



Fitness Center Product

We are in great shape to handle your Fitness Center business! Our product targets fitness centers with up to \$2 million in annual sales per location. Eligible classes include aerobic studios, corporate fitness centers, independently owned fitness centers and franchised fitness centers.

Product Features:

- ▶ Available as monoline liability or as a package
- ▶ Coverage for the following exposures is automatically included for no additional charge:
 - Professional liability
 - Molestation and abuse at a \$100,000/\$300,000 limit (increased limits available for a charge)
 - Child sitting services
 - Personal trainers/aerobic Instructors
 - Four sport courts
 - Jacuzzis, hot tubs, saunas and steam rooms
- ▶ Landlords, property managers, club members and mortgagees can be named as additional insureds for no additional charge
- ▶ General liability coverage with expanded definition of bodily injury to include mental anguish and emotional distress
- ▶ No liability deductible
- ▶ Low minimum premiums

Package Coverages Available:

- ▶ Property coverage using ISO's broad April 2002 coverage form
- ▶ Value Plus Endorsement – 15 additional coverages for one flat charge
- ▶ Equipment breakdown – includes free boiler inspections if required in your jurisdiction
- ▶ Special form and replacement cost coverage is available
- ▶ Money and securities coverage
- ▶ Employee dishonesty coverage

Optional Features Available:

- ▶ Limited coverage for tanning units
- ▶ Coverage for massage services
- ▶ Stop gap liability*
- ▶ Coverage for special events with up to 500 attendees
- ▶ Hired and non-owned auto coverage

Additional Advantages:

- ▶ A.M. Best rated A++ carrier
- ▶ Quick quote and binder turnaround
- ▶ Policyholders have access to many services through our Business Resource Center that will assist in growing and protecting their businesses

* In OH, ND, WA, WY





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Claim Examples

- ▶ **Property:** A fire in an adjoining building caused water and smoke damage. There was \$15,000 of building damage and \$35,000 of business personal property damage. In order to repair the damage and replace the workout equipment, the fitness center closed for one month, which resulted in the loss of business income for the insured.
- ▶ **Property:** The owner arrived at the fitness center one morning to find that the building had been spray painted by vandals. The owner called the police to report the incident. The vandalism caused \$5,000 in damages.
- ▶ **Medical Payments:** A customer was exercising on a squat machine. The machine came off the ground and cut her leg. She incurred \$3,000 in medical expenses.
- ▶ **General Liability:** A customer was lifting weights when a 500-pound machine fell on his back and crushed him. The man sustained crushed lungs, a fractured vertebrae in his spine and \$150,000 in medical bills, as well as loss of income from loss of wages.
- ▶ **General Liability:** A customer slipped and fell in the entrance way of the fitness center due to the floor being wet from the rain. The customer sustained a non-displaced fibular fracture and sued the fitness center \$12,000 in medical expenses and loss of wages.
- ▶ **Professional Liability:** A professional trainer at the center was working with a member and encouraged them to increase the pace of their workout. During the session, the member injured their back and sued the fitness center for \$35,000 in medical costs and loss of wages.
- ▶ **Molestation and Abuse:** A member sued the fitness center alleging negligent hiring of an employed instructor who exhibited inappropriate behavior when training the member. The cost to defend the claim was \$17,000.
- ▶ **Hired and Non-Owned Automobile Liability:** The manager of the fitness center asked an employee to run to the bank. While on the way to the bank, the employee rear-ended another car causing \$4,000 worth of property damage to the other automobile and \$40,000 in bodily injury to the other driver, as well as damage to their automobile. The employee's car was underinsured when they injured the other driver.
- ▶ **Value Plus:** A building next to the insured's premises caught fire. The fire did not damage the insured's building; however, the fire spread to the insured's property and destroyed the insured's TV satellite dish located outside of the building. The value of the satellite dish was \$10,000.
- ▶ **Equipment Breakdown:** The insured's HVAC system was damaged due to an electrical shortage caused during a power surge. The HVAC system needed to be replaced. An equipment breakdown claim was made for \$2,000

The Business Resource Center is available to all insureds with discounts on background check services, tenant screenings, motor vehicle records and other great services!



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Why Do Fitness Centers Need To Purchase Insurance?

- ▶ One of your patrons places a weight back into its holder and it collapses on their feet
- ▶ Your hot tub causes a severe skin reaction
- ▶ One of your patrons drops their child off with your sitting center and the child breaks a finger
- ▶ The advice and instruction you give to one of your patrons causes damage to them
- ▶ One of your patrons is claiming they were sexually abused by one of your employees
- ▶ In order to increase membership, you host a function at a local mall and during the event, someone trips over cords that were not secured properly

Why Should You Choose Our Fitness Center Product?

