

BUSINESS INCOME – PROPERTY MANAGER’S COMMISSION

All of the Property and Business Income Provisions contained in the other property, business income and extra expense forms that compromise this policy apply, unless they have been deleted or modified by this Endorsement.

SCHEDULE

Name of Property Manager:

Mailing Address of Property Manager:

A. If a Property Management Contract specifies as such; then, the Property Manager identified in the Schedule is insured for loss of "Business Income", up to the Limit of Insurance shown in the Declaration. Such coverage applies in accordance with all terms of Business Income Coverage under the applicable Business Income Coverage Form, and all conditions in the Common Policy Conditions and Commercial Property Conditions, except as otherwise provided in this endorsement or other applicable endorsement.

B. With respect to the coverage provided under this endorsement, the definition of "Business Income" is replaced by the following:

"Business Income" means the Commission income that would have been earned from the rental income from the premises described in the Declaration

C. The most we will pay is the amount determined in accordance with the terms of the property management contract, but not more than the Limit of Insurance shown in the Declaration.

D. The amount of any payment made to the Property Manager under the terms of this endorsement will be deducted from the Named Insured's Business Income loss and therefore will not be payable to the Named Insured as Business Income.

E. The following do not apply to the coverage provided under this endorsement:

1. Extra Expense Coverage or Additional Coverage – Expenses To Reduce Loss;
2. Additional Coverage – Alterations and New Buildings;
3. Coverage Extension – Newly Acquired Locations; and
4. Optional Coverages.

Understanding: PI PR-400 Property Manager Commission Income Endorsement

Your client/owner has purchased the Proper Insurance policy underwritten by Lloyd's of London. In this policy is an included endorsement, PI PR-400 (Business Income – Property Manager's Commission)

If your client/owner is paid an insurance claim as the result of a covered loss, i.e. fire, water damage, wind, vandalism, theft, etc. And this claim triggers lost business/rental income coverage, you the property manager are entitled to your commissions that would have been earned from rental income. (See actual endorsement language in PI PR-400)

However, this property manager commission income endorsement does not apply, unless your management contract specifies as such.

We encourage you to take advantage of this first-of-its-kind coverage, and be proactive in modifying your management contract with simple insurance language.

Proper Insurance does not practice law, and by no means are we instructing you to specify your management contract as such, we are simply providing sample language below:

Insurance: In the event the property owner carries insurance coverage for "business income", and a claim is triggered, XYZ Property Management Co. is entitled to lost commissions if the policy specifies as such.