

CHAPTER 7:
BUSINESS OWNERS POLICY

OVERVIEW OF BUSINESS OWNERS POLICY

- Is used to insure the small to medium-sized business market
- This policy acts as an alternative to the Commercial Package Policy (which was reviewed in the previous chapter)
- The Business Owners policy is a replacement cost policy, written on a Special Form basis
- Features include:
 - Built-in inflation guard
 - Peak season coverage
 - Business income and extra expense
 - Business income from dependent properties
 - Glass expense
 - Fire extinguisher expense
- Optional coverages are available for:
 - Outdoor signs
 - Crime coverage
 - Employee dishonesty
 - Mechanical breakdown

WHAT ARE THE ELIGIBLE RISKS UNDER THE BUSINESS OWNERS POLICY?

- Convenience Stores with Gasoline Pumps
 - Gasoline sales limited to 75% of gross sales
 - No auto services, restaurants or propane/kerosene filling permitted
- Contractors such as:
 - Electricians
 - Carpenters
 - Plumbers
 - Painters
- Motels not exceeding three stories and not including a lounge or bar
- Mercantile, Service, or Processing Occupancies including:
 - Bakeries
 - Repair Shops
 - Funeral Homes
 - Printers
- Office Buildings not exceeding six stories or 100,000 square feet of floor area
- Apartment Buildings including
 - Residential condominium associations
 - Office condominium associations
- Wholesale Risks
 - Limited to 25% annual gross sales from retail
 - 25% of total floor area open to the public
- Self-storage Facilities

- Not exceeding two stories
- Not including industrial storage
- Laundry Services/Dry-Cleaners
 - Limited to ones with less than three pickups per week
- Restaurants limited to fast food types up to 7,500 square feet
 - Includes:
 - Cafes
 - Sandwich shops
 - Drug stores
 - Pizza shops
- Convenience Stores with Gasoline Pumps
 - Sales limited to 75% of gross sales
 - No auto services, restaurants or propane/kerosene filling permitted
- Contractors
 - Carpenters
 - Electricians
 - Painters
 - Plumbers

WHAT INELIGIBLE RISKS DOES THE BUSINESS OWNERS PROGRAM INCLUDE?

- Financial Institutions
- Places of Amusement
- One to two family dwellings
- Household personal property
- Manufacturing or processing risks (unless within eligibility guidelines)
- Contractors (unless within eligibility guidelines)
- Grills, bars and restaurants
- Automobile businesses, parking lots, dealers and garages

BUSINESS OWNERS POLICY STRUCTURE

- Policy is comprised of a:
 - Declarations Page
 - Special Property Coverage Part
 - Liability Coverage Part
 - Applicable endorsements

COMMON POLICY CONDITIONS OF BUSINESS OWNERS POLICY

- Liberalization Clause
 - Broadens current coverages to reflect the introduction of policy revisions when no additional premium is charged
 - Liberalization of coverage occurs during the policy term, or within 45 days of inception

- Two or More Coverages
 - If two or more of the policy's coverages apply to the same loss or damage, the insurer will not pay more than the actual amount of the loss or damage
- Inspections and Surveys
 - Permits the insurance company the right to inspect and survey properties for underwriting purposes
- Examination of Books and Records
 - Permits the insurance company the right to examine and audit books for up to three years from the date of policy expiration
- Concealment, Misrepresentation or Fraud
 - Permits the insurer to void the policy in the event of fraud or material concealment/material misrepresentation
- Changes Provision
 - Requires any policy change to be made by endorsement
- Cancellation Provision
 - Requires the insurer to give advance written notice
 - Specifically advises the insured that it may cancel for any of the following reasons:
 - Failure to pay property taxes that are owing and have been outstanding for more than one year
 - Failure to furnish heat, water, sewer service or electricity for 30 consecutive days
 - Fixed and salvageable items are being removed from the building
 - If an order to vacate or demolish the building has been issued or a declaration that the building is unsafe by a government authority
 - Failure to initiate permanent repairs to the building within 30 days of damage
 - Vacancy or unoccupancy of 60 days or more (This does not apply to seasonal unoccupancy or buildings in the course of construction)
- Transfer of Rights and Duties Under This Policy
- Transfer of Rights of Recovery Against Others To Us
- Premiums Provision
 - Sets forth premium payment responsibilities
- Other Insurance
 - Provides this coverage to be excess over other insurance

WHAT ARE COMMON EXCLUSIONS OF A BUSINESS OWNERS PROPERTY FORM?

