

SERFF Tracking Number: UNON-125325480 State: Arkansas  
First Filing Company: Continental Western Insurance Company, ... State Tracking Number: AR-PC-07-026565  
Company Tracking Number: 07-MP-FM-5  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package  
Liability  
Product Name: 2007 Pkg. Form/Rule Filings  
Project Name/Number: 01-08 Pkg. Form/Rule Filing/

## Filing at a Glance

Companies: Continental Western Insurance Company, Acadia Insurance Company, Union Insurance Company

Product Name: 2007 Pkg. Form/Rule Filings SERFF Tr Num: UNON-125325480 State: Arkansas  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: AR-PC-07-026565  
Sub-TOI: 05.0003 Commercial Package Co Tr Num: 07-MP-FM-5 State Status:  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi,  
Llyweyia Rawlins, Brittany Yielding  
Author: Frances Linker Disposition Date: 10/29/2007  
Date Submitted: 10/26/2007 Disposition Status: Approved  
Effective Date Requested (New): 01/01/2008 Effective Date (New): 01/01/2008  
Effective Date Requested (Renewal): 01/01/2008 Effective Date (Renewal):  
01/01/2008

## General Information

Project Name: 01-08 Pkg. Form/Rule Filing  
Project Number:  
Reference Organization:  
Reference Title:  
Filing Status Changed: 10/29/2007  
State Status Changed: 10/26/2007  
Corresponding Filing Tracking Number:  
Filing Description:

Status of Filing in Domicile:  
Domicile Status Comments:  
Reference Number:  
Advisory Org. Circular:  
Deemer Date:

Continental Western Insurance Company, Union Insurance Company and Acadia Insurance Company wish to file a "Rural Telephone Program" to be effective upon approval.

The "Rural Telephone Program" is being filed as an additional component to our current filings. The Rural Telephone Program is a program specifically designed to meet the specialized needs of the rural telecommunications industry exposures so that we can compete for this type of business. This business has specific coverage needs relating to things such as switching equipment, telephone poles, mobile equipment, "internet" liability exposure, etc. that have been

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included as part of our enhancement endorsements.

The program is being filed as a package and includes the following lines of business:

General Liability  
Inland Marine  
Commercial Property  
Commercial Automobile  
Commercial Crime

The Companies propose to adopt the following company endorsements for use with this program:

CW 18 05 01 08 Telecommunications Liability Enhancement Endorsement  
CW 30 75 09 07 Internet Service Provider Liability Coverage  
CW 30 74 01 08 Telecommunication Railroad Easement Agreements  
IM 50 14 01 08 Telecommunications Described Property Coverage  
CW 24 88 US 01 08 Telecommunications Property Enhancement Endorsement  
CW 25 34 09 07 Telecommunications Flood Coverage  
CW 26 31 US 01 08 Telecommunications Earthquake Coverage  
CW 25 32 01 08 Telecommunications Pollution Clean Up  
CW 30 73 09 07 Full Glass Comprehensive Coverage  
CW 30 71 01 08 Accidental Discharge Coverage - Property Damage  
CW 25 31 09 07 Rural Utilities Service, Department of Agriculture Endorsement

We are also enclosing a copy of our Rules for this program, including the above endorsements.

## Company and Contact

### Filing Contact Information

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Irving, TX 75015-2180 (972) 719-2301[FAX]



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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50.00 per filing  
Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
10030338	\$50.00	10/19/2007

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/29/2007	10/29/2007

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## Disposition

Disposition Date: 10/29/2007

Effective Date (New): 01/01/2008

Effective Date (Renewal): 01/01/2008

Status: Approved

Comment:

This filing is approved contingent on receiving the filing fees the company indicates in the filing that they have sent.

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Approved	Yes
<b>Form</b>	Telecommunications Liability Enhancement Endorsement	Approved	Yes
<b>Form</b>	Internet Service Provider Liability Coverage	Approved	Yes
<b>Form</b>	Telecommunication Railroad Easement Agreements	Approved	Yes
<b>Form</b>	Telecommunications Described Property Coverage	Approved	Yes
<b>Form</b>	Telecommunications Property Enhancement Endorsement	Approved	Yes
<b>Form</b>	Telecommunications Flood Coverage	Approved	Yes
<b>Form</b>	Telecommunications Earthquake Coverage	Approved	Yes
<b>Form</b>	Telecommunications Pollution Clean Up	Approved	Yes
<b>Form</b>	Full Glass Comprehensive Coverage	Approved	Yes
<b>Form</b>	Accidental Discharge Coverage - Property Damage	Approved	Yes
<b>Form</b>	Rural Utilities Service, Department of Agriculture Endorsement	Approved	Yes
<b>Rate</b>	Telecommunications Program Manual	Approved	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Telecommunications Liability Enhancement Endorsement	CW 18 05	01 08	Endorsement/Amendment/Conditions	New	0.00	CW 18 05 01 08.pdf
Approved	Internet Service Provider Liability Coverage	CW 30 75	09 07	Endorsement/Amendment/Conditions	New	0.00	CW 30 75 09 07.pdf
Approved	Telecommunications Railroad Easement Agreements	CW 30 74	01 08	Endorsement/Amendment/Conditions	New	0.00	CW 30 74 01 08.pdf
Approved	Telecommunications Described Property Coverage	IM 50 14	01 08	Policy/Coverage Form	New	0.00	IM 50 14 01 08.pdf
Approved	Telecommunications Property Enhancement Endorsement	CW 24 88	01 08	Endorsement/Amendment/Conditions	New	0.00	CW 24 88 US 01 08.pdf
Approved	Telecommunications Flood Coverage	CW 25 34	09 07	Endorsement/Amendment/Conditions	New	0.00	CW 25 34 09 07.pdf
Approved	Telecommunications Earthquake Coverage	CW 26 31	01 08	Endorsement/Amendment/Conditions	New	0.00	CW 26 31 US 01 08.pdf
Approved	Telecommunications Pollution Clean Up	CW 25 32	01 08	Endorsement/Amendment/Conditions	New	0.00	CW 25 32 01 08.pdf

