

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SELF-INSURED RETENTION**

**This endorsement modifies insurance provided under the following:  
DIFFERENCE IN CONDITIONS COVERAGE FORM UND 1211**

### **A. SELF-INSURED RETENTION CLAUSE**

All claims for loss or damage caused by a Covered Cause of Loss arising out of a "loss occurrence" will be adjusted as one claim, and we will then be liable for our share of the loss excess of the Self-Insured Retention shown in the Declarations; and any applicable underlying limits of insurance. In no event will we pay more than our Limits of Insurance shown in the Declarations.

This endorsement applies in addition to the Deductible provisions of the **DIFFERENCE IN CONDITIONS COVERAGE FORM** if a Deductible is shown in the Declarations. If a Deductible is not shown in the Declarations, this endorsement replaces the Deductible provisions of the **DIFFERENCE IN CONDITIONS COVERAGE FORM**. Any references to Deductible requirements in any other form or endorsement are amended to include the Self-Insured Retention outlined above.

You must notify us immediately of any claim which is likely to exceed 50% of the Self-Insured Retention. You should not, except at your own cost, voluntarily make any payment, assume any obligation or incur any expense in excess of the Self-Insured Retention.

### **B. EXAMPLES**

**The limits, amounts and Self-Insured Retention shown in the examples may not be applicable to your policy. They are being used only to provide you with an example.**

#### **EXAMPLE #1 – APPLICATION OF A SELF-INSURED RETENTION**

The policy has limits of \$10,000,000 and the Self-Insured Retention (SIR) is \$5,000,000. In this example there is no Deductible shown in the Declarations.

The Total Loss is \$12,000,000.

Step 1:  $\$12,000,000 - \$5,000,000 \text{ (SIR)} = \$7,000,000$

You would be responsible for the \$5,000,000 Self-Insured Retention. The most we would pay is \$7,000,000.

#### **EXAMPLE #2 – APPLICATION OF BOTH A SELF-INSURED RETENTION AND A DEDUCTIBLE**

The policy has stated values of \$15,000,000, a limit of \$10,000,000 and a \$5,000,000 Self-Insured Retention (SIR).

There is a Per Policy Deductible of 5% shown in the Declarations.

The Total Loss is \$12,000,000.

Step 1: Total Loss of  $\$12,000,000 - \$5,000,000 \text{ (SIR)} = \$7,000,000$

Step 2: Stated Values of  $\$15,000,000 \times 5\% \text{ (per policy deductible)} = \$750,000$

Step 3:  $\$7,000,000 - \$750,000 = \$6,250,000$

You would be responsible for both the \$5,000,000 Self-Insured Retention and the \$750,000 Deductible. The most we would pay is \$6,250,000.