

VII-2. Fire Insurance Cost Data For Comparing Different Types of Construction

Charles Ostrander, PE
Staff Engineer

Colin Munro
Executive Director, Chicago Masonry Institute Promotion Trust

ABSTRACT

The cost of insurance coverage is a critical consideration for any construction project due to the fact that it is a reoccurring annual expense. There are several major factors which can have a dramatic influence on the cost of insurance coverage. A brief explanation of several of these major factors is explained. When designing a project, the construction classification to be utilized must be established after detailed consideration of the initial cost of the project, the program of the project integrated with the limitations of the building code, and the desired aesthetic expression for the project to achieve an acceptable balance of all of these factors. When purchasing insurance, the owner must consider several questions to determine the type and amount of insurance that is necessary to provide adequate protection. Some of these questions will be discussed at length.

Since building, structure and business equipment are such major expenses, owners must be protected from total loss by insurance. Virtually any type of insurance coverage is available to building owners and has been indicated; the cost of such insurance coverage is dependent on many factors, some of which we will discuss. The initial cost of upgrading the project, in a manner that will reduce the annual insurance costs, should be completely analyzed since the cost of insurance is a continuing annual expense. Therefore, if the insurance cost reductions can be achieved by minor increases to initial project costs, a beneficial cash savings may occur each year for the project's existence.

FIRE INSURANCE COST DATA

Preface

This fire insurance cost data was designed to summarize major considerations that influence fire insurance premiums in a format that can be effectively utilized by building owners and design professionals.

Particular attention has been given to areas pertaining to construction classifications, use of the building, exposure to adjacent structures and built-in fire protection elements to illustrate the beneficial effect these items can have on the annual fire insurance cost.

The rates tabulated in this publication have been carefully prepared by NATLSO, National Loss Control Service Corporation, a subsidiary of Kemper Corporation; however, the rates indicated should not be interpreted as exact rates for a particular building since many individual factors can vary the premium for a particular building project. However, it is important to emphasize that the rates indicated for the projects investigated do accurately illustrate the difference in fire insurance premiums which can be achieved if the projects are identical in location, use and other fire protection characteristics.

Special acknowledgement is given for the excellent cooperation and assistance provided by the Insurance Services Office of Illinois and Lumberman's Mutual Casualty Company for the input they provided in making this a meaningful publication for your use. We also wish to thank the Masonry Institute of St. Louis and the Minnesota Masonry Institute for their guidance and assistance in compiling this data.

It should also be considered that the documented information is not conclusive. To achieve an accurate fire insurance premium for your construction project, a detailed analysis should be performed by the fire insurance company of your choice.

FACTORS WHICH AFFECT FIRE INSURANCE PREMIUMS

The cost of insurance coverage is a critical consideration for any construction project due to the fact that it is a recurring annual expense. There are several major factors which can have dramatic influence on the cost of insurance coverage. The following is a brief explanation of several of these major factors:

- A) Public Fire Protection Classification. Each fire protection district or municipality is surveyed for its ability to respond to and extinguish a fire condition in any structure which is located within their legally defined boundaries, and are rated as a Class One to a Class Ten depending on the results of this survey which is performed by the local Insurance Services Office. Major criteria which affects the classification assigned consists of the following:
 1. Water supply
 2. Public fire protection equipment
 3. Manning of fire protection equipment and training of personnel
 4. Travel distance and response time from fire house to remote building projects
 5. Building construction classification of project located in the confines of the district.
- B) Classification of Building Construction. Basically, construction types are classified as:

TYPE (1) Frame: Buildings where the exterior walls are wood or other combustible materials, including construction where combustible materials are combined with other materials such as brick veneer, stone veneer, wood-iron clad, stucco on wood.

TYPE (2) Joisted Masonry: Buildings where the exterior walls are constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile, or similar materials, and where the floors and roof are combustible.

TYPE (3) Non-combustible: Buildings where the exterior walls and the floors and roof are constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

TYPE (4) Masonry Non-combustible: Buildings where the exterior walls are constructed of masonry materials as described in (2) above, with the floors and roof of metal or other noncombustible materials.