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Approved	Full Glass Comprehensive Coverage	CW 30 73 09 07	Endorseme New nt/Amendm ent/Condi ons	0.00	CW 30 73 09 07.pdf
Approved	Accidental Discharge Coverage - Property Damage	CW 30 71 01 08	Endorseme New nt/Amendm ent/Condi ons	0.00	CW 30 71 01 08.pdf
Approved	Rural Utilities Service, Department of Agriculture Endorsement	CW 25 31 09 07	Endorseme New nt/Amendm ent/Condi ons	0.00	CW 25 31 09 07.pdf



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TELECOMMUNICATIONS LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

#### A. Fellow Employee Coverage

1. Paragraph **2.a.(1)** of **SECTION II – WHO IS AN INSURED** is deleted and replaced by the following:

- (1) "Personal and advertising injury":
- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business;
  - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(1)(a)** above;
  - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
  - (d) Arising out of his or her providing or failing to provide professional health care services.

#### B. Garagekeepers Coverage

The following is added to **SECTION I – COVERAGES**:

##### 1. Coverage

We will pay all sums you legally must pay as damages for loss to a "customer's auto" or "customer's auto" equipment left in your care while you are attending, servicing, repairing, parking or storing it in your telecommunication utility operations under:

##### a. Comprehensive Coverage

From any cause except:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

#### b. Collision Coverage

Caused by:

- (1) The "customer's auto's" collision with another object; or the "customer's auto's" overturn.

#### 2. Exclusions

- a. This insurance does not apply to any of the following:

##### (1) Contractual Obligations

Liability resulting from any agreement by which you accept responsibility for direct physical loss of or damage (including any resulting loss of use) to "autos" left in your care.

##### (2) Theft

Loss or damage due to theft or conversion caused in any way by you or any other insured.

##### (3) Defective Parts

Defective parts or materials.

##### (4) Faulty Work

Defective work you performed, including work that someone performed for you.

- b. We will not pay for loss to any of the following:

- (1) Tape decks or other sound reproducing equipment unless permanently installed in a "customer's auto".

- (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.

- (3) Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.

- (4) Any device designed or used to detect speed measurement equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.

**3. Limit Of Insurance And Deductible**

- a. Regardless of the number of "customer's autos", insureds, premiums paid, claims made or "suits" brought, the most we will pay for each loss at each location is \$50,000 minus the applicable deductibles for loss caused by collision, theft or mischief or vandalism.
- b. The maximum deductible stated of \$500 is the most that will be deducted for all loss in any one event caused by theft or mischief or vandalism.
- c. Sometimes to settle a claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

**4. Additional Definitions**

As used in this endorsement:

- a. "Customer's auto" means a customer's land motor vehicle or trailer or semi-trailer. This definition also includes any customer's auto while left with you for service, repair, storage or safekeeping. Customers include your employees, and members of their households who pay for services performed.

**5. Other Insurance**

The coverage provided by this endorsement is excess over any specific insurance intended to provide Garagekeepers coverage.

**C. Telephone Directory Liability Coverage**

- 1. We will pay on behalf of you all sums which you shall become legally obligated to pay as damages because of a misprint, typographical error, or omission of a listing or advertising or part thereof in any telephone directory published by or for you.

**2. Limit Of Liability**

Regardless of the number of:

- a. Insureds under this policy;
- b. Telephone directory editions printed; and
- c. Claims made or suits brought on account of inquiry;

our Limit of Liability for all loss as a result of all occurrences taking place during the policy period shall be, in the aggregate, no more than \$1,000,000.

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## **INTERNET SERVICE PROVIDER LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following is added to **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **A. Insuring Agreement**

We will pay those sums that the insured becomes legally obligated to pay as damages because of "internet injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "internet injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. However:

1. The amount we pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
2. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**.

