

GROSS EARNINGS WORKSHEET



Name of Insured _____

Location of Risk _____

Agent/Broker _____

Effective Date _____

ALL ENTRIES TO BE ON AN ANNUAL BASIS	COLUMN 1 Actual Values for Year Ended	COLUMN 2 Estimated Values for Year Ending (Project 2 years beyond the year shown in Column 1.)
A. Total net sales value of production from Manufacturing Operations and total net sales or net revenue from Merchandising or Non-Manufacturing Operations, (Gross sales or gross revenues less discounts, returns, bad accounts and prepaid freight, if included in sales)	\$ _____	\$ _____
B. Add other earnings (if any) derived from operations of the business:		
1. Cash Discounts Received	\$ _____	\$ _____
2. Commissions or Rents from Leased Departments	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
C. Total of A plus B	\$ _____	\$ _____
D. Deduct only costs of:		
1. Raw stock from which such production is derived	\$ _____	\$ _____
2. Supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the service(s) sold by the Insured	\$ _____	\$ _____
3. Merchandise sold , including packaging materials therefor	\$ _____	\$ _____
4. Service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. Total Deductions	\$ _____	\$ _____
E. GROSS EARNINGS (C minus D)	\$ _____	\$ _____
F. Amount of Insurance (multiply Column 2, item E by coinsurance factor) <input type="checkbox"/> 50% or <input type="checkbox"/> 80% Co-Insurance	OPTION 1	\$ _____
G. Ordinary Payroll Exclusion All Ordinary Payroll Expense (as defined overleaf)	\$ _____	\$ _____
H. Business Interruption Basic Amount (E minus G)	\$ _____	\$ _____
I. Amount of Insurance (Show 80% of H, Column 2)	OPTION 2	\$ _____
J. Ordinary Payroll Limited Cover (Show the amount for the largest ordinary payroll for the period selected) <input type="checkbox"/> 90 Days <input type="checkbox"/> 180 Days	\$ _____	\$ _____
K. Business Interruption Basis Amount (H plus J)	\$ _____	\$ _____
L. Amount of Insurance (Show 80% of K, Column 2)	OPTION 3	\$ _____

Note 1. When the Ordinary Payroll Limited Coverage Endorsement is used, the amount to be stated in the Endorsement should be at least 80% of the amount shown under Item J. "Column 2" above.

Note 2. Do not inadvertently enter Cost of Sales as Cost of Raw Stock under "D" above. This item should not include any labor. "Freight in" may be considered as a part of the cost of raw stock.

Note 3. Business Interruption values should be checked at regular intervals and any actual or impending change that would affect values as they have been projected in Column 2, should be notified to the agent of broker as soon as such changes become known.

EXPLANATORY NOTES

<p>1 To obtain annual net sales value of production from Manufacturing Operations, the following procedure is recommended: Net sales of Insured's product during the year (i.e. gross sales less discounts granted, returns, allowances, bad debts, and prepaid freight, if included in sales figures)</p> <p>DEDUCT - Inventory of FINISHED STOCK at beginning of year, priced at sales value</p> <p>BALANCE</p> <p>ADD - Inventory of FINISHED STOCK on hand at end of year, priced at sales value</p> <p>TOTAL - Annual Net Sales Value of production during the year</p>	<p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p>
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<p>2 To obtain cost of raw stock, merchandise sold, or supplies consisting of materials consumed, the following procedure is recommended:</p> <p>Inventory at beginning of year</p> <p>ADD Net COST OF RAW STOCK, merchandise, supplies consisting of materials purchased during the year (including cartage and transportation charges on said incoming purchases)</p> <p>TOTAL</p> <p>DEDUCT - Inventory at end of year</p> <p>+ Amount for deductions 1, 2 and 3 of "D"</p> <p><i>Note: Adjust for any inventory increase or decrease caused by price fluctuations.</i></p>	<p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p> <p>\$</p>
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3 Definition of Ordinary Payroll Expense: The entire payroll expense for all employees of the Insured, except officers, executives, department managers, employees under contract and other important employees.

4 Premium Adjustment Clause is contained in the wording to permit recovery of premium if values are over estimated.

Options - Only one amount of insurance is required use:

Option (1) If full payroll coverage is required.

or

Option (2) If policy is written with ordinary payroll exclusion.

or

Option (3) If policy is written with ordinary payroll limited coverage. (90 days or 180 days)

Applicant's Signature