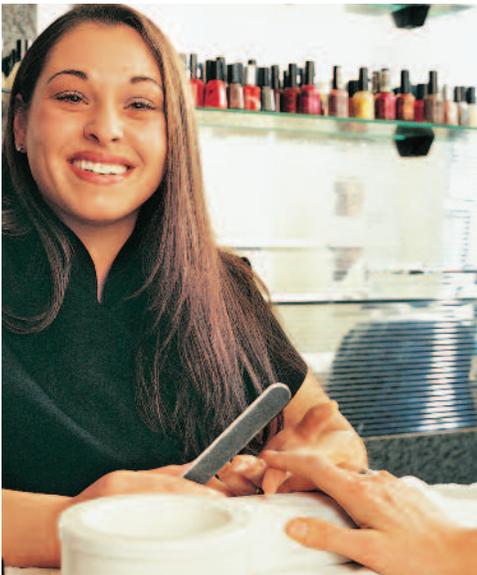


FAST FACTS

THE HARTFORD: Your solution for
Beauty Services.



Size of Opportunity

U.S. Beauty Services	800,000 + businesses*
Combined premium for workers' compensation, business liability, property and commercial auto	Approximately \$466 million*

Appetite

We define "small" as beauty services having up to \$15 million per location, sales up to \$10 million per account, payroll up to \$6 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

7231 Beauty Shops; Barber Shops

Provide haircuts and hair styling services to men and women. Incidental operations such as manicures, pedicures, waxing and electrolysis are acceptable. Professional liability is available but does not cover all operations. Risk is ineligible if products are sold under the insured's name, unless the products exclusion is added. Tanning exposures are excluded.

7231 Nail Salons

Provide nail styling services including applying or repairing sculptured nails. Professional liability is available but does not cover all operations. Risk is ineligible if products are sold under the insured's name, unless the products exclusion is added. Tanning exposures are excluded.

Industry Outlook

Demand for these services is driven by both demographics and the state of the economy. Salons located in upscale neighborhoods can and do charge more for services. These salons depend heavily on the technical skills of their employees. Once firmly established, these salons have a better long-term survival rate than the average business. Lower cost chains see more traffic when the economy takes a downturn.

Why Beauty Services Choose The Hartford

Spectrum® Business Owners Policy

Computers are critical to day to day operations.

Computers are used to schedule appointments, track inventory, and maintain customer files including color preferences, brand and type of products used, etc.

- Spectrum includes Computers and Media as covered business personal property and protects our insureds' investment in computer technology by reimbursing them for physical loss or damage to computer hardware. Coverage is extended to loss of or damage to computer software on a more limited basis.
- The optional Computers and Media coverage form provides built-in coverage for virus damage to computer equipment, software and data. Limits are available up to \$2 million. Stretch endorsements each also contain additional limits.

Location can be key. Salons usually establish a clientele base in their immediate area. Moving could mean the loss of valued repeat customers. Consequently, should a property loss occur, most salons would prefer to rebuild, not relocate.

- Business Income coverage is critical to reimburse a business owner for loss of earnings and operating expenses that occur even though business activities are temporally stalled. Spectrum also offers extended Business Income coverage up to 12 months– that can total to one additional year of Business Income coverage after operations have resumed.

Many salons are dependent on other businesses.

Highly visible locations near an anchor store or inside of a mall help drive foot traffic. Should the anchor store or the mall suffer a large property loss, salons in the immediate vicinity may incur reduced sales or need to shut down during construction.

- Spectrum may be endorsed to provide Business Income Coverage from Dependent Properties. This endorsement can provide Business Income coverage for a covered loss at the premises of an anchor property, etc.

Outfitting a salon can be very expensive and interiors often have wall or floor treatments that reflect its “personality.” Space improvements need to be properly covered by the salon owner.

- The Special Property Coverage form includes Tenant's Improvements and Betterments within the Business Personal Property limit. A separate limit, sometimes required contractually by a landlord, may be established for Tenant's Improvements and Betterments and established in the policy declarations.

Green hair (when it's supposed to be blond), allergic reactions, infections, chemical burns can occur. Salons have a professional liability exposure and the more services offered, the higher the risk of loss.

- Our optional Barber and Beauty Shop Professional Liability form covers the professional services of barber shops, beauty shops, beauty salons or nail specialty salons. The liability limit selected must be the same as the business liability limit. The definition of insured includes any independent contractor who performs barber or beautician professional services for the named insured.

Workers' Compensation

Work can be physically demanding. Stylists stand for long hours, plus repetitive motions, cuts, and slips and falls on wet floors all contribute to workers' compensation exposures. As one of the largest and most experienced workers' compensation carriers in the country, we offer:

- Access to a countrywide 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.
- Broad Coverage for your insureds including our Broad Form Endorsement at no additional premium charge. This endorsement provides many useful coverages including Reimbursement for Reasonable Expenses incurred on the insureds behalf in connection with a suit or claim proceeding we defend. This coverage extends to loss of earnings.

continued

Demand for services is often seasonal. The summer bridal season and winter holidays call for an increase in color, cut, pedicure and manicure procedures. Cash flow can be an issue, especially on “off months.”

• **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
- ◊ Lessening of audit surprises at the end of the policy period

Commercial Auto

Receptionists often use their own vehicles when asked to run company errands during the lunch hour or after work. A non-owned auto exposure is present. Our Broad Form endorsement is automatically added to most policies at no cost to the insured. Among its provisions we include:

• **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.

Our Broad Form Auto Policy also offers:

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

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 flyer 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.