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# FRESHEN YOUR KNOWLEDGE OF FIDELITY BONDS , VU WEBINAR: ISO'S 2017 COMMERCIAL PROPERTY CHANGES, & RESPONDING TO THE DYNAMIC GROWTH OF COMMERCIAL DRONE USAGE

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## Freshen your Knowledge of Fidelity Bonds

By Lori Olson, Goldleaf Surety Services

A fidelity bond is a bond which indemnifies an employer against financial loss due to the dishonesty of an employee or protects a business from certain types of damage caused by employees. This type of protection is not mandatory in most states, but it does shield a company from expenses that are not covered by other policies.

There are several types of fidelity bonds, each providing specific coverage:

- **Employee Dishonesty:** Do you want to protect yourself from employee theft? Employee Dishonesty is a generic term describing fidelity bond coverage guaranteeing against loss caused by dishonest officers or employees of a commercial firm or by dishonest public officials or employees. For dishonesty there is no deductible and there is very basic coverage for dishonest acts of employees.
- **Business Service Bond:** Do you want to protect your clients from theft committed by your employees? Business Service bonds are used in such industries as in-house child care.
- **Commercial Crime Bond:** Do you want to cover more than just employees? Commercial crime is really more like insurance than a typical bond. If a claim is made the policy owner will likely have to pay a deductible to recoup any loss.

For Employee Dishonesty there is no deductible and there is very basic coverage for dishonest acts of employees. Crime insurance can cover much more than employee dishonesty.

The seven basic agreements for a crime policy are:

1. Employee Theft (which is most like our dishonesty product)
2. Forgery or Alteration
3. Inside the Premises - Theft of Money or Securities
4. Inside the Premises - Robbery or Safe Burglary of Other Property
5. Outside the Premises
6. Computer Fraud
7. Money Orders and Counterfeit Paper Currency

These coverages can extend coverage to more than employees (such as a burglar who breaks in and takes money from a safe) and therefore it is much more comprehensive in coverage. Several endorsements can also be added to cover particular situations such as kidnapping, extortion, and hijacking.

Goldleaf Surety Services has a number of good surety markets that write fidelity bonds. For fidelity - or all types of bonds - you can access Goldleaf through Big "I" Markets. Simply log in to [www.bigimarkets.com](http://www.bigimarkets.com) or email us at [bigimarkets@iiaba.net](mailto:bigimarkets@iiaba.net) and an underwriter will contact you.

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## SPECIAL FEATURE

### VU Webinar: ISO's 2017 Commercial Property Changes

**Effective September 1, 2017, Insurance Services Office (ISO) filed several important commercial property changes. As part of this filing, ISO:**

- Broadened coverage in the CP 10 30 Cause of Loss -Special Form;
- Expanded coverage options for tenants required to insure the landlord's property;

- Tightened down on the protective safeguard requirements - narrowing coverage;
- Opened up several new options for utility services coverage for the business income form;
- Gave building owners a GREAT new option for their building code (ordinance or law) exposure; and
- Introduced a new ordinance or law endorsement specifically for tenants.

These six changes promise to have a major impact on your clients and the options you can offer them. Some changes are welcome, you want to point out these new benefits to your insureds. However, a few changes are **NOT** in our client's best interest - you must be able to warn your insureds of these new problems (or know how to avoid them).

The policy changes introduced in this filing **WILL** affect your commercial property clients both positively and negatively. Because of the major effects of these seemingly few changes, consider registering for this upcoming Virtual University webinar session:

### ISO's 2017 Commercial Property Changes Webinar

October 24, 2017

1:00 p.m. to 2:30 p.m. Eastern Time - **CE is not offered** for this webinar.

Registration: **\$49**

**Register here.**

**INSTRUCTOR:** Christopher J. Boggs, CPCU, ARM, ALCM, LPCS, AAI, APA, CWCA, CRIS, AINS

*\*Webinar transcript will be emailed to all registrants within four weeks of the live event*

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## Responding to the Dynamic Growth of Commercial Drone Usage

U.S. aviation officials predict that drones will be the most dynamic growth sector within aviation over the next few years. With the number of commercial uses equally on the rise, the availability and necessity of drone coverage has moved to the forefront.

Those who operate a drone for hire or pay a drone operator to provide services for their business may be eligible for drone coverage under a **Home Business Insurance** policy from RLI, which includes coverage for designated unmanned aerial vehicles (UAVs) with a maximum gross take-off weight (MGTOW) of 55 pounds. Most UAVs will fall into RLI's light category with a MGTOW of up to 15 pounds. At the \$1 million liability limit, anticipate per light UAV liability charges of \$500 for full coverage and \$350 where personal and advertising injury is not permitted.