- Certain computer related losses (failure or malfunction)
- Nuclear Hazard
- Power Failure (off premises)
- Water (flood, surface waters, sewers, mudslides)
- Military Action and War
- Governmental Action (seizure or destruction of property)
- Earth Movement (earthquake, mine subsidence, landslide)

- Ordinance or Law (includes cost of removal and demolition)

OVERVIEW OF BUSINESS OWNERS POLICY COVERAGE FORM: CAUSE OF LOSS

Business Owners Policy excludes losses cause by the following:

- Errors and omissions
 - Meaning programming or computer errors
 - Electrical apparatus
 - Loss caused by artificially-generated current
 - Consequential losses
 - Loss of use of market
 - Smoke, vapor or gas
 - From agricultural or industrial operations
 - Steam apparatus
 - An explosion of boilers, pipes, turbines owner or leased
 - Frozen plumbing
 - Unless the insured attempted to maintain heat
 - Dishonesty by the insured, partner, trustee or representative
 - False pretense
 - Any fraudulent scheme, track or representative
 - Exposed property
 - Damage while in the open by rain, ice or snow
 - Collapse
 - Except as provided in additional coverage for collapse
 - Pollution
 - Limited coverage is provided for pollution cleanup
 - Neglect
 - Using all reasonable means to save or protect a property after a loss
 - Other types of losses
 - Dampness, dryness, marring and scratching
 - Mechanical Breakdown, including rupture by centrifugal force
 - Insects, birds, rodents or other animals
 - Settling, shrinking, cracking or expansion
 - Smog
 - Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any type of property that causes itself to destroy
 - Wear and tear
 - Negligent work
 - Faulty, inadequate or defective design
 - Acts or decisions of any group or governmental body
 - Weather Conditions
 - Electrical Disturbances

- The erasure of electronic media or records
- Installation, Repair, Testing
 - Meaning errors or deficiencies in computer design, installation, testing or repair

NOTE ON COVERED PROPERTY

- Under the Business Owners Property, covered Property is subject to the limit of liability indicated on the Declarations Page.

WHAT DOES COVERAGE A – BUILDINGS COVER?

- Covers buildings and structures described in the Declarations, including:
 - Personal property used to service the buildings premises including:
 - Fire extinguishers
 - Outdoor furniture
 - Lawnmowers
 - Snowplows
 - Floor coverings
 - Appliances used for heating, refrigeration and ventilation
 - Personal property used as a landlord
 - Permanently installed fixtures and equipment including:
 - Signs
 - Mailboxes
 - Flagpoles
 - Permanently installed Machinery and Equipment
 - Outdoor fixtures including:
 - Lights
 - Awnings
 - Mailboxes
 - Flagpoles
 - Completed additions (office additions to a building)

Note:

If not ensured elsewhere, coverage is provided for additions and alterations while under construction along with materials, equipment, supplies and temporary structures (within 100 feet of the described premises, used for alterations or additions)

OVERVIEW OF COVERAGE B – BUSINESS PERSONAL PROPERTY

- Exterior building glass for which the insured owns or is responsible
- Leased personal property for which the insured is contractually responsible
- Tenant's improvements and betterments including decorations of a store or interior improvements
- Property of others that is in the insured's care, custody and control
 - This property is not covered for more than the amount the insured is legally liable

- Property owned by the insured and used in business including machinery, fixtures, stocks, and furniture

TYPES OF PROPERTY NOT COVERED OR LIMITED IN COVERAGE

- Computers that are permanently installed in aircraft, motor vehicles or watercraft
- Accounts, bills, food stamps and evidence of debt
- Trees or shrubs (except as provided in the coverages extension)
- Watercraft including:
 - Motors
 - Equipment
 - Accessories
- Signs not attached to the building
 - Optional coverage is available
- Outdoor fences, radio or television antennas
- Land, water, lawns or growing crops
- Contraband or property in the course of illegal transportation or trade
- Bullion, money and securities
- Aircraft, automobiles, motor trucks and other vehicles that are subject to motor vehicle registration

