

FAST FACTS

THE HARTFORD: Your solution for
 Adult Education Businesses.



Size of Opportunity

Adult Education Establishments	80,000 + businesses
Combined premium for workers' compensation, business liability, property and commercial auto	Approximately \$60 million*

Appetite

We define "small" as educational establishments having up to \$15 million in property values per location, sales up to \$10 million per account, payroll up to \$2 million for monoline workers' compensation, and up to 25 power units for monoline auto. Larger workers' compensation and auto policies may be written in conjunction with a Spectrum® policy.

SIC	Type of Business
8299	Learning Center - Language
8299	Learning Center - Reading
8249	Beauty, Cosmetology, Barber Schools
8244	Business & Secretarial School
8244	Business College
8249	Commercial Art School
8243	Computer Operator & Data Processing School
8243	Computer Repair Training
8243	Computer Software Training
8299	Continuing Ed Programs

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* MarketStance Commercial Lines Database, 2007

8299	Cooking School
8249	Correspondence School
8249	Court Reporting School
8249	Practical Nursing School
8249	Real Estate & Insurance Training
8249	Restaurant Operation Training
8249	Trade School

Ineligible operations include: any trade school that includes an apprenticeship program; aviation, gymnas-tic, driving, bartending, or construction-related trade schools. Hired and Non-Owned Auto is not available for trade schools.

Industry Outlook

This industry has had a tough go over the past several years. Demand for technical training in key areas including the medical industry, high technology, and manufacturing has been affected by employment trends. The lagging economy has also affected the number of potential students seeking training in cook-ing, real estate and beauty schools.

Why Adult Education Businesses Choose The Hartford

Spectrum® Business Owners Policy

- **Educational and training services rely heavily on the Web.** Many recruit from the Internet and are engaged in virtual learning.

Our optional Cyberflex safeguards educational serv-ices against loss of income or extra expense due to:

- ◊ Denial of Service Attack in which a Web site is maliciously flooded with junk mail either causing the site/system to crash or making it so slow that it is unusable for legitimate users
- ◊ Web Site Vandalism to protect against unautho-rized, malicious alteration, a.k.a. hackers
- ◊ Off Premises Web Site & Internet Service Interrup-tion because some businesses' Web sites are hosted off premises, either by an Internet service provider or other Web host. We provide Web site and Internet service interruption due to a covered

loss to the property our insured depends on to provide Web site or Internet services. The Web site host or Internet service provider may be located anywhere in the world.

- ◊ Good Faith Advertising to cover the expenses in-curred to restore faith after a cyber induced Business Income loss.

- **Specialized software is used to stream media, to allow distance based students to converse with the teacher, to perform administrative duties and to track student progress.** Many schools have com-puter hardware and software in both offices and classrooms.

Spectrum includes Computers and Media as covered business personal property and protects our insured's investment in computer technology by reimbursing them for physical loss or damage to computer hard-ware. Coverage is extended to loss of or damage to data or computer software on a more limited basis.

The optional Computers and Media coverage form provides built-in coverage for virus damage to com-puter equipment, software and data. Limits are available up to \$2 million. Stretch endorsements may also contain additional limits.

- **Finding a similar facility in the event of a loss could prove difficult.** The hands-on training and space functionality required by beauty and cooking schools etc., can add to the Business Interruption timeline.

Business Income coverage is critical at times like this to reimburse a business owner for loss of earnings and operating expenses that occur when business activities are temporarily stalled. Spectrum also of-fers extended Business Income coverage for 12 months – which amounts to up to one additional year of Business Interruption coverage after opera-tions have resumed.

- **Employee theft accounts for a large percentage of crime-related losses.** Audio-visual equipment, computers and software can easily be stolen by employees.

The optional Employee Dishonesty endorsement can be purchased. Limits from \$10,000 to \$250,000 are available. Additional limits are provided under many of our Stretch endorsements.

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- **Some adult learning programs allow students to “practice” their trade on live customers. Learning Centers sometimes have younger, school age students enrolled in their programs.** In both of these instances, professional liability coverage is essential.