#### **B. Exclusions**

This insurance does not apply to:

1. "Internet injury":
  - a. Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury":
  - b. Arising out of "distribution" of material, if done by or at the direction of the insured, with knowledge of its falsity;
  - c. Arising out of "distribution" of material whose first "distribution" took place before the beginning of the policy period;
  - d. Arising out of a criminal act committed by or at the direction of any insured;
  - e. For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for

damages that the insured would have in the absence of the contract or agreement;

- f. Arising out of a breach of contract; or
- g. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

#### **C. Conditions**

1. The insured shall do nothing to impair or waive, without our express written approval, any defenses or immunity or non-liability that the insured may have available under the Telecommunications Act of 1996 or any similar law.
2. You shall take such actions which, in your judgment, are necessary, practicable and available to you to prevent or limit "internet injury". In the event of such "internet injury", you shall take the necessary corrective actions to limit the possible loss.

#### **D. Definitions**

1. "Distribution" means utterance, dissemination or transmission of material over the Internet in the capacity of an internet service provider or interactive computer service as defined in the Telecommunications Act of 1996 or any similar law.
2. "Internet injury", as used in this endorsement, means injury, other than "bodily injury" arising out of one or more of the following offenses:
  - a. "Distribution" of material that slanders or libels a person or organization or disparages a person's or organization's goods products or services;
  - b. "Distribution" of material that violates a person's right of privacy;
  - c. "Distribution" of material that:
    - (1) Infringes copyright, slogan or title; or
    - (2) Misappropriates advertising ideas or style of doing business; or
    - (3) Is plagiarism or piracy of content.

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## **TELECOMMUNICATION RAILROAD EASEMENT AGREEMENTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**A.** Paragraph **9.f.(1)** of **SECTION V – DEFINITIONS** is deleted and replaced with the following:

**(1)** That indemnifies a railroad for “bodily injury” or “property damage” arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.

This subparagraph does not apply if you are a telecommunication utility provider.

# TELECOMMUNICATIONS DESCRIBED PROPERTY COVERAGE

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## AGREEMENT

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In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Telecommunications Described Property Coverage. This coverage is also subject to the "declarations" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

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## DEFINITIONS

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1. The words "you" and "your" mean the persons or organizations named as the insured on the "declarations".
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Data" means files, documents, programs, and information in an electronic format and that are stored on "media".
4. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules, which pertain to this coverage.
5. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" does not include "software".
6. "Limit" means the amount of coverage that applies.
7. "Media" means processing, recording, or storage media used with "hardware". This includes but is not limited to films, tapes, cards, discs, drums, cartridges, or cells.
8. "Software" means "media" and "data".
9. "Specified perils" means aircraft; breakage of glass; civil commotion; explosion; falling objects; fire; hail; lightning; riot; smoke; van-

dalism; vehicles; water damage; weight of ice, snow, or sleet; and windstorm.

10. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
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## PROPERTY COVERED

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"We" cover direct physical loss caused by a covered peril to "your":

1. Tools;
  2. Contractors equipment;
  3. Computer "hardware" and "software";
  4. Radio equipment;
  5. Cellular equipment, including transmitting and receiving equipment;
  6. Cargo;
  7. Testing equipment;
  8. Billing or toll tapes in transit;
  9. Property at any fair or exhibition; or
  10. Any other personal property off premises.
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## PROPERTY NOT COVERED

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1. **Property You Have Sold** – "We" do not cover property that "you" have sold after it has been delivered, including property sold under a deferred payment sales agreement.
2. **Money and Securities** – "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
3. **Furniture And Fixtures** – "We" do not cover furniture, fixtures, office supplies, and improvements and betterments.
4. **Telephone Poles And Mounted Lines** – "We" do not cover pole mounted telephone lines and equipment, including their supporting structures.
5. **Towers** – "We" do not cover towers.

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## PERILS COVERED

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"We" cover external risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

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## PERILS EXCLUDED

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1. "We" do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

a. **Civil Authority** – "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

b. **Nuclear Hazard** – "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. "We" do pay for direct loss by fire resulting from the nuclear hazard.

c. **Water** – "We" do not pay for loss caused by water. This means:

- 1) flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not and whether caused by natural, accidental, or artificial means. This includes spray that results from these whether driven by wind or not;
- 2) water that backs up through a sewer or drain; and
- 3) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building or

structure, sidewalk, driveway, foundation, swimming pool, or other structure.

If fire, explosion, or sprinkler leakage results, "we" do cover the resulting loss.

This exclusion only applies to covered property while located at "your" premises.

d. **War** – "We" do not pay for loss caused by war. This means:

- 1) declared war, undeclared war, civil war, insurrection, rebellion, or revolution;
- 2) a warlike act by a military force or by military personnel;
- 3) the destruction, seizure, or use of the property for a military purpose; or
- 4) the discharge of a nuclear weapon even if it is accidental.

