

FAST FACTS

THE HARTFORD: Your solution for
Advertising Agencies.



Size of Opportunity

U.S. Advertising Agencies	55,000 + businesses*
Combined premium for workers' compensation, business liability, property and commercial auto.	Approximately \$63 million*

Appetite

We define "small" as ad agencies having up to \$15 million in property values per location, sales up to \$15 million per account, payroll up to \$6 million per account 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

7311	Advertising Agencies
	Develop advertisements and advertising campaigns by preparing layouts for books, magazines, TV, radio, newspapers, brochures or the Internet. Put together prototypes for others to print or mass produce.

Industry Outlook

Ad agencies develop advertisements for a variety of media including TV, radio, print, etc. Once ads are developed ad agencies place them with media outlets. Creative skills and good client relationships are critical to maintaining profitability. This business is highly concentrated in major metropolitan centers including Los Angeles, New York and Chicago.

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Why Ad Agencies Choose The Hartford

Spectrum® Business Owners Policy

Receivables comprise a large portion of an ad agency's assets. Clients are generally billed for "services rendered" and considerable time may pass from start to finish on projects. More and more contracts are linked to results performance metrics, further delaying payment.

Spectrum has a \$25,000 limit for Accounts Receivable coverage built into the form for both on and off premises exposures. This limit may be increased up to \$2 million. Additional limits are provided by the blanket limit included in our Super Stretch endorsements. Accounts Receivable coverage responds to losses caused by the inability to collect outstanding balances as a result of lost or damaged records.

The valuable papers and records exposure is significant. Meticulous records of all client-facing meetings and conversations must be kept both for billing purposes and to defend against the possibility of a professional liability lawsuit.

Spectrum is designed to cover Valuable Papers up to a \$25,000 limit both on and off the premises. This limit may be increased up to \$2 million. Additional limits are provided by the blanket limit included in our Super Stretch endorsements. We provide coverage for the cost to research and re-create copies of clients' files

The use of computers and customized design software is standard practice. Computers are used in the creative process and also to maintain client databases and generate client billing.

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 hardware. 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 computer equipment, software and data. Limits are available up to \$2 million.

State-of-the-art computers, cameras, editing equipment, etc. are used every day. The threat of theft is substantial including employee theft.

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

Clients are often entertained at events where liquor is served. Holiday parties, golf outings and sporting events are common entertaining venues.

Host Liquor coverage is automatically included when business liability is in place and extends to the policy limit, or if there is an umbrella in place, to the umbrella limit.

Workers' Compensation

Employees often travel to client meetings, production studios, etc. Auto accidents may lead to workers' compensation losses.

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.

Cash flow is uneven. Revenue is seasonal; most is earned during the 4th quarter when clients increase advertising to boost holiday sales. Expenses, however, continue all year long.

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

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Commercial Auto

Our Broad Form endorsement is automatically added to most policies at no cost to the insured. Many valuable coverages are included at no additional cost to the small business owner.

Employees often use their own cars to travel to client's offices. A significant non-owned auto exposure exists. Travel to clients' offices also creates a workers' compensation exposure.

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.

Many firms lease expensive vehicles for the partners. 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.

Like other professionals, many ad agency partners 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.

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

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

The information presented here 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 or 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. Possession of this material by a licensed insurance producer does not mean that such producer is an authorized agent of The Hartford. To determine such information, please contact your state's Insurance Department or The Hartford at 1-888-203-3823.