The following are important features; make sure you have them all:

COVERAGE FEATURES	USLI	COMPETITORS
Professional liability coverage provided for no additional charge		
Includes molestation and abuse coverage at \$100,000 per occurrence / \$300,000 aggregate limit for no additional charge		
Defense cost coverage provided outside the limit of liability		
Personal trainers covered for no additional charge		
Child sitting services covered for no additional charge		
Limited tanning bed liability coverage available		
Non-owned and hired auto liability coverage available		
Automatically included club members as additional insureds		
Landlords can be included as additional insureds for no additional premium		
No liability deductible		
Expanded definition of bodily injury to include sickness or disease caused by mental anguish or emotional distress		
Policyholders have access to many services through our Business Resource Center that will assist in growing and protecting their businesses		

Why Choose To Be Insured With USLI?

- ▶ One of only 20 A++ rated insurance groups in the United States by A.M. Best
- ▶ A proud member of the Berkshire Hathaway Group, recently voted the #1 most admired Property & Casualty Company in the world (Fortune Magazine)



CARRIER:

Empty box for carrier information

Fitness Center Product Application

YOU CAN OBTAIN A QUOTE BY PROVIDING THE INFORMATION IN SECTION I - INSTANT QUOTE BELOW, SUBJECT TO THE REMAINDER PROVIDED PRIOR TO BINDING.

I. INSTANT QUOTE INFORMATION

Instant Quote is only available for accounts with no losses in the past three years. If there is loss history, please complete the entire application.

Applicant's name: _____

Location address: _____ Same as mailing address.

City: _____ State: _____ Zip: _____

Description of Operations:

Empty box for description of operations

How many years has the applicant been at the current location? _____

Do you own the building? Yes No (If "No", skip Building Owner questions under both the Property and Liability sections below)

Property Section

Construction: Frame Joisted masonry Non-combustible Masonry non-combustible
 Modified fire-resistive Fire-resistive Other _____

Protection class: _____

Requested cause of loss: Basic Special

Requested valuation: Replacement cost Actual cash value

Deductible: \$1,000 \$2,500 \$5,000

Coinsurance: 80% 90% 100%

Business personal property limit \$ _____

Business income and extra expense limit \$ _____

Building Owner

Building limit \$ _____

What year was the building constructed? _____

What is the square footage of the entire structure? _____ sq. ft.

Is the building fully protected by an operational sprinkler system covering 100% of the premises? Yes No

General Liability Section

Limit: \$100,000/\$200,000 \$300,000/\$600,000 \$500,000/\$1,000,000 \$1,000,000/\$2,000,000

Abuse & molestation liability limit: \$100,000/\$300,000 \$300,000/\$300,000 \$500,000/\$500,000 \$1mil/\$1mil

Exposure basis: Annual gross sales: \$ _____

Number of members: _____

Number of full-time employees: _____

Number of part-time employees (Less than 30 hrs/week): _____

Number of sports courts: _____

Does the facility have any treadmills? Yes No

Any jacuzzis, hot tubs, sauna or steam rooms? Yes No

Are there any shower facilities? Yes No

Are there any swimming pools? Yes No

Is the facility open 24 hours? Yes No

If "Yes", do you have a fitness staff certified in CPR on duty all hours of operation? Yes No

Do members have access outside of regular business hours? Yes No

Number of massage services units _____

Number of tanning units _____

Do you have exposure to child sitting services? Yes No

Building Owner

Is any portion of the building leased to commercial tenants? Yes No If "Yes", applicable sq. ft. _____

Does the applicant lease any apartments at this location? Yes No If "Yes", number of units _____

applicable sq. ft. of apts. _____

Additional Interests (AI = Additional Insured, LP = Loss Payee, M = Mortgagee)

Name	Relationship/Interest	Address	City, State, Zip	AI	LP	M
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

II. LOSS INFORMATION FOR THE PAST THREE YEARS

Liability Coverages			<input type="checkbox"/> None, or provide detail below.
Year	Status	Incurred	Description
_____	Open/Closed	\$ _____	_____
_____	Open/Closed	\$ _____	_____
_____	Open/Closed	\$ _____	_____

Property Coverages			<input type="checkbox"/> None, or provide detail below.
Year	Status	Incurred	Description
_____	Open/Closed	\$ _____	_____
_____	Open/Closed	\$ _____	_____
_____	Open/Closed	\$ _____	_____

III. ADDITIONAL PROPERTY INFORMATION

If you own the building and it is more than 10 years old, please complete the following:

Age of roof _____ yrs. Plumbing updated _____ yrs. Electrical updated _____ yrs. Heating updated _____ yrs.
 Roof type: Flat Wood shake Shingle Metal Tile Slate Other _____
 Plumbing type: PVC Copper Lead Galvanized Other _____
 What type of burglar alarm is on the premises? Central station Local None

IV. ELIGIBILITY CRITERIA

- No bankruptcies, tax or credit liens against the applicant in the last five years True False
 - Coverage has not been cancelled or non-renewed in the last three years (not applicable in MO) True False
- If "False", explain: _____

Property

- For any building built prior to 1978, 100% of the electric wiring is on functioning and operating circuit breakers True False
- For any building built prior to 1978, there is no aluminum wiring or knob and tube wiring N/A True False
- Functioning and operational fire extinguishers available True False
- Functioning and operational smoke detectors True False
- Building is not a non-standard structure (i.e. bubble, dome, etc.) True False