2. "We" do not pay for loss or damage if one or more of the following exclusions apply to the loss.

a. **Collapse** – "We" do not pay for loss caused by collapse, except as provided under the Other Coverages, Collapse. If loss caused by a covered peril results at a covered location, we will pay for that resulting loss.

b. **Criminal, Fraudulent, or Dishonest Acts** – "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, or joint adventurers; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

c. **Defects, Errors and Omissions** – “We” do not pay for loss which results from one or more of the following:

- 1) an act, error, or omission relating to:
  - a) land use;
  - b) the design, specification, construction, workmanship, installation, or maintenance of property;
  - c) planning, zoning, development, siting, surveying, grading, or compaction; or
  - d) maintenance of property (including land, structures, or improvements);

whether on or off a covered location.

- 2) a defect, weakness, inadequacy, fault, or unsoundness in materials used in construction or repair, whether on or off a covered location.

d. **Electrical Currents** – “We” do not pay for loss caused by artificially generated electrical currents that damage electrical apparatus or wiring within the covered property. If loss by fire or explosion results, “we” do pay for the resulting loss.

This exclusion applies only to the property artificially generating the current or property that the current passes through.

e. **Electrical Power Supply** – “We” will not pay for damage to computer equipment, data or media, caused by any change in your electrical power supply, such as interruption, power surge, or brown-out, if the change originates more than 100 feet away from the building containing your data processing equipment.

f. **Error or Omission In Programming** – “We” do not pay for loss caused by programming errors or giving of improper instructions to a machine.

g. **Loss of Use** – “We” do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

h. **Mechanical Breakdown** – “We” do not pay for loss caused by any:

- 1) structural or mechanical process; or

- 2) structural, mechanical, or electrical breakdown or malfunction.

i. **Missing Property** – “We” do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property. This exclusion does not apply to covered property in the custody of a carrier for hire.

j. **Processing Work** – “We” do not pay for loss to property caused by any processing or other work upon the property, including data processing operations.

But if processing or other work upon the property results in fire or explosion, “we” do pay for the resulting loss.

k. **Temperature/Humidity** – “We” do not pay for loss caused by humidity, dampness, dryness, or changes in or extremes of temperature.

l. **Voluntary Parting/Unauthorized Transfer** – “We” do not pay for loss caused by or resulting from:

- 1) voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense; or
- 2) transfer of property to a person or to a place away from any location on the basis of unauthorized instruction.

m. **Wear and Tear** – “We” do not pay for loss caused by wear and tear, marring or scratching.

n. **Weather** – “We” do not pay for loss caused by weather conditions if the weather conditions contribute in any way with a cause or event excluded in paragraph 1. of Perils Excluded.

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## OTHER COVERAGES

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The Other Coverages described below do not increase the “limit” that applies to covered property.

1. **Collapse** –

- a. Collapse of a building or structure or part of a building or structure means the sudden and unexpected falling in, caving in, or giving way of the building or structure or part of the building or structure.

- b. Subject to the "terms" of this Collapse coverage, "we" pay for direct physical loss to covered property involving collapse of a building or structure or a part of a building or structure. However, coverage applies only if the collapse is caused by one or more of the following:
- 1) "specified perils", all only as covered in this coverage form;
  - 2) hidden decay of a structural component of the building or structure;
  - 3) hidden insect, rodent or vermin damage to a structural component of the building or structure;
  - 4) weight of people or personal property;
  - 5) weight of rain that collects on a roof; or
  - 6) the use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
2. **Theft Damage to Buildings** – "We" cover direct physical damage caused by theft or attempted theft to:
- a. that part of any building containing covered property; or
  - b. equipment within the building used to maintain or service the building;
- only if you own the building or are legally responsible for the damage.
- But we will not pay for damage:
- a. caused by fire; or
  - b. to glass or to lettering or artwork on glass.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** – In case of a loss, "you" must:
  - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
  - b. give notice to the police when the act that causes the loss is a crime.
2. **Protect Property** – "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However, "we" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit".
3. **Proof of Loss** – "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
  - a. the time, place, and circumstances of the loss;
  - b. other policies of insurance that may cover the loss;
  - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** – "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** – "You" must produce records, including tax returns and bank microfilms of all cancelled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** – "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** – "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any

other expenses except as respects protecting property from further damage.

8. **Abandonment** – "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** – "You" must cooperate with "us" in performing all acts required by this policy.

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## VALUATION

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1. **Hardware** – The value of "hardware" that is replaced will be based on the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" being replaced.
2. **Software** – The following is the value of "software":
  - a. **Data** – The value of "data" will be based on the cost of reproduction from duplicate copies, including the cost of labor to copy or transcribe from duplicate copies.

If duplicate copies do not exist, the value of "data" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, and records.
  - b. **Media** – The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.
3. **Other Covered Property** –
  - a. **Replacement Cost** – The value of covered property, other than "hardware" or "software", is based on the replacement cost at the time of loss without any deduction for depreciation.

The replacement cost is limited to the cost of repair or replacement with similar property and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.

Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.

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## HOW MUCH WE PAY

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1. **Insurable Interest** – "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** – "We" will not pay for loss until the amount of loss exceeds \$500. "We" will then pay the amount of adjusted loss in excess of \$500, up to the applicable "limit".
3. **Loss Settlement Terms** – Subject to paragraphs 1., 2., 4., and 5. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;
  - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. \$25,000.
4. **Insurance Under More Than One Coverage** – If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
5. **Insurance Under More Than One Policy** – "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Our Options** – "We" have the following options:
  - a. pay the value of the loss;
  - b. pay the cost of repairing or replacing the loss;
  - c. rebuild, repair, or replace with property of like kind and quality, to the extent practicable, within a reasonable time;

- d. take all or any part of the damaged property at the agreed or appraised value.

"We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** – "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property of Others** – Losses to property of others may be adjusted with and paid to:
  - a. "you" on behalf of the owner; or
  - b. the owner.If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

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## OTHER CONDITIONS

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1. **Appraisal** – If "you" and "we" do not agree on the amount of the loss or the actual cash value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences

to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** – Insurance under this coverage shall not directly or indirectly benefit anyone having custody of "your" property.
3. **Conformity With Statute** – When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** – This provision applies only if the insured is an individual.

On "your" death, "we" cover the following as an insured:

- a. the person who has custody of "your" property until a legal representative is qualified and appointed; or
- b. "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

This coverage does not extend past the policy period indicated on the "declarations".

5. **Misrepresentation, Concealment, or Fraud** – This coverage is void as to "you" and any other insured if, before or after a loss:
  - a. "you" or any other insured have willfully concealed or misrepresented:
    - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
    - 2) "your" interest herein; or
  - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** – "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** – If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
  - a. "you" must notify "us" promptly if "you" recover property or receive payment;

- b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration of Limits** – A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** – If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** – No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and
  - b. the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** – "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

## TELECOMMUNICATIONS PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

### CHANGES TO THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM

#### 1. PREMISES BOUNDARY INCREASED

Any reference to distance from the described premises is changed from 100 feet to 1,000 feet.

#### 2. COVERED PROPERTY

The following is added to paragraph **A.1.a. Covered Property**:

(6) Radio or television towers, including:

- (a) Antennas, satellite dishes, microwave dishes, or any other equipment that is permanently attached to the tower;
- (b) Transmitters, receivers, lead-in wiring, and masts;
- (c) Guy wires; or
- (d) Above ground foundations.

#### 3. PROPERTY NOT COVERED

a. Paragraph **q.(2)** under **A. 2. Property Not Covered** is deleted and replaced with the following:

(2) Fences, trees, shrubs or plants (other than “stock” of trees, shrubs or plants), all except as provided in the Coverage Extensions.

b. The following is added to **A.2. Property Not Covered**:

r. Telephone or television cable lines while submerged in a body of water.

#### 4. THE FOLLOWING CHANGES ARE MADE TO THE ADDITIONAL COVERAGES SECTION:

c. **Fire Department Service Charge:**

The coverage limit is increased from \$1,000 to \$5,000.

f. **Electronic Data:**

The coverage limit is increased from \$2,500 to \$25,000.

#### 5. THE FOLLOWING ARE ADDED UNDER THE ADDITIONAL COVERAGES SECTION

g. **Arson, Theft and Vandalism Reward**

(1) We will reimburse you for rewards that you give to someone (other than you, your partners, your officers or your “employees”) who discloses information to

local law enforcement officials that leads to the conviction of a person or persons for arson, actual or attempted theft, or vandalism of Covered Property at the premises described in the Declarations.

(2) The most we will pay under this Additional Coverage is \$5,000 per loss. This is the most we will pay regardless of the number of persons who provide information. No deductible applies to this Additional Coverage. The amount payable under this Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

h. **Back-up of Sewers, Drains or Sumps**

(1) We will pay for direct physical loss to covered Property by water which backs up through sewers, drains or sumps, or water which enters into and overflows from within a sump pump or other type of system designed to remove subsurface water which is drained from the foundation area. This coverage does not apply if the loss or damage is caused by your negligence.

(2) This Additional Coverage is not subject to **Exclusion B.1.**, subparagraph **g.(3)** in the **Causes of Loss-Special Form**, but only to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(3) The most we will pay for loss or damage under this Additional Coverage is \$10,000.

i. **Fire Protection Equipment Refill**

(1) We will pay:

(a) Expenses you incur for the recharging or refilling of your automatic fire extinguishing equipment after such equipment is discharged as a result of a fire to your Covered Property;

(b) For loss or damage to Covered Property if caused by the accidental discharge of fire suppressant chemicals from your automatic fire extinguishing system. This limit may be used to cover the additional expense you incur to recharge such systems following a covered accidental discharge; or

(c) Cost you incur to recharge or refill portable fire extinguishing equipment after being used to fight a fire to your Covered Property.