RLI now offers drone coverage for owners who use their drones in one of 140 eligible business classes. The most common eligible commercial uses are real estate photography, wedding and family photography, home inspections and business who provide drone services/unmanned aerial photography to others.

Owned drones can be included in business personal property coverage on a specified perils basis. This does not include crashes or lost drones but it does cover theft, fire and other specified physical damage. Rating for business personal property including UAVs is subject to RLI's normal class rating plan.

Bodily injury and property damage coverage can be provided as well as personal and advertising injury related to drone operations in some cases.

Filings have been approved in most states, with coverage to ultimately be provided in all 50 states and the District of Columbia.\*

RLI is a specialty insurance company serving niche or underserved markets. RLI's proven, superior underwriting model creates flexibility to write unique coverages in a wide array of diverse industries.

RLI streamlines processes, eliminates red tape and puts decision-making in the hands of its expert underwriters, giving them the resources and freedom to drive growth so producers can quickly and easily get customers the coverages they need.

Visit [www.iiaba.net/HomeBusiness](http://www.iiaba.net/HomeBusiness) to learn more.

*\*Approval and implementation may be delayed New York. The application will require the make, model, FAA registration number and MGTOW of each covered UAV and the name and date of birth of each authorized operator. A copy of an FAA Small UAS Certificates of Registration will be required for each owned UAV and a copy of an FAA Airman Certificate or Temporary Airman Certificate will be required for each operator.*

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## WEBINARS

### BIM Website Training Webinar

Big "I" Markets

**Date: Thursday, October 5**

**Time: 2:00 - 2:30pm EDT**

**Cost: Free**

**Summary:**

For all you folks who recently registered for Big "I" Markets, remember you can participate in a webinar from the comfort of your office to help you learn how to navigate around the system. Every Thursday at 2:00 p.m. EDT we'll show you how to navigate the Big "I" Markets platform, including how to submit a quote! A recording of this webinar can be found under "Publications" after logging into Big "I" Markets.

**Registration:**

[CLICK HERE TO REGISTER](#)

### ISO's 2017 Commercial Property Changes

Virtual University

**Date: Tuesday, October 24**

**Time: 1:00 - 2:30pm EDT**

**Cost: \$49 - CE is not offered for this webinar.**

**Summary:**

Effective September 1, 2017, Insurance Services Office (ISO) filed several important commercial property changes. As part of this filing, ISO:

- Broadened coverage in the CP 10 30 Cause of Loss -Special Form;
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**INSTRUCTOR:** Christopher J. Boggs, CPCU, ARM, ALCM, LPCS, AAI, APA, CWCA, CRIS, AINS

**Registration:**

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## TWO FOR TUESDAY TRIVIA

Be one of the first five with the correct answers and win a \$5 gift card (Starbucks, Dunkin' Donuts, Baskin Robbins, or Krispy Kreme).

**Don't forget to answer the Tie Breaker!**

**Congratulations to this week's winners (Six due to a tie) - Nikki Eagle (NM), Kylee Lantz (PA), Julie Seibold (SC), Nicole Holding (NJ), Lana Campbell (NM), & Megan Yochum (OK).**

1. What Bavarian castle was partially modeled after *Lohengrin* an opera by Richard Wagner? - **NEUSCHWANSTEIN CASTLE**

2. It was a popular believe in the late 19th and early 20th centuries that Mars had intelligent life. What Martian "feature" was erroneously discovered in 1877 that led to this belief? - **CANALS**

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3. On this day (October 10) in 1845 this school opened in Annapolis, MD. By what name is it known today? - **UNITED STATES NAVAL ACADEMY (USNA)**

**TIE BREAKER**

TB - Although your grandmother may have baked her cookies with it, last week the FDA said what may not be listed as an ingredient? - **LOVE**

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**LAST WEEK'S MOST CLICKED LINKS**

Here are the top three items that got BIM agents clicking from our last edition... see what you missed!

1. National Flood Insurance Program (NFIP) Program Changes Bulletin
2. Aqua Tower Building in Chicago
3. Non-standard Homeowners

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**BIG "I" MARKETS SALE OF THE WEEK**

Congratulations to our agent in Florida on an Eagle Express sale of **\$8,849** in premium!