

C₃—The amount entered here represents the estimated results to be produced by the next twelve months operations and the basic estimate upon which the proper amount of Use and Occupancy insurance is predicated. As the next twelve months pass, it would be advisable to check this estimated amount against the actual operating results at intervals of not more than 90 days. Then there can be made any necessary adjustment in the amount of Use and Occupancy insurance required to parallel the business trends which were unforeseen at the time the policy was written.

Following this point, two work-out tables are available, one for the Blanket Coinsurance form (Table 2) and one for forms other than the Blanket Coinsurance form (Table 3). It is suggested that both tables be used in order to compare the premium cost of the Blanket Coinsurance form with the premium cost of any other form. This, with a view to adopting the Blanket Coinsurance form wherever possible, even though one of the other forms might be considered suitable.

Table No. 2

This table is a guide for use in the adjustment of the Basic Estimate (Table 1—Step C₃) for coverage under the Blanket Coinsurance form. It divides the Basic Estimate into the two items as required for coverage under the Blanket Coinsurance form.

Item I—Under this section of Table 2 are the steps necessary to arrive at the amount of insurance required under Item I of the Blanket Coinsurance form in order to comply with the provisions of the Coinsurance Clause as it applies to Item I. The first amount entered is the Basic Amount (Table 1—Step C₃). From this is deducted the combined cost of Full Annual Ordinary Payroll and the Full Annual Cost of Heat, Light and Power. The remaining difference is the amount of insurance necessary under Item I of the form. To this amount is applied the Item I rate which produces the premium cost for insurance under Item I.

Item II—Under this section is inserted the amount of *Full Ordinary Payroll* for the largest 90 consecutive days of the year. To this amount is applied the Item II rate which produces the premium cost for insurance under Item II (if desired).

The final operation of this Table shows the total amount of insurance to be maintained under the