(2) The most we will pay under this additional coverage is the actual expenses you incur per occurrence at your described premises. No deductible applies to this Additional Coverage. The amount payable under this Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this additional insurance.

**j. Lost Key Consequential Loss**

(1) If a master or grand master key is lost or damaged by a Covered Cause of Loss, we will pay for the actual cost of keys, the cost of adjusting locks to accept new keys, or the cost of new locks, if required, of the like kind and quality including the cost of their installation.

(2) The most we will pay under the Additional Coverage for all amounts incurred is \$10,000. No deductible is applicable to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

**k. Money Orders and Counterfeit Paper Currency**

We will pay for loss due to the good faith acceptance of:

(1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the insurer; or

(2) Counterfeit United States or Canadian paper currency; in exchange for merchandise, "money" or services or as part of a normal business transaction.

(3) The most we will pay for any loss under this Additional Coverage is \$5,000. No deductible is applicable to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

**m. Employee Dishonesty**

(1) We will pay for direct loss or damage to Your Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your "employees" acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit

sharing, pensions or other "employee" benefits earned in the normal course of employment) for:

(i) Any "employee"; or

(ii) Any other person or organization.

(2) We will not pay for loss or damage:

(a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or

(b) The only proof of which as to its existence or amount is:

(i) An inventory computation; or

(ii) A profit and loss computation.

(3) The most we will pay for a loss or damage in any occurrence is \$500,000. A \$500 Deductible applies to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

(4) All loss or damage:

(a) Caused by one of more persons; or

(b) Involving a single act or series of related acts;

is considered one "occurrence"

(5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.

(6) This Additional Coverage does not apply to any "employee" immediately upon discovery by:

(a) You; or

(b) Any of your partners, officers or directors not in collusion with the "employee"; of any dishonest act committed by that "employee" before or after being hired by you.

(7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

(8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:

(a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and

- (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under subsection 8. above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
  - (a) This Additional Coverage as of its effective date; or
  - (b) The prior insurance had it remained in effect.
- (10) Additional Condition:
  - (a) Any "employee benefit plan(s)" provided by the insured to their "employees" is included as an insured under Employee Dishonesty coverage.
  - (b) If any "employee benefit plan(s)" is insured jointly with any other entity under this policy, you or the Plan Administrator must select a Limit of Insurance that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.
  - (c) With respect to losses sustained by any such Plan, paragraph m.1. is replaced by the following:  
We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.
  - (d) Any payment we make to the first Named Insured for loss sustained by any Plan will be held by the first Named Insured for the use and benefit of the Plan(s) sustaining the loss.
  - (e) If two or more Plans are insured under this policy, any payment we make for loss:
    - (i) Sustained by two or more Plans; or
    - (ii) Of commingled "funds" or "other property" of two or more Plans; that arises out of one "occurrence", is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.
- (f) The deductible amount described in paragraph 3. does not apply to loss sustained under any "employee benefit plan(s)".
- (11) Additional Definitions:
  - (a) "Employee benefit plan(s)" means any welfare or pension benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
  - (b) "Funds" means "money" and "securities".
  - (c) "Occurrence", as used in this section, means an:
    - (i) Act or series of related acts involving one or more persons; or
    - (ii) Act or event, or series of related acts or events not involving any person.
  - (d) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- (12) Additional Exclusions:
 

Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:

  - (a) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property;
  - (b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

**n. Poles and Pole Mounted Equipment**

- (1) We will pay for loss to:
  - (a) Telephone poles and their supporting structures;
  - (b) Mounted telephone lines; and
  - (c) Mounted cable television lines; caused by or resulting from any Covered Cause of Loss.
- (2) The most we will pay under this Additional Coverage is \$100,000 for the sum of all covered losses occurring during each separate 12 month period of this policy. A \$10,000 deductible applies to this Additional Coverage. The Additional Condition, Coinsurance, does not apply to this coverage.

**6. THE FOLLOWING ARE CHANGED UNDER THE COVERAGE EXTENSIONS:**

**a. Newly Acquired Or Constructed Property**

- (1) The most we will pay for buildings of \$250,000 and the most we will pay for business personal property of \$100,000 is deleted and replaced with the following:

The most we will pay for loss or damage under this Coverage Extension for both Building and Personal Property combined is \$1,000,000.

- (2) The number of days under **Period of Coverage** is increased from 30 days to 180 days.

**b. Personal Effects and Property of Others** is deleted and replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal Effects owned by you, your officers, your partners or members, your managers or your employees. This includes tools owned by your employees that are used in your business while such tools are located in or on building(s) described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

- (2) "Personal Property of Others" in your care, custody or control. This includes property that you have sold which is awaiting delivery or installation.

However, this Extension does not apply if the loss is covered by other insurance, whether collectible or not.

- (3) For "Personal Property of Others", paragraph **G.4., Extension Of Replacement Cost To Personal Property Of Others**, is applicable.