TYPE (5) Modified Fire Resistive: Buildings where the exterior walls and the floors and roof are constructed of masonry or fire resistive materials. Rating of one hour.

TYPE (6) Fire Resistive: Buildings where the exterior walls and the floors and roof are constructed of masonry or fire resistive materials. Rating of two hours.

However, after a building has been classified for construction type, many other factors may penalize the base insurance rate assigned to the particular construction classification. A few of these factors are the degree of fire resistive rating achieved by the structural components; the amount of floor area undivided by the fire walls within the structure and the construction of unprotected vertical floor openings which could allow a fire condition to quickly spread to several floor levels within the structure.

- C) Classification of Building Occupancy. The functions which are performed in the structure will greatly affect the probability of a fire condition originating in the structure. It will also affect the rate of the fire development and the amount of probable damage to the total contents.
- D) Exterior Fire Exposure. Due to the construction of structures immediately adjacent to each other, highly congested areas have been created. This factor has allowed a single building fire to involve several buildings. As a result, if structures are not adequately separated or provided with other appropriate protection to hinder such fire spread, penalties in insurance premiums are assessed to the project.
- E) Built-In Fire Protection Systems. The installation of fire protection systems such as automatic sprinkler protection, standpipe systems, automatic detection and alarm systems, fire extinguishers and the construction of fire walls which will contain a fire condition in a limited area will all serve to achieve beneficial reductions in insurance premiums.
- F) Machinery and Mechanical Systems. A high percentage of fires are caused by manufacturing machinery, heating and air conditioning equipment and electrical wiring in a structure. The frequency of these fires could be greatly reduced if proper

installation, use and maintenance would be provided for these pieces of building equipment.

- G) Fire Insurance Company. Each fire insurance company promulgates its own rates based on its experience and operating expenses. It is possible for the same building to be rated significantly differently by different fire insurance companies.

Although many other variables influence insurance premiums, the previously discussed items represented major considerations which should be assessed during project design and construction to achieve an effective balance between the initial project construction costs and the benefits of reasonable annual insurance coverage cost.

CONSTRUCTION CLASSIFICATION

When designing a project, the construction classification to be utilized must be established after detailed consideration of the initial cost of the project, the program of the project integrated with the limitations of the building code, and the desired aesthetic expression for the project to achieve an acceptable balance of all of these factors. Of the many different construction classifications available, buildings can basically be placed in one of the following major classifications:

- 1) FIRE RESISTIVE
- 2) NON-COMBUSTIBLE
- 3) HEAVY TIMBER
- 4) ORDINARY
- 5) FRAME

FIRE RESISTIVE CONSTRUCTION

This construction classification provides protection for all structural components in a manner to achieve a fire resistive rating of a minimum of two hours. This enables the basic structure to be undamaged if a fire condition does develop and is extinguished within the time period of the fire resistive rating provided to the structure. While the term fireproof has been utilized for many years to describe a structure of fire resistive construction, the term is very misleading since the contents of the structure and even many of the construction components are often of a combustible nature and can contribute to the fuel of the fire condition.

Many projects have utilized masonry for the exterior wall elements and for interior bearing walls or for enclosing steel columns and other structural elements to provide the necessary degree of fire resistive protection. All of these uses have been found effective. It is also important to maintain consistency throughout the project and not allow unprotected structural members, or even combustible roof areas to exist as any portion of the project since this will adversely affect the base rate of the fire resistive construction classification.

NON-COMBUSTIBLE CONSTRUCTION

This construction classification utilizes the same basic materials which are used in fire resistive construction, but under the non-combustible classification, the structural

elements are not provided with a fire resistive rating. When unprotected structural steel is exposed to a fire condition, structural failure will occur when temperatures of 1200° F are experienced. Temperatures of this magnitude may be reached within the first ten minutes of an uncontrolled fire condition.

HEAVY TIMBER CONSTRUCTION

Structural wood members of massive dimensions such as 6 x 8, 8 x 8 or of larger sizes are often used in building construction for one story factories and warehouse facilities. The ability of heavy timber members to resist structural failure when exposed to a fire condition is superior to the ability of unprotected steel. However, this type of construction should not be confused with ordinary construction classification which utilizes smaller wood structural members which are not as resistive to fire exposure.