Barber and Beauty School Professional Liability covers the professional services of barber and beauty schools. The Liability limit selected for this coverage must be the same as the Business Liability limit. The limits of insurance for any injury or damage covered by this form are within, and not in addition to, the otherwise applicable limits of insurance.

Certain types of operations are excluded such as electrolysis, permanent makeup and certain types of massage.

Educator’s Legal Liability* (also referred to as “ELL”) provides four-part claims-made protection for the educational institution’s professional and employment-related acts. Educator’s Legal Liability is a very broad coverage applicable to wrongful acts, including Errors and Omissions committed by an insured while carrying out his or her duties for the educational institution. Administrators, teachers, staff members, directors, or officers of the institution are included as insureds.

The four types of covered wrongful acts are:

- ◇ Directors and Executive Officers Wrongful Acts
- ◇ Educational Wrongful Acts
- ◇ Employment Benefits Wrongful Acts
- ◇ Employment Practice Wrongful Acts

*Not available in California.

Workers’ Compensation

- **Cash flow can be uneven.** Matriculation rates generally increase in September and June.

The Hartford offers a convenient way to manage cash flow with XactPAY®, our patent pending payroll billing solution for Hartford workers’ compensation policyholders. Benefits to small business owners include:

- ◇ No large down payment
- ◇ Pay-as-you-go premium charges based on actual payroll
- ◇ Mitigation of audit surprises at the end of the policy period

- **The injury rate for educational services is slightly above average.** Hazards include slips, trips and falls, burns and skin irritations and machinery related accidents.

As one of the largest and most experienced workers’ compensation carriers in the country, we offer:

- ◇ **Access to a nationwide network of over 400,000 healthcare providers skilled in handling workplace injuries and helping injured employees get back to work.** These network resources, combined with contracted network discounts, help The Hartford get the most out of every healthcare dollar.
- ◇ **Assistance in getting injured workers back on the job as soon as medically appropriate** through our Team•Work® return-to-work program and nurse case managers for complex cases.
- ◇ **Help in managing claim expenses** by reviewing medical bills and prescription treatments for accuracy.

Commercial Auto

Our Broad Form endorsement is automatically added to most policies at no cost to the insured. Among its provisions, we include:

- Many times employees use their own automobiles to run business related errands during their lunch break or after work. A significant non-owned auto exposure exists.

Employees as Insureds – If an employee has an accident while driving their own car on company business, personal liability coverage is provided to the employee in excess of the employee’s own personal auto insurance.

- Owners may lease or purchase expensive vehicles for themselves. Vehicles depreciate quickly and in the event of a total loss the outstanding value of the lease may exceed the actual cash value of the vehicle.

Lease Gap Coverage – In the event of a total loss to a covered leased auto for which the lessor has been added as an additional insured, we will pay the outstanding balance of the lease if it exceeds actual cash value.

Loan Gap Coverage – In the event of a total loss to a covered auto for which the insureds outstanding loan balance is greater than the actual cash value of the vehicle, we will pay the difference between the outstanding loan balance and the actual cash value.

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- **Like other professionals, many adult education business owners may want their next car to be a hybrid.** Many professionals are drawn to the clean energy and high mileage aspects of hybrid cars.

Hybrid Car Replacement - If a non-hybrid auto is a total loss, and is replaced by a hybrid auto, we will pay an additional 10% of actual cash value up to a maximum of \$2,500.

Industry Websites:

- American Association for Adult and Continuing Education - www.aaace.org
- Association for Career and Technical Education - www.acteonline.org

With The Hartford Behind You, Achieve What's Ahead of You.

Don't forget to visit our small commercial site at:
sb.thehartford.com

This document contains only a general description of coverages that may be provided and does not include all of the features, exclusions and conditions of the policies it describes. Certain coverages, features and credits vary by state and may not be available to all insureds. You should consult the actual policy language and speak with the appropriate Hartford representative if you have questions. In the event of a loss, the terms of the policy issued will determine the coverage provided. Coverages are underwritten by Hartford Fire Insurance Company and its property and casualty affiliates, Hartford Plaza, Hartford CT 06155, CA lic.# 5152.