ADDITIONAL COVERAGES UNDER THE BUSINESS OWNERS POLICY

- Extended Business Income
 - Provides coverage for the readjustment period in consideration of lost customers
 - Provided for up to 30 days
- Business Income
 - Actual business losses that occur during the period of restoration which begins 72 hours after the time of direct physical loss and ends when the property can be repaired, rebuilt or replaced
 - It is net income and continuing normal operating expenses including payroll
 - Applies for twelve consecutive months (ordinary payroll is limited to 60 days)
- Water Damage caused by discharge or leakage
 - The repair cost of plumbing equipment and/or appliance is excluded
- Collapse caused by:
 - Decay
 - Insect
 - Vermin
 - Weight of people or rain
 - Use of defective materials or methods of construction
- Fire Department Service Charge up to \$2,500 of liability
- Preservation of Property
 - Coverage for property removed for protection from a covered cause of loss
 - Coverage applies for 30 days

- Debris Removal up to 25% of direct loss minus the deductible and not to exceed the limit of insurance and claimed within 180 days
 - An additional \$10,000 limitation applies at each location if the 25% limit is exhausted
- Forgery or Alteration
 - Provides coverage for loss of money, resulting from the forgery or alteration of outgoing checks, drafts or promissory notes
 - A legal defense will also be provided in the event the insured is sued for his refusal to pay a check on the basis that it is forged or altered
 - Coverage is subject to \$2,500 limitation
- Money Order and Counterfeit Paper Coverage
 - A loss that results from the good faith acceptance of U.S. and Canadian money orders or paper currency subject to a \$1,000 limitation
- Civil Authority
 - Prohibited by a civil authority to use the described premises as the result of a direct loss to property, other than at the described premises
 - Example: If an explosion occurs across the street from the insured premises, causing a civil authority to close down the street and causing the insured to have a loss of business income, coverage will be provided
- Pollutant Clean Up and Removal
 - Provides coverage for the cleanup of pollutants from land or water caused by a covered loss, occurring during the policy period and reported within 180 days of loss or the end of the policy period
 - \$10,000 limit applies to each location
- Extra Expense Coverage
 - The extra expense incurred within 12 consecutive months after the date of direct physical loss
 - 72 hour time deductible does not apply to extra expense losses
- Limited Coverage of Fungi, wet or dry rot due to a covered cause of loss
 - The limit is \$15,000 per policy period
- Electronic Data that is destroyed or corrupted by a covered cause of loss
 - The limit of liability is \$10,000
- Glass Expense
 - Pays the expense incurred by the insured to put up temporary plates or boards up openings
 - It also pays the cost to remove obstructions
- Business Income from Dependent Properties
 - Provides coverage for actual losses sustained by the insured due to a physical loss or damage at the premises of a dependent property
 - Limit of coverage is \$5,000
- Increased Cost of Construction
 - Only applies to buildings insured on a replacement cost basis
 - It provides up to \$10,000 in coverage for each described building if a covered loss creates an increase in construction costs mandated by a building ordinance or law

- Coverage does not apply to any cost due to an ordinance or law that the insured was required to and failed to comply with before the loss
 - Example: if the insured failed to install a fire escape that was required by the city and a fire loss subsequently occurs, the insurer would not pay to the \$10,000 limitation for the fire escape
- This additional coverage will not apply to costs due to an ordinance or law which requires the insured or others to test or cleanup to assess the effects of pollutants

Note: Additional coverages are paid beyond the principal policy coverages.

COVERAGE MAY BE EXTENDED AS FOLLOWS:

- Valuable Papers and Records
 - Covers the cost to research and reconstruct lost records up to \$10,000 on premises and \$5,000 off premises
 - Examples: blueprints, deeds, maps, historical documents and general business records
- Outdoor Property
 - Covers outdoor property for the following losses:
 - Fences, antennas, and detached signs
 - Fire, lightning, explosion, riot or civil commotion, or aircraft
 - \$1000 per tree or shrub (maximum of \$2500)
- Personal Property Off Premises
 - Covers personal property other than money and securities up to \$10,000
 - Coverage applies to property that is in transit or temporarily at a location not owned or occupied by the insured
 - Personal Property at Newly-Acquired Premises
 - Covers personal property other than money and securities up to \$100,000 at each newly-acquired location
 - Period of Coverage. With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs: this policy expires; 30 days expire after you acquire the property, or begin construction of that part of the building that would qualify as covered property; or you report values to the insurer.
- Buildings Newly-Acquired or Constructed
 - Covers newly-acquired or constructed buildings up to \$250,000 on the described premises or at a new location
- Accounts Receivable
 - Provides coverage in the event accounting records are destroyed due to a covered loss and because of this the insured is unable to collect money due
 - Also covered is the cost to reconstruct accounts receivable records, increased collection costs
 - Coverage is limited to \$10,000 on premises and \$5,000 off premises

