

Hibbs-Hallmark & Company Newsletter

Fire Department Service Charge Coverage

Did you know that, in some instances, you can be held responsible for Fire Department Service charges? Did you know that those charges can sometimes amount to several thousand dollars? Many standard commercial policies contain language similar to the following:

"When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage."

Most city fire departments do not make a service charge for properties located within the city limits. However, this is starting to change and everyone should check with their responding fire department to determine their position. If your property is located outside the city limits, a different position may be applied.

Also, please note that the coverage provided under the property policy is for **Covered Property** only. If the property consumed in the fire is not insured, no coverage would be afforded under the Fire Department Service Charge provision. Any special charges for Hazardous Materials Disposal could be in addition to this and a specific charge for this may be applicable. If you feel you have a need for higher limits of coverage than those provided in the property policy, contact your Hibbs-Hallmark representative and they will assist in helping you get the additional coverage desired.

Homeowner's policies have similar provisions. Due to the many different homeowners' forms, you will need to check your policy to determine coverage available.

Please contact your Hibbs-Hallmark & Company account representative for more information.

Sincerely,
David Dover, CPCU
Senior Vice President

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