Many of the projects which utilize heavy timber structural elements also utilize masonry exterior walls to achieve additional reduction to fire insurance cost.

ORDINARY CONSTRUCTION CLASSIFICATION

This construction classification is typified by utilizing 2 inches normal dimension wood structural members tied into exterior and interior masonry walls. This type of construction is normally utilized for smaller structures due to the limitations of the structural aspects of this construction type. The utilization of exterior masonry wall is the major insurance cost savings over that of frame construction.

FRAME CONSTRUCTION CLASSIFICATION

This type of construction normally utilizes nominal 2 inch wood members to form the entire structure. This type of building construction has little ability to resist failure and usually results in a total loss when subjected to a fire condition. As a result, frame construction is the highest base insurance rate of any construction classification.

MULTI-CONSTRUCTION CLASSIFICATION

Frequently, building modifications and expansion are necessary to properly serve the building owner. When these expansions and modifications occur, a different construction type can be utilized than that used for the construction of the initial project.

It is important to realize that if these project additions are constructed of a lesser construction classification than that used for the original building and separation of the two structures by masonry fire walls is not provided, penalties to the existing project will probably be incurred. However, by using properly designed fire walls, insurance cost penalties can be eliminated and also allow the projects to be considered as two separate risks resulting in a possible saving in insurance cost of the total project.

The use of masonry fire walls to subdivide large open floor areas and to divide multi-tenant projects into separate fire areas can achieve beneficial insurance cost savings. It is important that the construction of these fire walls achieve complete building separation to properly

perform in the event a fire condition does occur. In accordance with the requirement of the model building codes utilized in all parts of the United States a fire wall must be constructed of masonry or other approved non-combustible materials and must be structurally independent to permit the collapse of the structure on either side of the fire wall without adversely affecting the integrity of the fire wall itself or the adjacent structure.

EFFECTS OF FIRE ON BUSINESS PERFORMANCE

When purchasing insurance, the Owner must consider several questions to determine the type and amount of insurance that is necessary to provide adequate protection. These questions should include the following:

- 1) What time frame would be required for the business to recover from a fire?
- 2) How much revenue would be lost during the time the business is closed or not operating at full capacity?
- 3) What is the cost related to restoration and replacement of equipment?
- 4) What is the cost related to reconstruction or renovation of the building itself?

When fire does occur which damages the building structure in addition to delays for replacement of equipment, business records and stock, additional delay of the business returning to full operation occurs due to the time necessary for new building construction to be accomplished. If major damage has occurred to the structure, new construction drawings may have to be prepared, clearing of the site must occur, building materials and equipment must be ordered—many of which require long lead time for manufacturing and delivery. All these items lengthen the time of lost production which directly affects the loss of customers and staff personnel.

It is obvious that many businesses cannot survive losses of customers, staff personnel and income. These types of losses can be minimized by locating the business in a building which is not prone to major damage from a fire or by constructing economic masonry fire walls to contain the fire in a portion of the building and allow the remaining portion of the structure to be unaffected by the fire loss. These precautions can greatly reduce loss of revenue, business interruption time, reconstruction time, and as a result, maintain the business's customers and staff personnel.

INSURANCE COST

Since building structure and business equipment are such major expenses, owners must be protected from total loss by insurance. Virtually any type of insurance coverage is available to building owners and as has been indicated, the cost of such insurance coverage is dependent on many major factors as previously described. The initial cost of upgrading the project in a manner that will reduce the annual insurance cost should be completely analyzed since the cost of insurance is a continuing annual expense. Therefore, if insurance cost reductions can be achieved by

minor increases to initial project cost, a beneficial cash savings may be incurred each year to the project.

Also, the owner should investigate other options available to achieve insurance savings. An example of one method for substantial savings is for the project owner to assume a portion of the fire loss risk. This is accomplished by what is termed "Co-insurance."

The 80% Coinsurance Clause (the one most commonly used) provides that the insured shall at all times maintain insurance to the extent of at least 80% of the actual cash value at the time of loss, and that failing to do so, he shall to the extent of such deficit, bear his proportion of any loss.