LIMITS, INCREASES AND DEDUCTIBLES OF THE BUSINESS OWNERS POLICY

- Business Personal Property Limit – Seasonal Increase Coverage
 - Automatically increased 25% to reflect seasonal variations of business and personal property
 - Provision is only applicable if business personal property limits equal 100% of the previous 12 months' average values for business property are maintained
- Building Limit – Automatic Increase Coverage
 - Building limit will automatically increase by 8% or based upon a different annual percentage indicated in the Declarations
 - Example: if 8% is indicated in the Declarations, a building insured for \$100,000 on January 1 will increase on a daily basis to equal \$108,000 on December 31

Note: The standard deductible under the Business Owners Policy is \$500. No deductible applies to losses for fire department charges, business income and expense coverage. Outdoor signs that are attached to the building are limited to \$1,000 per sign in any one occurrence.

PROPERTY LOSS CONDITIONS OF BUSINESS OWNERS POLICY

- Loss Payment on buildings and business personal property at replacement cost without depreciation if at the time of loss the property is insured by 80% or more of the full replacement cost
 - Other categories of property are covered as follows:
 - Optional coverage for money and securities
 - Valuable papers and records including:
 - Electronics or magnetic media at the cost of blank media and labor to transcribe or copy the records
 - This does not apply to prepackaged software
 - Tenant's improvements and betterments at replacement cost, if repairs are made promptly
 - Glass at the cost of replacement with safety glazing material
 - Second-hand merchandise, property of others, manuscripts, rare articles, works of art, pictures or statuary at actual cash value
- Legal Action Against Us
 - Requires full compliance to policy provisions prior to the initiation of legal action and must be commenced within 2 years of the date of loss
- Duties in the Event of a Loss
 - Meaning to notify the company and protect the property
- Appraisal
 - Permits the insured or insurer to demand Appraisal of a loss
 - Each party must incur the cost equally of the Appraisal
- Abandonment
 - Prohibits the insured from abandoning property as a total loss
- Vacancy beyond 60 days
 - Excludes coverage caused by:
 - Vandalism

- Sprinkler leakage
- Building glass breakage
- Water damage
- Theft
- Attempted theft
- All other covered perils are reduced by 15%
 - Example: if property was vacant beyond 60 days, no coverage would apply to loss caused by vandalism, sprinkler leakage, etc.
 - All other covered losses would be reduced by 15%

OVERVIEW OF PROPERTY GENERAL CONDITIONS

- Policy Period and Territory
 - Coverage will be provided if the loss occurs during the policy period and in the U.S., including its territories and possessions, Canada and Puerto Rico
- No Benefit to Bailee
 - Prohibits assignment of benefits to Bailee
- Mortgage Holders
 - Address the rights of the mortgage holder
- Control of Property
 - Any act or negligent conduct of others beyond the insured's control will not affect coverage

OPTIONAL COVERAGES INCLUDED IN BUSINESS OWNERS POLICY

- Mechanical Breakdown
 - Provides coverage for direct damage to covered property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment
- Employee Dishonesty
 - Loss to business personal property (including money and securities) caused by a dishonest employee discovered within one year from policy expiration
 - Coverage is excluded for named insured's and/or partners
- Money and Securities Coverage
 - Pays the insured in the event of a loss of money or securities is caused by theft, destruction or disappearance
 - The off premises coverage is limited to loss at:
 - A savings institution
 - The named insured's or partners living quarters
 - While an employee is in transit between any of these places
- Outdoor Signs Coverage
 - Provides all risk types coverage for outdoor signs
 - Coverage is an important option since the base BOP limits coverage to \$1,000 for attached outdoor signs and \$2,500 for detached outdoor signs

