment within the named premises.

#### *VI. Robbery, Including Observed Theft, Outside of the Premises*

To pay for loss by robbery or observed theft of money, securities and merchandise, including the wallet or bag containing such property while such property is in conveyance by the insured or his messenger outside the named premises, but no payment shall be made for any loss in excess of \$5,000 except when the insured or his messenger is accompanied by a guard armed with a firearm. The person carrying the insured property and the armed guard cannot be the same person.

This Insuring Agreement includes theft from a night depository but only if a deposit of money has been made at a night depository of a banking institution by a bonded armored car messenger service.

#### *VII. Damage*

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises, by robbery, or attempt thereat, provided the insured is the owner thereof or is liable for such damage.

#### *VIII. Policy Period, Territory*

To pay for losses under Insuring Agreements V, VI, VII only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States including the Trust Territory of the Pacific Islands, as defined in 12 U.S.C. 1749bbb-10a *et seq.* and set forth in 44 CFR part 80 *et seq.*

### OPTION 3 (ROBBERY AND BURGLARY IN UNIFORM AND VARYING AMOUNTS)

Option 3 shall provide for uniform and varying limits of coverage under Option 1 and 2 but only in the same policy. Both Option 1 and 2 must be applied for at the same time.

If one of the options has been selected, the other option may be added upon a renewal or upon an endorsement of the original policy. A discount will be provided for Combined Coverage, Option 3.

Option 1 includes insurance coverage under all of the individually numbered Insuring Agreements listed under the headings Option

2 and Option 3, thus constituting a combination of equal amounts of robbery and burglary insurance coverage.

Option 2 includes insurance coverage only under the individually numbered Insuring Agreements I, II, III and IV listed below:

#### *I. Robbery, including observed theft inside the premises*

To pay for loss by robbery or observed theft of money, securities, merchandise, furniture, fixtures, and equipment within the named Premises.

#### *II. Robbery, including observed theft outside of the premises*

To pay for loss by robbery or observed theft of money, securities and merchandise, including the wallet or bag containing such property while such property is in conveyance by the insured or his messenger outside the named premises, but no payment shall be made for any loss in excess of \$5,000 except when the insured or his messenger is accompanied by a guard armed with a firearm. The person carrying the insured property and the armed guard cannot be the same person.

This Insuring Agreement includes theft from a night depository but only if a deposit of money has been made at a night depository of a banking institution by a bonded armored car messenger service.

#### *III. Damage*

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises, by robbery or attempt thereat, provided the insured is the owner thereof or is liable for such damage.

#### *IV. Policy period, territory*

To pay for losses under Insuring Agreements I, II and III only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States including the Trust Territory of the Pacific Islands as defined in 12 U.S.C. 1749bbb-2 and set forth in 44 CFR 55.1.

Option 3 includes insurance coverage only under the individually numbered Insuring Agreements V, VI, VII and VIII listed below.

#### *V. Burglary, robbery of a watchman*

To pay for loss by burglary or by robbery of a watchman, while the named premises are not open for business, of merchandise, furniture, fixtures and equipment within the named premises provided that this Insuring Agreement does not extend to the loss of money or securities or to cash value in excess of \$50 for any item of jewelry unless such property is forcibly extracted from a

locked safe as provided under Insuring Agreement VI entitled “Safe Burglary” which follows.

#### VI. Safe burglary

To pay for loss by safe burglary of money, securities and merchandise within the named premises while the premises are not open for business, but no payment shall be made for a loss in excess of \$5000 except with respect to loss by safe burglary of a safe rated for burglary resistance as Class E or better weighing at least seven hundred and fifty pounds or securely anchored to the floor.

#### VII. Damage

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises by burglary, robbery of a watchman, safe burglary or attempt thereat provided the insured is the owner thereof or is liable for such damage.

#### VIII. Policy period, territory

To pay for losses under Insuring Agreements V, VI, and VII only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States, including the Trust Territory of the Pacific Islands as defined in 12 U.S.C. 1749bbb-2 and set forth in 44 CFR 55.1.

