

APPENDIX

PROPERTY AND CASUALTY LINES OF BUSINESS

These definitions should be applied when reporting all applicable amounts for the following schedules: Underwriting and Investment Exhibit Parts 1, 1A, 1B, 2, and 2A; State Page 24 (Statutory Page 14); and the Insurance Expense Exhibit. All additional lines of business reported for these schedules not listed here are defined within the instructions for that particular schedule.

Line 1 – Fire	Coverage protecting the insured against the loss to real or personal property from damage caused by the peril of fire or lightning, including business interruption, loss of rents, etc.
Line 2 – Allied Lines	Coverages which are generally written with property insurance, e.g., glass, tornado, windstorm and hail; sprinkler and water damage; explosion, riot, and civil commotion; growing crops; flood; rain; and damage from aircraft and vehicle, etc.
Line 3 – Farmowners Multiple – Peril	A package policy for farming and ranching risks, similar to a homeowners policy, that has been adopted for farms and ranches and includes both property and liability coverages for personal and business losses. Coverages include farm dwellings and their contents, barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.
Line 4 – Homeowners Multiple – Peril	A package policy combining broad property coverage for the personal property and/or structure with broad personal liability coverage. Coverage applicable to the dwelling, appurtenant structures, unscheduled personal property and additional living expense are typical. Includes mobile homes at a fixed location.
Line 5 – Commercial Multiple – Peril	A contract for a commercial enterprise, which packages two or more insurance coverages protecting an enterprise from various property and liability, risk exposures. Frequently includes fire, allied lines, various other coverages (e.g., difference in conditions) and liability coverage (such coverages would be included in other annual statement lines, if written individually). Include multi-peril policies (other than farmowners, homeowners and automobile policies) that include coverage for liability other than auto.
Line 6 – Mortgage Guaranty	Insurance that indemnifies a lender from loss if a borrower fails to meet required mortgage payments.
Line 8 – Ocean Marine	Coverage for ocean and inland water transportation exposures; goods or cargoes; ships or hulls; earnings; and liability.
Line 9 – Inland Marine	Coverage for property that may be in transit, held by a bailee, at a fixed location, a movable good that is often at different locations (e.g., off road constructions equipment), or scheduled property (e.g., Homeowners Personal Property Floater) including items such as live animals, property with antique or collector's value, etc. This line also includes instrumentalities of transportation and communication, such as bridges, tunnels, piers, wharves, docks, pipelines, power and phone lines, and radio and television towers.
Line 10 – Financial Guaranty	A surety bond, insurance policy, or when issued by an insurer, an indemnity contract and any guaranty similar to the foregoing types, under which loss is payable upon proof of occurrence of financial loss to an insured claimant, obligee or indemnitee as a result of failure to perform a financial obligation (see Financial Guaranty Insurance Model Act).

Line 11 – Medical Malpractice	Insurance coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence, or incompetence, in rendering professional services.
Line 12 – Earthquake	Property coverages for losses resulting from a sudden trembling or shaking of the earth, including that caused by volcanic eruption. Excluded are losses resulting from fire, explosion, flood or tidal wave following the covered event.
Line 13 – Group Accident and Health	<p>Coverage written on a group basis (e.g., employees of a single employer and their dependents) that pays scheduled benefits or medical expenses caused by disease, accidental injury or accidental death. Excludes amounts attributable to uninsured accidents and health plans and the uninsured portion of partially insured accident and health plans. Coverage is usually provided in the following manner:</p> <p style="padding-left: 40px;">A single policy called a master contract is issued to the group policyholder to cover a group of individuals who have a defined relationship (other than insurance) to the policyholder, such as:</p> <ul style="list-style-type: none"> – employee/employer, – member/union, or – debtor/creditor. <p style="padding-left: 40px;">The contract provides specified types of insurance coverage for the individuals in a group. Policies generally provide benefits for one or more of the following coverages: short or long term disability income benefits, accidental death or dismemberment coverage, major medical expense benefits, and dental expense benefits.</p>
Line 14 – Credit Accident and Health (group and individual)	Coverage provided to or offered to borrowers in connection with a consumer credit transaction where the proceeds are used to repay a debt or an installment loan in the event the consumer is disabled or dies as the result of an accident, including business not exceeding 120 months duration.
Line 15 – Other Accident and Health	Accident and health coverages not otherwise properly classified as Group Accident and Health or Credit Accident and Health (e.g., collectively renewable and individual non-cancelable, guaranteed renewable, non-renewable for stated reasons only, etc.). Include all Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.
Line 16 – Workers' Compensation	Insurance that covers an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or Federal workers' compensation laws and other statutes. Includes employer's liability coverage against the common law liability for injuries to employees (as distinguished from the liability imposed by Workers' Compensation Laws).
Line 17 – Other Liability	Insurance coverage protecting the insured against legal liability resulting from negligence, carelessness, or a failure to act causing property damage or personal injury to others. Typically, coverages include construction and alteration liability; contingent liability; contractual liability; elevators and escalators liability; errors and omissions liability, environmental pollution liability; excess stop loss, excess over insured or self insured amounts and umbrella liability; liquor liability; personal injury liability; premises and operations liability; completed operations liability, nonmedical professional liability, etc.

Completed Operations Liability

Premiums attributable to policies covering the liability of contractors, plumbers, electricians, repair shops, and similar firms to persons who have incurred bodily injury or property damage from defective work or operations completed or abandoned by or for the insured, away from the insured's premises.

Construction and Alteration Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from alterations involving demolition, new construction or change in size of a structure on the insured's premises.