- (4) Additional Definition:

"Personal Property of Others" means personal property that you do not own. It does not include:

- (a) Personal property that belongs you, your officers, your partners or members, your managers or your employees; or  
(b) Business Personal Property leased from others.

- (5) The most we will pay for loss or damage under this Extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

The most we will pay under this Coverage Extension is increased from \$2,500 to \$50,000 at each described premises.

- d. Property Off-Premises** is deleted in its entirety and does not apply.

- e. Outdoor Property** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;  
(2) Lightning;  
(3) Explosion;  
(4) Riot or Civil Commotion;  
(5) Aircraft;

The most we will pay for loss or damage under this Extension is \$10,000. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**7. THE FOLLOWING ARE ADDED TO THE COVERAGE EXTENSIONS:**

**g. Leased Property**

We will pay for loss by a covered cause of loss to property you own and lease to your customer under a written lease agreement.

The most we will pay under this extension is \$20,000 per location but not more than \$100,000 for all locations during the policy period.

The coverage provided by this extension is excess over any valid or collectible insurance maintained by your customer.

**h. Money And Securities**

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, at the described premises, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;  
(b) Disappearance;  
(c) Destruction; or  
(d) "Computer Fraud".

- (2) Additional Exclusions Applicable to "Money" and "Securities":

We will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (d) Resulting from any dishonest or criminal act committed by you or any of your directors, trustees or authorized representatives:
  - (i) Acting alone or in collusion with other persons; or
  - (ii) While performing services for you or otherwise.
- (e) Of property after it has been transferred or surrendered to a person or place outside the described premises or banking premises:
  - (i) On the basis of unauthorized instructions; or
  - (ii) As a result of a threat to do bodily harm to any person; or
  - (iii) As a result of a threat to do damage to any property.

But, this exclusion does not apply to loss of "money" and "securities" while outside the described premises or banking premises in the care and custody of a messenger if you:

  - (i) Had no knowledge of any threat at the time the conveyance began; or
  - (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- (f) Loss that is an indirect result of any act or occurrence covered by this coverage extension, including, but not limited to, loss resulting from:
  - (i) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, "money" or "securities"; or
  - (ii) Payment of damages of any type for which you are legally liable.
- (g) With respect to "computer fraud", loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
  - (i) An inventory computation; or
  - (ii) A profit and loss computation.

(3) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one occurrence

- (4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (5) The coverage provided by this extension is excess over any specific insurance intended to provide "money" and "securities" coverage.
- (6) The most we will pay for loss in any one occurrence is \$100,000.
- (7) Additional Definitions:
  - (a) "Computer fraud" means the use of any computer to fraudulently cause a transfer of "money" and "securities" from inside the described premises or banking premises to a person, other than a messenger, outside the those premises, or to a place outside those premises.
  - (b) "Money" means:
    - (i) Currency, coins and bank notes in current use and having a face value; and
    - (ii) Travelers' checks, register checks and money orders held for sale to the public.
  - (c) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
    - (i) Tokens, tickets, revenue and other stamps whether or not in current use; and
    - (ii) Evidences of debt issued in connection with credit or charge cards, which are not of your own issue; but does not include "money".

**i. Telecommunications Extension**

- (1) The most we will pay for loss under this extension is **\$500,000**, or the limit applicable to covered property, whichever is less.

This Telecommunications Extension limit of insurance shall apply to all coverages combined and does not apply separately to each coverage.

**(2) Business Income**

- (a) We will pay for the loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or

damage to property at the described premises, including personal property in the open (or in a vehicle), caused by or resulting from any Covered Cause of Loss.

(b) We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

(c) Business Income means the:

(i) Net Income (net profit or loss before income taxes) that would have been earned or incurred; and

(ii) Continuing normal operating expenses incurred, including payroll.

(iii) Necessary expense to secure the assistance of an accountant to assist in the calculation of a loss.

(d) The **Causes Of Loss – Special Form, B. Exclusions**, paragraph 4. **Special Exclusions** that apply to the **Extra Expense or Business Income Coverage Forms** will apply to this coverage.

(e) The coverage provided by this extension is excess over any specific insurance intended to provide Business Income coverage.

### (3) On and Off Premises Power Failure

(a) We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of electric service to the described premises.

(b) The interruption must result from direct physical loss or damage by a Covered Cause of Loss.

(c) The coverage provided by this extension is excess over any specific insurance intended to provide Business Income coverage.

### (4) Business Income From Dependent Properties

(a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration" up to a maximum of thirty (30) days. The suspension must be caused by direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.

(b) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

(i) Source of materials; or

(ii) Outlet for your products.

(c) The coverage provided by this extension is excess over any specific insurance intended to provide Business Income coverage.

### (5) Extra Expense

(a) When a direct loss or damage covered by this policy occurs, we will pay the actual and necessary "Extra Expense" you sustain at the described premises in the Declarations. If you occupy only part of the site at which the described premises are located, your premises means:

(i) The portion of the building which you rent, lease or occupy; and

(ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(b) "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

(i) Avoid or minimize the suspension of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(ii) Minimize the suspension of business if you cannot continue "operations".