Option 4 shall include insurance coverage under all of the individually numbered Insuring Agreements listed under the headings Option 2 and 3 but constituting a combination of unequal amounts of robbery and burglary insurance coverages.

#### Exclusions

This Policy does not apply:

(a) To loss due to embezzlement or to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, employee, director, trustee or authorized representative thereof while working or otherwise and whether acting alone or in collusion with others; provided that this exclusion does not apply to robbery or safe burglary by other than an insured, an officer or a partner thereof.

(b) To loss due to war, whether or not declared, civil war, insurrection, rebellion, or revolution, or to any act or condition incident to any of the foregoing;

(c) To loss of manuscripts, records, or accounts;

(d) Under Insuring Agreement I and II to loss occurring during a fire in the premises.

(e) To loss due to nuclear reaction, nuclear radiation, or radioactive contamination, or to any act or condition incident to any of the foregoing;

(f) To any loss if the premises are not equipped with the protective devices required as a condition of eligibility for the purchase of this policy or if the insured has failed to take reasonable action to maintain the protective devices in working order in accordance with the regulations of the Federal Insurance Administration, as published at the time of the inception of the current term of the policy in subchapter B, part 80 et seq., chapter I, Title 44, Code of Federal Regulations.

(g) To loss of personal property of: (1) The insured, an officer or partner thereof, (2) a permanent member of the household of an insured, (3) an employee of an insured; provided that this exclusion does not apply if such personal property is used in furtherance of the conduct of the insured's business.

(h) To loss of any vehicle having four or more wheels designed to be operated on any highway and for which a motor vehicle registration is required for such use.

(i) To loss from burglary or safe burglary at any embassy or consulate of any government other than that of the United States.

(j) To loss from burglary or safe burglary at any named premises which is vacant for a period of more than 60 days.

(k) To loss of property of a business (other than the insured's business) that jointly occupies the named premises with the insured but whose business area is not separated from the insured's business area by a physical barrier. In such an instance the insured shall not be deemed liable to any persons for the property of the other business or businesses despite the location of such property in the same premises named by insured in his or its location.

(l) To loss from a night depository.

#### Conditions

1. *Definitions*—(a) *Money*. “Money” means currency, coins, bank notes, and bullion; and travelers checks, register checks, and money orders held for sale to the public.

(b) *Securities*. “Securities” means all negotiable and nonnegotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets, but does not include money.

(c) *Premises*. “Premises” means the interior of that portion of any building at a location designated in the Application which is occupied by the insured as stated therein, but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls, or stairways. As respects Insuring Agreements I and II only, the premises shall also include the space immediately surrounding such building, provided such space is occupied by the insured in conducting his business.

(d) *Custodian*. "Custodian" means the insured, a partner therein, an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property within the premises, excluding any person while acting as a watchman, porter, or janitor.

(e) *Messenger*. "Messenger" means the insured, a partner therein, an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property outside the premises. In addition "messenger" includes a bonded professional guard and an employee of a bonded armored car service.

(f) *In conveyance*. Money, securities or merchandise is in conveyance while being transported by the insured or his messenger. If the transportation is interrupted for any purpose which is not incidental to or in furtherance of the transportation of the money or property to its destination, the conveyance ceases. Any merchandise offered for sale by the insured or messenger at a location other than the premises named in the policy is not in conveyance. However, the sale of an item merchandise or the performance of a service, other than check cashing, related to the insured's business outside the premises which causes the insured or messenger to collect money from a customer is deemed incidental to and in furtherance of the transportation of money to its destination and the money thus collected and any other money is and remains in conveyance.

Conveyance is interrupted and coverage ceases when (1) the money, securities or merchandise is delivered into and possession relinquished at any premises other than the premises named in the policy, or (2) the money is deposited in a bank, or (3) when an insured or a messenger collecting money, securities or merchandise previously accumulated for his pickup, from more than one location remains with such property in any location for any time longer than reasonably necessary for him to take custody of such property, or (4) when an insured or a messenger transporting money, securities or merchandise willfully and knowingly undertakes any activity that increases the likelihood of his being exposed to robbery or reduces his ability to carry out his responsibility for the custody of the money or property.