General Liability

- Applicant has not, is not and will not act as a franchisor (grantor of a franchise) True False
- No alcohol sales True False
- No contact martial arts or boxing activities True False
- No rock/wall climbing activities True False
- No gymnastics activities/instruction True False
- All members and guests using the facility are required to sign a release/waiver of liability True False
- All personal trainers and aerobic instructors are required to be certified True False
- All fitness personnel are required to be CPR certified True False
- Service logs are maintained on all equipment True False
- No chiropractic, physical therapy, rehabilitation services or similar professional services by direct employees and all professionals renting space from the insured are required to carry their own insurance and name the applicant as an additional insured True False
- Applicant does not manufacture or alter the packaging of any diet aids, vitamins, supplements or similar products True False
- Warning signs posted in clear view of all tanning units, hot tubs, saunas, steam rooms and fitness equipment True False
- No actual or alleged incidents regarding molestation or abuse True False
- No type of acupuncture services, electrolysis or hair removal services, body wrapping services or any type of body container services are provided by your center True False
- No medical services, blood analysis, stress testing, weight loss or diet clinic exists True False
- No formal instruction or classes for children under the age of 12 True False

Additional General Liability Information

Do you have tanning units? Yes No

If "Yes", please answer the following questions:

- No more than four units True False
- All units are Underwriters Laboratories (UL) approved True False
- All minors are required to have a parent or guardian sign a release prior to use True False
- Individuals are warned against using tanning units when pregnant or using photosensitive medication True False
- Applicant has exclusive access to controls True False
- Individuals are required to wear goggles True False
- Logs are kept on each person's use and maximum number of uses is enforced True False

Do you have child sitting services? Yes No

If "Yes", please answer the following questions:

- Criminal and background checks are performed on all potential employees having exposure to or responsibility for children True False

- 2. No children under six weeks old accepted True False
- 3. Children are required to be signed in and signed out True False
- 4. A member signing in a child must be on premises at all times True False

V. ADDITIONAL APPLICANT INFORMATION

Form of business: Individual Corporation Partnership LLC Other _____

What year did the business start? _____

Applicant's mailing address: _____ (if different than the location address above)

City: _____ State: _____ Zip: _____

E-mail address of primary contact: _____ Phone: _____

Inspection contact name: _____ Telephone/E-mail address: _____

Audit contact name: _____ Telephone/E-mail address: _____

FRAUD STATEMENTS

Alabama, Arkansas, District of Columbia, New Mexico, Rhode Island and West Virginia: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado Fraud Statement: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

Florida Fraud Statement: 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.

Kansas Fraud Statement: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Maine Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits

Maryland Fraud Statement: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey Fraud Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Oklahoma Fraud Statement: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Oregon Fraud Statement: Notice to Oregon applicants: Any person who, with intent to defraud or knowing that he is facilitation a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Kentucky, Pennsylvania AND Ohio Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 and subjects such person to criminal and civil penalties.

Tennessee, Virginia and Washington Fraud Statement: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Fraud Statement (All Other States): Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

STATE NOTICES

Arizona Notice: Misrepresentations, omissions, concealment of facts and incorrect statements shall prevent recovery under the policy only if the misrepresentations, omissions, concealment of facts or incorrect statements are; fraudulent or material either to the acceptance of the risk, or to the hazard assumed by the insurer or the insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.

Florida Surplus Lines Notice: (Applies only if policy is non-admitted) You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Florida and Illinois Punitive Damage Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

Maine Notice: The insurer is not permitted to withdraw any binder once issued, but a prospective notice of cancellation may be sent and coverage denied for fraud or material misrepresentation in obtaining coverage. A policy may not be unilaterally rescinded or voided.

Minnesota Notice: Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days' notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

Ohio Representation Statement: By acceptance of this policy, the Insured agrees the statements in the application (new or renewal) submitted to the company are true and correct. It is understood and agreed that, to the extent permitted by law, the Company reserves the right to rescind this policy, or any coverage provided herein, for material misrepresentations made by the Insured. It is understood and agreed that the statements made in the insurance applications are incorporated into, and shall form part of, this policy. **THE INSURED UNDERSTANDS AND AGREES THAT ANY MATERIAL MISREPRESENTATION OR OMISSION ON THIS APPLICATION WILL ACT TO RENDER ANY CONTRACT OF INSURANCE NULL AND WITHOUT EFFECT OR PROVIDE THE COMPANY THE RIGHT TO RESCIND IT.**

Utah Punitive Damages Notice: I understand that Punitive Damages are not insurable in the state of Utah. There will be no coverage afforded for Punitive Damages for any Claim brought in the State of Utah. Any coverage for Punitive Damages will only apply if a Claim is filed in a state which allows punitive or exemplary damages to be insurable. This may apply if a Claim is brought in another state by a subsidiary or additional location(s) of the Named Insured, outside the state of Utah, for which coverage is sought under the same policy.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: _____ License #: _____

Agent's signature: _____ Main agency phone number: _____
(Required in New Hampshire)

Agency mailing address: _____

City: _____ State: _____ Zip: _____

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

Applicant's signature: _____ Title: _____
President, Chairperson of the Board, Managing Member, or Executive Director

Date: _____