TERMS AND DEFINITIONS

- Executive Officer
 - A person holding any officer positions created by the insured's charter, constitution, by-laws or similar documents
- Employee
 - A worker that is not a temporary employee
- Coverage Territory
 - The United States and its territories of Canada and Puerto Rico
 - Coverage is also provided worldwide for injury or damages arising out of the insured's goods or products, or while temporarily outside the described coverage territory
- Computer
 - Programmable equipment used to store and process data and its associated peripheral equipment
- Bodily Injury
 - Bodily injury, sickness, disease or death
- Auto
 - A land motor vehicle or trailer designed for travel on public roads and including equipment attached to the vehicle
- Advertising Injury
 - Injury arising out of oral or written publication that
 - slanders or libels a person or organization
 - invades their privacy
 - infringes upon ideas, style, copyright or slogan
- Advertisement
 - A notice that is published to the public or specialized market about the insured's goods or services
 - Includes electronic media such as the internet
- Temporary Worker
 - A person who is furnished to the insured to substitute for a permanent employee on leave or to meet seasonal or short-term workload
- Property Damage
 - Physical injury to tangible property resulting in loss
- Products-Completed Operations Hazard
 - Bodily injury or property damage arising out of the insured's product
- Personal Injury
 - False arrest, detention, malicious prosecution, wrongful entry, eviction and oral or written publications
- Personal and Advertising Injury
 - False arrest, detention, malicious prosecution, wrongful injury, eviction, oral or written publications
 - Use of another's advertising idea, copyright, trade dress or slogan
- Occurrence

- An accident, including continuous and repeated exposure to substantially the same general harmful conditions
- Mobile Equipment
 - Bulldozers, forklifts and related equipment
- Loading or Unloading
 - Handling of property
- Leased Worker
 - A person leased to the insured by a labor leasing firm
- Insured Contract
 - A lease of premises
 - Sidetrack agreement- Type of hold-harmless agreement made by a property owner as a condition for being served by a railroad spur
 - License agreement
 - Elevator maintenance agreement
 - Any agreement in which the insured assumes the tort liability of another to pay damages to third parties
- Impaired property
 - Tangible property other than the insured's property, that cannot be used, or is less useful, because it incorporates the insured's product or work that is known or thought to be defective, inadequate or dangerous
- Hostile Fire
 - One which becomes uncontrollable or breaks out from where it was intended
- Your Work
 - Work or operations performed by the insured, including materials, equipment or parts
 - Your work includes warranties and representations
- Your product
 - Any product other than real property that is manufactured and/or sold by the insured
- Volunteer Work
 - A person who is not the insured's employee and donates his or her time under the insured's direction

ENDORSEMENT OF THE BUSINESS OWNERS POLICY

- Protective Safeguards Endorsement
 - Adds a policy condition requiring the insured to maintain protective safeguards as a condition for coverage
 - If an automatic sprinkler system is shut down due to breakage, leakage, freezing or opening of sprinkler heads, the insured has 48 hours to restore the system
- Pennsylvania Changes – Cancellation and Nonrenewal
 - The state mandated endorsement requiring advance written notice
- Utility Services – Time Element
 - Endorsement covers the insured's business income loss in the event of a direct physical loss at a utility service

- The insured's location and utility service must be indicated in the endorsement
- Utility services include:
 - Water services
 - Communications services
 - Power supply services
- The most the insurer will pay for loss or damage in any one occurrence is the limit shown in the endorsement schedule
- Utility Service – Direct Damage
 - Endorsement covers the insured's property in the event of a direct physical loss to a utility service
 - The insured's coverage property and utility service must be indicated in the endorsement
 - Utility services include:
 - Water services
 - Communication services
 - Power supply services
 - If a limit of insurance is shown in the endorsement schedule, the limit of insurance is not in addition to the limit of insurance stated in the Declarations