(g) *Robbery*. "Robbery" or "robbery, including observed theft," means the taking of insured property (1) by violence inflicted upon a messenger or a custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by an officer, partner, or employee of the insured; (4) from the person or direct care and custody of a messenger or custodian who has

been killed or rendered unconscious; (5) from within the premises by compelling a messenger or custodian by violence or threat of violence while outside the premises to admit a person into the premises or to furnish him with means of ingress into the premises; or (6) from a showcase or show window within the premises while regularly open for business, by a person who has broken the glass thereof from outside the premises.

(h) *Robbery of a watchman*. "Robbery of a watchman" means a felonious taking of insured property by violence or threat of violence inflicted upon a private watchman employed exclusively by the insured and while such watchman is on duty within the premises.

(i) *Burglary*. "Burglary" or "burglary and larceny incident thereto" means the felonious abstraction of insured property from within the premises by a person making felonious entry therein by actual force and violence, evidenced by visible marks upon, or physical damage to, the exterior of the premises at the place of such entry.

(j) *Safe burglary*. "Safe burglary" or "safe burglary and larceny incident thereto" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the premises, by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, evidenced by visible marks upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom, or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the premises.

(k) *Jewelry*. "Jewelry" means jewelry, watches, gems, precious or semiprecious stones, and articles containing one or more gems.

(l) *Loss*. "Loss," except as used in Insuring Agreements I through V, includes damage.

(m) *Safe*. A safe is a non-portable money storage compartment not on wheels, which is reinforced with a minimum of ¼ inch solid steel plate throughout, with the exception of the door which must be at least one inch thick, solid steel plate and equipped with a combination lock which is an integral part of the door.

A Class E Safe means a steel safe having walls at least 1 inch thick and doors at least 1 and ½ inches thick, or a vault of steel at least ½ inch thick or of reinforced concrete or stone at least 9 inches thick or of non-reinforced concrete or stone at least 9 inches thick or of non-reinforced concrete or stone

at least 12 inches thick, with steel doors at least 1 and ½ inches thick.

(n) Merchandise includes customer's property held for repair or other such work.

2. *Ownership of property; interests covered.* The insured property may be owned by the insured or held by him in any capacity, whether or not the insured is liable for the loss thereof: *Provided*, That the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss.

3. *Joint insured.* If more than one insured is named in the Application, the insured first named shall act for every insured for all purposes of this Policy. Knowledge possessed or discovery made by any insured shall, for all purposes, constitute knowledge possessed or discovery made by every insured.

4. *Books and records.* The insured shall keep records of all the insured property in such manner that the Insurer can accurately determine therefrom the amount of loss, and if the insured maintains cash funds for the purpose of check cashing, a complete record of each check negotiated shall be kept by the insured showing the names of the maker, payee and drawee bank, and the date and amount of the check, and such records shall be maintained in a receptacle other than used for money and securities.

5. *Limits of liability; settlement options.* The Insurer shall not be liable on account of any loss unless the amount of such loss shall exceed the amount of the deductible described in the Application which is made a part of this Policy and the Insurer shall then be liable only for such excess over and above the deductible, subject to and within the limit of insurance covered by the Policy.

The limit of the insurer's liability for loss shall not exceed the applicable limit of insurance stated in the Application, nor what it would cost at the time of loss to repair or replace the property with other property of like kind and quality, nor as respects securities the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property to the actual cash value thereof at the time of loss: provided, however, that the actual cash value of such other property held or originally acquired by the insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The applicable limit of insurance stated in the Application is the total limit of the Insurer's liability with respect to all loss of

property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

The Insurer may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. Any property recovered after settlement of a loss shall be applied first to the expense of the parties in making such recovery, with any balance applied as if the recovery had been made prior to said settlement, and loss readjusted accordingly. The insured or the Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other.