The general methods of establishing insurance premiums exist. One is termed "Class Rates" and applies to the great majority of projects. The other is termed "Specific or Schedule Rates" and applies to a limited number of projects. Class Rates are established and apply to large general classes of risks, which are broken into construction classifications of the building, occupancy of the building and location of the insured property. If the project meets the general criteria for these categories, then the class rates are used.

Specific or Schedule Rates are used when the project does not meet the criteria of class rates. Under this method of rating, survey inspections of the property is performed with a detailed report prepared. From this report the rating organization will then apply the conditions to a schedule individually and then prepare a "loss cost" for the building project. Each fire insurance company will then apply its operating and expense factors to arrive at the final fire insurance rate.

FIRE INSURANCE COSTS AND YOUR CONSTRUCTION PROJECT

The following tables illustrate comparatively the amount of insurance savings which is possible to achieve by integrating into the construction project meaningful fire protection criteria.

Five types of building construction types have been studied and reflected in these tables to provide meaningful reference of possible savings of insurance cost. The rates are based on the rating schedule used by the Insurance Service Office of Illinois on May 22, 1978 and the operating and expense factors for one particular insurance company, Lumberman's Mutual Casualty Company, as of

January 15, 1978. The rates are based on Class 6 public fire protection classification.

Again, it is imperative to recognize that a great many factors influence insurance costs. For your individual construction project, actual rates and premiums should be obtained from your fire insurance company.

In Illinois, concerning single family detached houses, a brick veneered house on wooden studs can save approximately 1/3 the fire insurance cost if it is 50% brick veneer. If the house is less than 50% veneered, the house is rated as a frame house and it has a higher insurance premium. An example is as follows: Excluding Cook County, for a home owners fire protection only, on a \$60,000 house, more than 50% brick veneered, a home owner would pay approximately \$67.81 per year versus \$91.51. per year for a wooden frame rated house. This does not include theft, personal liability and other additional coverage that is sometimes added into a home owners policy.

An interesting insurance factor concerning apartments is that brick veneered walls on wooden studs have a lower insurance annual premium than frame construction on apartment complexes only if the number of units in the apartment building do not exceed twenty. The fire insurance savings if the number of units are twenty or less and brick veneered, is approximately 1/3 compared to less than 50% veneered and all wooden frame construction.

SUMMARY

Fire resistive construction classification provides the lowest base rate possible for any construction type.

Utilizing exterior masonry walls can place the building under a favorable rate schedule compared to many other exterior wall systems.

Divisions of large building floor areas by the construction of masonry fire walls can limit the degree of possible loss and therefore reduce substantially the insurance cost for the project.

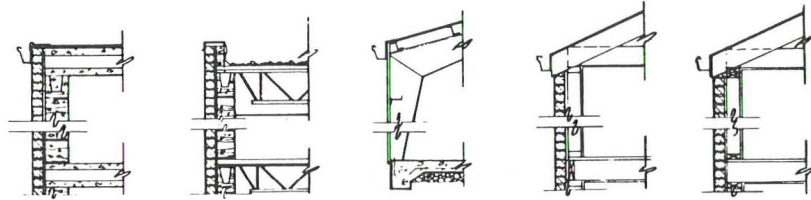
The use of fire resistive building materials throughout can produce substantial reduction of insurance costs and provide maximum security for future business performance.

If a building is contemplated to be of one hour fire rated construction, investigation of the feasibility of upgrading the building to a two hour fire rating should be performed. Generally this upgrading can be achieved with minimum additional construction cost while the insurance cost savings are normally substantial in nature.

