



**BLANKET EARNINGS AND EXPENSE  
APPLICATION/WORKSHEET  
PUBLIC SECTOR SERVICES**

Name of Insured	Proposed Effective Date
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Mailing Address of Applicant (No., Street, City, State, Zip)

Description of Operations

<b>Location 1</b>	Location Address	Zip Code
	Building Construction	Age
	Types of Premises Protection	

<b>Location 2</b>	Location Address	Zip Code
	Building Construction	Age
	Types of Premises Protection	

<b>Location 3</b>	Location Address	Zip Code
	Building Construction	Age
	Types of Premises Protection	

**COVERAGE OPTIONS**

Policy Limit Requested	Deductible	Hours	Business Days
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Ordinary Payroll  
 Included      Excluded *(If ordinary payroll is to be deducted, subtract from Total Earnings figure above)*

Perils	Off Premises Utility Failure REFER TO COMPANY
Level 1    Level 2    Level 3	

**PRIOR LOSS EXPERIENCE**

Prior Loss Experience (3 Years) on Direct Damage and Business Interruption:

The determination of location exposure for your business requires consideration of a number of factors. The following questions are designed to aid you in this analysis and will also give us information necessary to provide the most equitable rate for your operation.

1. Does any location or operation provide a key item or process? ..... Yes No

*If yes, describe the extent of inter-dependency between locations or operations:*

a. Mercantile/Manufacturing Operation –

b. Computer Operation –

2. Does any location provide services, i.e., heat, light, water, communications, computer services, etc.? ..... Yes No

*If yes, explain:*

3. Is duplicate equipment and/or services available without a time delay? ..... Yes No

*If yes, explain:*

a. Mercantile/Manufacturing Operation –

b. Computer Operation –

4. Is an adequate alternate location readily available? ..... Yes No

*If yes, describe:*

a. Mercantile/Manufacturing Operation –

b. Computer Operation –

5. Is the business subject to seasonal fluctuations? ..... Yes No

*If yes, describe:*

6. The worksheet must be completed on an accrual basis in conformity with generally accepted accounting principles. Indicate the inventory valuation method used by your company:

- First-In, First-Out (FIFO) Method      Specific Identification Method  
 Last-In, First-Out (LIFO) Method      Average Cost Method  
 Other (Specify)

	EXAMPLE	Location 1	Location 2	Location 3
<p><b>NET ANNUAL SALES</b> – The net annual sales are the gross sales – <b>less:</b> discounts, returns, allowances, bad debt and prepaid freight – plus: other earnings from your business operations such as rents, commissions, interest or service fees.</p> <p>If you are a manufacturer, you must also add or subtract the change in your finished goods inventory during the year. If your inventory has increased, add the amount of the increase. If your inventory has decreased, subtract the amount of the decrease.</p>	\$800,000			
<p><b>COST OF GOODS SOLD</b> – DEDUCT the cost of noncontinuing outside services and the cost of (1) raw stock used in production, (2) materials directly consumed in production and (3) merchandise sold including packaging materials.</p>	- 200,000			
<p><b>TOTAL EARNINGS</b> – The Net Annual Sales minus Cost of Goods Sold equals Total Earnings.*</p>	= 600,000			
<p><b>REBUILD TIME</b> – The Total Earnings must be adjusted to reflect the anticipated time it would take to repair or replace property destroyed by a serious loss:          6 months = .50; 9 months = .75; 12 months = 1.00.          The factor should also reflect fluctuations in the insured's business.</p>	X .75 (9 mo.)			
<p><b>EARNINGS EXPOSURE</b> – The Rebuild Time multiplied by the Total Earnings equals Earnings Exposure.</p>	= 450,000			
<p><b>EXTRA EXPENSE EXPOSURE</b> – Enter the anticipated amount needed to pay the increased expenses over normal expenses to keep an interrupted business in operation. Consider such items as increased rent, advertising costs, moving expenses, additional salaries, increased utilities, computer equipment rental and data reproduction.</p>	+ 50,000			
<p><b>EXTENDED EARNINGS EXPOSURE</b> – Enter the anticipated amount of reduced earnings that might be expected during the twelve months after you are able to resume normal business operations.</p>	+ 50,000			
<p><b>LOCATION EXPOSURE</b> – This is the sum of the Earnings Exposure, Extra Expense Exposure and the Extended Earnings Exposure. This figure should be modified to reflect the expected change in earnings for the upcoming year, allowing for both growth and inflation.</p>	= 550,000			
<p><b>SQUARE FEET</b> – If more than one location.</p>				

\*TOTAL EARNINGS (All locations)

**FLORIDA:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**KENTUCKY:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

For all other applicable state fraud warnings, please see the main application.

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Signature

Date

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[http://www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html)

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.