CHAPTER 7
PRACTICE EXAM

1. If a business owner maintains insurance equal to 100% of his inventory for the 12 months preceding loss, he or she may:
 - a. Be penalized up to 25% if a loss occurs
 - b. Be paid up to an additional 25% above the amount indicated on the Declarations page
 - c. Receive a premium increase of 15%
 - d. Receive a premium reduction of 15%
2. Under the Business Owners Additional Coverage Business Income, ordinary payroll is
 - a. Limited to 12 months
 - b. Limited to 120 days
 - c. Limited to 90 days
 - d. Limited to 60 days
3. Which of the following is a Business Owners Coverage Extension that provides coverage for loss or damage to manuscripts, deeds, drawings, films and mortgages?
 - a. Theft, Disappearance, and Destruction
 - b. Accounts Receivable
 - c. Money and Securities
 - d. Valuable Papers and Records
4. Which of the following is the Business Owners Coverage Extension that provides coverage for the inability to collect money due from customers as the result of a covered peril?
 - a. Accounts Payable
 - b. Accounts Receivable
 - c. Money and Securities
 - d. Valuable Papers and Records
5. All of the following are exclusions in a Business Owners Policy except:
 - a. Loss of property caused by a fraudulent pretense of a partner
 - b. Damage to computer data caused by an electric disturbance
 - c. Loss of property caused by theft
 - d. Damage caused by a latent defect
6. All of the following are specific types of property not covered in a Business Owners Policy except:
 - a. Automobiles parked in the business owners parking lot
 - b. Business personal property within 100 feet of described premises
 - c. Watercraft stored in a building
 - d. Money located on the premises
7. All of the following are Optional Coverages under the Business Owners Policy except:
 - a. Workers Compensation
 - b. Mechanical Breakdown
 - c. Employee Dishonesty
 - d. Outdoor Signs

8. Under the Business Owners Policy, Extended Business Income Coverage is:
 - a. Included with a 30 day readjustment period
 - b. Included with a 12 month readjustment period
 - c. Only available by endorsement
 - d. Not included
9. Under the Business Owners Policy, Forgery and Alteration coverage is:
 - a. Unlimited if discovered within one year of the forgery or alteration
 - b. Limited to \$7,500
 - c. Limited to \$5,000
 - d. Limited to \$2,500
10. A Business Owner moves business property after a fire loss. Under his policy:
 - a. Coverage is provided at the new location for 30 days
 - b. Coverage is provided at the new location for 5 days
 - c. Coverage is provided at the new location until the building is completely repaired
 - d. Coverage is not provided at the new location
11. All of the following are covered causes of loss under the Business Owners Policy's Special Form except:
 - a. Sinkhole collapse damage
 - b. Insect damage
 - c. Smoke damage
 - d. Vandalism damage
12. All of the following are ineligible for coverage under the Business Owners Policy except:
 - a. Service Stations
 - b. Clothing Store
 - c. Stockbrokers
 - d. Bars and Pubs
13. The Business Owners Policy is a commercial policy that would provide coverage to which of the following exposures?
 - a. Motorcycle dealers
 - b. Small to medium size apartments, offices and retail buildings
 - c. Motor home
 - d. Home
14. A retailer incurs a loss of income after a fire department blocks off a part of the city due to an explosion. Under a Business Owners Policy, the retailer's loss of income is:
 - a. Covered in total
 - b. Covered if loss of income is endorsed on to the policy
 - c. Covered subject to a 72 hour deductible
 - d. Only covered if the explosion peril physically damages the retailer's premises

15. All of the following are eligible for coverage under the Business Owners Policy except:
- Television repair shop
 - Banks
 - Printer
 - Bakery
16. The Business owners Policy may be written on which of the following coverage forms:
- On a standard, a broad or a special coverage form basis
 - With a special coverage form or a named perils endorsement
 - Only on a special coverage form basis
 - Only on a standard coverage form basis
17. Under the business owners policy, an insurer may audit the insured's books and records up to how many years after the policy expires:
- 5 years from date of policy expiration
 - 3 years from date of policy expiration
 - 2 years from date of policy expiration
 - 1 year from date of policy expiration
18. A Business Owners Policy may be cancelled for all of the following reasons except:
- When a building owner has failed to pay property taxes which have been outstanding for more than one year
 - When a building owner has failed to furnish heat, water or electricity for more than 30 consecutive days
 - When a building owner has failed to maintain 100% occupancy in the building
 - When a building owner has failed to initiate permanent repairs within 30 days after a covered cause of loss
19. The Business Owners Policy may be used to insure a:
- A funeral home
 - An owner-occupied single family dwelling
 - An oil refinery
 - A carpet manufacturer

CHAPTER 7 ANSWER KEY

1. b

2. d

3. d

4. b

5. c

6. b

7. a

8. a

9. d

10. a

11. b

12. b

13. b

14. c

15. b

16. c

17. b

18. c

19. a