Fire Insurance Cost Comparison A

BUILDING COST \$1,000,000

CONSTRUCTION CLASSIFICATION



OUTSIDE COOK COUNTY

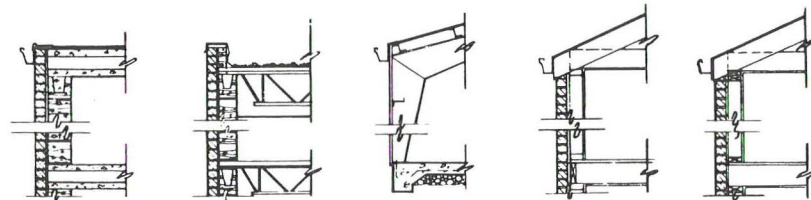
| OCCUPANCY – WAREHOUSE AND GENERAL STORAGE BUILDING | | | 12" MASONRY WALLS WITH FLOORS & ROOF OF 2 HR. FIRE RESISTIVE RATED | | 12" MASONRY WALLS WITH FLOORS & ROOF OF UNPROTECTED NONCOMBUSTIBLE STEEL CONSTRUCTION | | EXTERIOR WALLS & ROOF OF UNPROTECT- ED NONCOMBUSTIBLE STEEL CONSTRUCTION | | 4" MASONRY VENEER & NONCOMBUSTIBLE METAL STUDS & UNPROTECTED NON- COMBUSTIBLE ROOF | | WOOD FRAME WITH BRICK VENEER | |
|--|-----------------------|-----------|---|-------------------|---|-------------------|---|-------------------|--|-------------------|---------------------------------|-------------------|
| TYPE OF INSURANCE | INSURANCE COVERAGE | | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM |
| BUILDING | FIRE | 1,000,000 | .310 | 3,100 | 1.150 | 11,500 | 1.72 | 17,200 | 1.72 | 17,200 | 3.360 | 33,600 |
| | EXTENDED COVERAGE | 1,000,000 | .04 | 400 | .04 | 400 | .23 | 2,300 | .23 | 2,300 | .23 | 2,300 |
| CONTENTS | FIRE | 1,500,000 | .600 | 9,000 | 1.440 | 21,600 | 2.080 | 31,200 | 2.080 | 31,200 | 3.470 | 52,000 |
| | EXTENDED COVERAGE | 1,500,000 | .04 | 600 | .04 | 600 | .23 | 2,300 | .23 | 2,300 | .23 | 2,300 |
| TOTAL ANNUAL PREMIUM | | | | 13,100 | | 34,100 | | 53,000 | | 53,000 | | 90,200 |

WAREHOUSE AND GENERAL STORAGE BUILDING – Dimensions: 300 x 400 = 120,000 sq. ft. 1 story - 20 ft. - no basement - exterior wall with maximum of 20% glass windows - no exposure to adjacent structures. Rates based on 80% coinsurance and listed as \$ per \$100 of insurance per year.

Fire Insurance Cost Comparison B

BUILDING COST \$600,000

CONSTRUCTION CLASSIFICATION



OUTSIDE COOK COUNTY

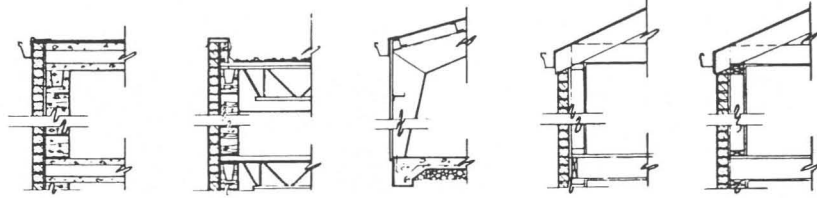
| OCCUPANCY – MERCANTILE STORE | | | 12" MASONRY WALLS WITH FLOORS & ROOF OF 2 HR. FIRE RESISTIVE RATED | | 12" MASONRY WALLS WITH FLOORS & ROOF OF UNPROTECTED NONCOMBUSTIBLE STEEL CONSTRUCTION | | EXTERIOR WALLS & ROOF OF UNPROTECT- ED NONCOMBUSTIBLE STEEL CONSTRUCTION | | 4" MASONRY VENEER & NONCOMBUSTIBLE METAL STUDS & UNPROTECTED NON- COMBUSTIBLE ROOF | | WOOD FRAME WITH BRICK VENEER | |
|---------------------------------|-----------------------|---------|---|-------------------|---|-------------------|---|-------------------|--|-------------------|---------------------------------|-------------------|
| TYPE OF INSURANCE | INSURANCE COVERAGE | | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM |
| BUILDING | FIRE | 600,000 | .270 | 1,620 | .980 | 5,880 | 2.64 | 15,840 | 2.64 | 15,840 | 5.89 | 35,340 |
| | EXTENDED COVERAGE | 600,000 | .05 | 300 | .05 | 300 | .40 | 2,400 | .40 | 2,400 | .40 | 2,400 |
| CONTENTS | FIRE | 700,000 | .660 | 4,620 | 1.37 | 9,590 | 3.250 | 22,750 | 3.250 | 22,750 | 5.98 | 41,860 |
| | EXTENDED COVERAGE | 700,000 | .05 | 350 | .05 | 350 | .40 | 2,800 | .40 | 2,800 | .40 | 2,800 |
| TOTAL ANNUAL PREMIUM | | | | 6,890 | | 16,120 | | 43,790 | | 43,790 | | 82,400 |