Contingent Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from work done by an independent contractor hired by the insured to perform work that was illegal, inherently dangerous, supervised too closely; or it was a situation that does not permit delegation of responsibility.

Contractual Liability

Premiums attributable to policies covering the liability of an insured that have assumed the legal liability of another party by written or oral contract. Includes coverage that names the lender/lessor as beneficiary and indemnifies the borrower/lessee for the liability of the balance due on the automobile loan/lease for an automobile that has been destroyed in an accident.

Elevators and Escalators Liability

Premiums attributable to policies covering the liability of an insured to persons whom have incurred bodily injury or property damage from use of elevators or escalators operated, maintained or controlled by the insured.

Errors and Omissions Liability

Professional Liability other than Medical

Premiums attributable to policies covering the liability of a professional or quasi professional insured to persons who have incurred bodily injury or property damage, or who have sustained any loss from omissions arising from the performance of services for others, errors in judgment, breaches of duty, or negligent or wrongful acts in business conduct.

Environmental Pollution Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from acids, fumes, smoke, toxic chemicals, waste materials or other pollutants.

Excess and Umbrella Liability

Premiums attributable to policies covering the liability of an insured above a specific amount set forth in a basic policy issued by the primary insurer; or a self insurer for losses over a stated amount; or an insured or self insurer for known or unknown gaps in basic coverages or self insured retentions.

Liquor Liability

Premiums attributable to policies covering the liability of an insured to persons whom have incurred bodily injury or property damage from an intoxicated person.

Personal Injury Liability

Premiums attributable to policies covering the liability of an insured to persons who have been discriminated against, falsely arrested, illegally detained, libeled, maliciously prosecuted, slandered, suffered mental anguish or alienation of affections, or have had their right of privacy violated.

Premises and Operations Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage on an insured's premises during normal operations or routine maintenance, or from an insured's business operations either on or off of the insured's premises.

Line 18 – Product Liability

Insurance coverage protecting the manufacturer, distributor, seller, or lessor of a product against legal liability resulting from a defective condition causing personal injury, or damage, to any individual or entity, associated with the use of the product.

Line 19 – Auto Liability

Coverage that protects the insured against financial loss because of legal liability for motor vehicle related injuries (bodily injury and medical payments) or damage to the property of others caused by accidents arising out of ownership, maintenance or use of a motor vehicle (including recreational vehicles such as motor homes). Commercial is defined as all motor vehicle policies that include vehicles that are used primarily in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit. No Fault is defined by the state concerned.

Line 21 – Auto Physical Damage

Any motor vehicle insurance coverage (including collision, vandalism, fire and theft) that insures against material damage to the insured's vehicle. Commercial is defined as all motor vehicle policies that include vehicles that are used in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit.

Line 22 – Aircraft

Coverage for aircraft (hull) and their contents; aircraft owner's and aircraft manufacturers liability to passengers, airports and other third parties.

Line 23 – Fidelity

A bond covering an employer's loss resulting from an employee's dishonest act (e.g., loss of cash, securities, valuables, etc.).

Line 24 – Surety

A three-party agreement where the insurer agrees to pay a second party (the obligee) or make complete an obligation in response to the default, acts, or omissions of a third party (the principal).

Line 25 – Glass
(1996 Annual Statement and previous)

Coverage for the costs of replacement and incidental costs of building glass due to breakage or application of chemicals to glass. NOTE: This coverage should be included in Allied Lines

Line 26 – Burglary and Theft

Coverage for property taken or destroyed by breaking and entering the insured's premises, burglary or theft, forgery or counterfeiting, fraud, and off premises exposure.

Line 27 – Boiler and Machinery

Coverage for the failure of boilers, machinery and electrical equipment. Benefits include: (i) property of the insured, which has been directly damaged by the accident; (ii) costs of temporary repairs and expediting expenses; and (iii) liability for damage to the property of others.

Line 28 – Credit	Coverage purchased by manufacturers, merchants, educational institutions, or other providers of goods and services extending credit, for indemnification of losses or damages resulting from the nonpayment of debts owed to them for goods or services provided in the normal course of their business.
Line 29 – International	Includes all business transacted outside the U.S. and its territories and possessions where the appropriate line of business is not determinable.
Reinsurance	<p>Proportional assumed reinsurance is allocated to and reported in the appropriate lines of business and excluded from the reinsurance lines of business. For assumed reinsurance contracts that afford proportional and nonproportional reinsurance, the business is allocated to its component parts and reported in the appropriate lines of business.</p> <p>Nonproportional <u>assumed</u> reinsurance means excess of a retention by the ceding company, and proportional reinsurance means fixed percentage of all losses.</p>
Line 30 – Nonproportional <u>assumed</u> reinsurance – Property	Nonproportional assumed reinsurance – Property – in the following lines: fire, allied lines, ocean marine, inland marine, earthquake, group accident and health, credit accident and health, other accident and health, auto physical damage, boiler and machinery, glass, burglary and theft and international (of the foregoing).
Line 31 – Nonproportional <u>assumed</u> reinsurance – Liability	Nonproportional assumed reinsurance – Liability – in the following lines: farmowners multiple-peril, homeowners multiple-peril, commercial multiple-peril, medical malpractice, workers' compensation, other liability, products liability, auto liability, aircraft (all perils) and international (of the foregoing).
Line 32 – Nonproportional <u>assumed</u> reinsurance – Financial Lines	Nonproportional assumed reinsurance – Financial Lines – in the following lines: Mortgage guaranty, financial guaranty, fidelity, surety, credit and international (of the foregoing).
Line 33 – Details for Write-ins	Coverages not generally described above (e.g., Involuntary Unemployment Insurance).