(6) Upon knowledge of loss or of an occurrence which may give rise to a claim for loss, the insured shall (a) give notice thereof as soon as practicable to law enforcement authorities and to the Insurer through its authorized agent and (b) file detailed proof of loss duly sworn to, with the insurer through its authorized agent within sixty (60) days after the discovery of loss unless such time is extended by the Federal Insurance Administrator in writing. The Administrator may, in his or her discretion, waive the requirement that the proof of loss be sworn to. Upon the insurer's request, the insured and every claimant hereunder shall submit to examination by the insurer, subscribe the same under penalty of 18 U.S.C. 1001 pertaining to fraud and false representation, and produce all pertinent records, all at such reasonable times and places as shall be designated, and shall cooperate with the insurer in all matters pertaining to loss or claims with respect thereto. The insured shall as a condition of continued coverage take reasonable action immediately following the discovery of a loss to protect the premises from further loss."

7. *Other insurance.* If there is any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance; *Provided*, that the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the insured.

8. *Appraisal.* If the Insured and the Insurer fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Insurer, appoint a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place

within thirty (30) days after the two appraisers are appointed. If the appraisers fail to agree, they shall jointly select a competent and disinterested third appraiser and submit the question to him within fifteen (15) days thereafter. The first two appraisers shall state separately the actual cash value at time of loss and the amount of the loss. Subsequent agreement in writing by any two of the three appraisers within thirty (30) days after the third appraiser was selected shall be considered by the Insurer in determining the amount of the loss but shall not be considered binding upon him and shall not be admissible as such in court. The insured and the Insurer shall each pay its chosen appraiser and shall bear equally the expenses of the third appraiser and the other expenses of appraisal. The Insurer shall not be held to have waived any of its rights by any act relating to appraisal.

9. *Action against insurer.* No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been compliance with all the terms of this Policy and the applicable regulations of the Federal Insurance Administration, nor until ninety (90) days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within 2 years from the date when the insured discovers the loss and within 1 year after the date upon which the claimant received written notice of disallowance or partial disallowance of the claim. Any such action shall be brought in a U.S. district court, as required by 12 U.S.C. 1749bbb-11.

10. *Subrogation.* In the event of any payment under this Policy, the Insurer shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

11. *Changes.* Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Insurer from the asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or challenged, except by endorsement issued to form a part of this Policy, as approved by the Federal Insurance Administrator.

12. *Cancellation.* This Policy may be cancelled by the insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. The grounds for cancellation of coverage by the Insurer shall be limited to those set forth in subchapter B, parts 80 *et seq.*, chapter I, Title 44 of the Code of Federal Regulations. Except as otherwise provided by such regulations, notice of can-

cellation by the Insurer shall be mailed to the named insured at the address shown in this Policy, stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the named insured or by the Insurer shall be equivalent to mailing. In the event of cancellation, earned premium shall be computed in accordance with the customary short rate table and procedure, unless otherwise specifically provided in said Regulations issued by the Insurer. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

13. *Assignment.* Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the insured shall die, this Policy shall cover the insured's legal representative as insured; provided that notice of cancellation addressed to the insured named in the Application and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy.

14. *Declarations.* By signing the Application or by acceptance of this Policy the insured certifies and agrees, under penalty of Federal law dealing with fraud and false representation (18 U.S.C. 1001), that the statements in the Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations, that he is aware of the applicability of the regulations issued by the Insurer, and that this Policy and said regulations embody all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

In witness whereof, the Federal Insurance Administrator has accepted the declarations of the insured set forth in the Application and has caused this Policy to be issued.

\_\_\_\_\_  
Federal Insurance Administrator.

(c) Such endorsements to the Commercial Crime Insurance Policy forms as the insurer may approve.

[36 FR 24774, Dec. 22, 1971, as amended at 38 FR 19687, July 23, 1973. Redesignated at 44 FR 31177, May 31, 1979, and amended at 48 FR 19372, Apr. 29, 1983; 49 FR 43472, Oct. 29, 1984; 50 FR 16499, Apr. 26, 1985; 52 FR 30687, Aug. 17, 1987; 54 FR 31684, Aug. 1, 1989]

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