MERCANTILE STORE – Dimensions: 200 x 200 = 40,000 sq. ft. 1 story - 25 ft. - no basement - exterior wall with maximum of 20% glass windows - no exposure to adjacent structures. Rates based on 80% coinsurance and listed as \$ per \$100 of insurance per year.

Fire Insurance Cost Comparison C

BUILDING COST \$1,000,000

CONSTRUCTION CLASSIFICATION



OUTSIDE COOK COUNTY

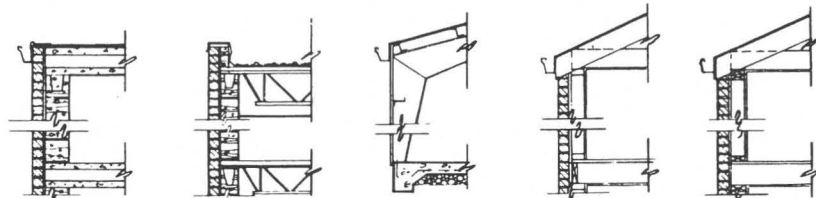
| OCCUPANCY — OFFICE BUILDING | | | 12" MASONRY WALLS WITH FLOORS & ROOF OF 2 HR. FIRE RESISTIVE RATED | | 12" MASONRY WALLS WITH FLOORS & ROOF OF UNPROTECTED NONCOMBUSTIBLE STEEL CONSTRUCTION | | EXTERIOR WALLS & ROOF OF UNPROTECT- ED NONCOMBUSTIBLE STEEL CONSTRUCTION | | 4" MASONRY VENEER & NONCOMBUSTIBLE METAL STUDS & UNPROTECTED NON- COMBUSTIBLE ROOF | | WOOD FRAME WITH BRICK VENEER | |
|--------------------------------|-----------------------|-----------|---|-------------------|---|-------------------|---|-------------------|--|-------------------|---------------------------------|-------------------|
| TYPE OF INSURANCE | INSURANCE COVERAGE | | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM |
| BUILDING | FIRE | 1,000,000 | .050 | 500 | .170 | 1,700 | .100 | 1,000 | .100 | 1,000 | 2.89 | 28,900 |
| | EXTENDED COVERAGE | 1,000,000 | .03 | 300 | .03 | 300 | .23 | 2,300 | .23 | 2,300 | .23 | 2,300 |
| CONTENTS | FIRE | 150,000 | .270 | 405 | .380 | 570 | .320 | 480 | .320 | 480 | 2.89 | 4,335 |
| | EXTENDED COVERAGE | 150,000 | .03 | 45 | .03 | 45 | .23 | 230 | .23 | 230 | .23 | 230 |
| TOTAL ANNUAL PREMIUM | | | | 1,250 | | 2,615 | | 4,010 | | 4,010 | | 35,765 |

OFFICE BUILDING — Dimensions: 150 x 200 = 30,000 sq. ft. per floor. Height: 2 stories 30 ft. - total building area 60,000 sq. ft. - no basement - exterior walls with maximum of 20% glass windows - no exposure to adjacent structures. Rates based on 80% coinsurance and listed as \$ per \$100 of insurance per year.

Fire Insurance Cost Comparison D

BUILDING COST \$500,000

CONSTRUCTION CLASSIFICATION



OUTSIDE COOK COUNTY

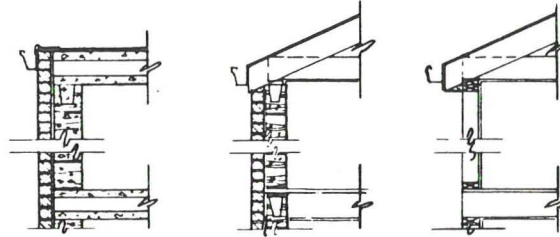
| OCCUPANCY — APARTMENT BUILDING | | | 12" MASONRY WALLS WITH FLOORS & ROOF OF 2 HR. FIRE RESISTIVE RATED | | 12" MASONRY WALLS WITH FLOORS & ROOF OF UNPROTECTED NONCOMBUSTIBLE STEEL CONSTRUCTION | | EXTERIOR WALLS & ROOF OF UNPROTECT- ED NONCOMBUSTIBLE STEEL CONSTRUCTION | | 4" MASONRY VENEER & NONCOMBUSTIBLE METAL STUDS & UNPROTECTED NON- COMBUSTIBLE ROOF | | WOOD FRAME WITH BRICK VENEER | |
|-----------------------------------|-----------------------|---------|---|-------------------|---|-------------------|---|-------------------|--|-------------------|---------------------------------|-------------------|
| TYPE OF INSURANCE | INSURANCE COVERAGE | | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM |
| BUILDING | FIRE | 500,000 | .050 | 250 | .140 | 700 | .170 | 850 | .170 | 850 | 3.83 | 19,150 |
| | EXTENDED COVERAGE | 500,000 | .040 | 200 | .04 | 200 | .23 | 1,150 | .23 | 1,150 | .23 | 1,150 |
| CONTENTS | FIRE | 200,000 | .150 | 300 | .250 | 500 | .680 | 1,360 | .680 | 1,360 | 3.83 | 7,660 |
| | EXTENDED COVERAGE | 200,000 | .04 | 80 | .04 | 80 | .23 | 460 | .23 | 460 | .23 | 460 |
| TOTAL ANNUAL PREMIUM | | | | 830 | | 1,480 | | 3,820 | | 3,820 | | 28,420 |

APARTMENT BUILDING — Dimensions: 50 x 160 = 8,000 sq. ft. Height: 3 stories 35 ft. - total building area 24,000 sq. ft. - no basement - exterior wall with maximum of 20% glass windows - no exposure to adjacent structures. Rates based on 80% coinsurance and listed as \$ per \$100 of insurance per year - 24 total apartment units.

Fire Insurance Cost Comparison E

BUILDING COST \$200,000

CONSTRUCTION CLASSIFICATION



OUTSIDE COOK COUNTY

| OCCUPANCY — APARTMENT BUILDING 3 STORY, 6 UNIT | | PRECAST CONCRETE ROOF AND FLOORS 2 HR. FIRE RATING 4" BRICK, 4" BLOCK | | 4" BRICK, 4" BLOCK WOOD FRAME FLOORS & ROOFS | | FRAME WALLS, FLOORS & ROOF | |
|--|------------------------------|--|-------------------|--|-------------------|-------------------------------|-------------------|
| TYPE OF INSURANCE | INSURANCE COVERAGE | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM | RATE | ANNUAL PREMIUM |
| BUILDING | FIRE 200,000 | .075 | 150.82 | 1.115 | 2231.81 | 1.719 | 3438.53 |
| | EXTENDED COVERAGE 200,000 | .040 | 80.00 | .438 | 876.00 | .438 | 876.00 |
| CONTENTS | FIRE 50,000 | .177 | 88.50 | .209 | 104.65 | .263 | 131.58 |
| | EXTENDED COVERAGE 50,000 | .04 | 20.00 | .438 | 219.00 | .438 | 219.00 |
| TOTAL ANNUAL PREMIUM | | | 339.32 | | 3431.46 | | 4665.11 |

APARTMENT BUILDING — Dimensions: 50 x 40 = 2,000 sq. ft. Height: 3 stories 35 ft. - total building area 6,000 sq. ft. - no basement - exterior wall with maximum of 20% glass windows - no exposure to adjacent structures. Rates based on 80% coinsurance and listed as \$ per \$100 of insurance per year - 6 total apartment units.