We will also pay "Extra Expense" to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this coverage.

(c) The **Causes Of Loss – Special Form, B. Exclusions**, paragraph 4. **Special Exclusions** that apply to the **Extra Expense or Business Income Coverage Forms** will apply to this coverage.

(d) The amount of "Extra Expense" will be determined based on:

- (i) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    1. The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    2. Any "Extra Expense" that is paid for by other insurance.
  - (ii) All necessary expenses that reduce the "Extra Expense" otherwise incurred.
  - (e) We will reduce the amount of your "Extra Expense" loss to the extent you can return "operations" to normal and discontinue such "Extra Expense".
  - (f) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
  - (g) You may extend this "Extra Expense" coverage to apply to covered property at any location that you acquire. However, this "Extra Expense" coverage for each newly acquired location will end when any of the following first occurs:
    - (i) This policy expires;
    - (ii) 90 days expire after you acquire the property; or
    - (iii) You report the location to us.
  - (h) The coverage provided by this extension is excess over any specific insurance intended to provide Extra Expense coverage.
- (6) Accounts Receivable**
- (a) We will pay:
    - (i) All amounts due from your customers that you are unable to collect;
    - (ii) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
    - (iii) Collection expenses in excess of your normal collection expenses that are made necessary by loss; and
  - (iv) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from a Covered Cause of Loss to your records of accounts receivable.
- (b) (i) None of Paragraph B. Exclusions of the Causes of Loss -- Special Form apply to Accounts Receivable coverage provided by this Extension except:**
1. **B.1.a.** – Ordinance or Law;
  2. **B.1.c.** – Governmental Action;
  3. **B.1.d.** – Nuclear Hazard;
  4. **B.1.f.** – War and Military Action;
  5. **B.2.a.** – Artificially Generated Electric Current;
  6. **B.2.b.** – Delay, loss of use, loss of market;
  7. **B.2.h.** – Dishonest Acts;
  8. **B.2.i.** – Voluntary Parting;
  9. **B.2.k.** – Collapse, except as provided in the Additional Coverage for Collapse;
  10. **B.3.** – Other Types of Losses.
- (ii) The following Exclusions are in addition to the Cause of Loss -- Special Form Exclusions applicable to this extension:**
1. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking, or withholding or "money", "securities", or other property;  
This exclusion applies only to the extent of the wrongful giving, taking, or withholding.
  2. Bookkeeping, accounting or billing errors or omissions.
  3. Electrical or magnetic injury, disturbance, or erasure of electronic recordings that is caused by or results from:
    - a. Programming errors or faulty machine instructions;
    - b. Faulty installation or maintenance of data processing equipment or component parts;

- c. An Occurrence that took place more than 1,000 feet from your "premises"; or
  - d. Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 1,000 feet from your "premises".
4. Unauthorized instructions to transfer property to any person or to any place.
  5. Loss that requires any audit of records or any inventory computation to prove its factual existence.
- (c) The following is added to paragraph 7. Valuation of E. Loss Conditions:
- f. (1) If you cannot accurately establish the amount of accounts receivable outstanding as of time of loss, the following method will be used:
    - (a) Determine the total of the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the "loss" occurs; and
    - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" occurred or for any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (a) The amount of accounts for which there is no "loss";
    - (b) The amount of the accounts that you are able to re-establish or collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- (d) The coverage provided by this extension is excess over any specific insurance intended to provide Accounts Receivable coverage.
- (7) Property Off-Premises**
- We will pay for loss that results from a Covered Cause of Loss to Covered Property while it is away from the described premises, if it is:
- (a) Temporarily at a location you do not own, lease or operate;
  - (b) In transit;
  - (c) Telephone or television cable line that is owned by you and buried underground, but not under water;
  - (d) Pay telephones and booths; or
  - (e) Telephone system nodes, cabinets, and co-located equipment.
- (8) Additional Definitions**
- (a) "Dependent Property" means property operated by others whom you depend on to:
    - (i) Deliver services to "you" or to others for your account (Contributing Locations); or
    - (ii) Accept your services (Recipient Locations).
  - (b) "Operations" means your business activities occurring at the described premises.
  - (c) "Period of Restoration" means the period of time that:
    - (i) Begins:
      1. 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises for Business Income Coverage; and
      2. 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises for Business Income From Dependent Properties Coverage; and
      3. Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
- caused by or resulting from any Covered Cause of Loss at the described premises; and

- (ii) Ends on the earlier of:
  - 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - 2. The date when business is resumed at a new permanent location.
- (iii) "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
  - 1. Regulates the construction, use or repair, or requires the tearing down of any property; or
  - 2. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."
- (iv) The expiration date of this policy will not cut short the "period of restoration."

<b>CHANGES TO THE CAUSES OF LOSS - SPECIAL FORM</b>
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- 1. Paragraph **B. Exclusions** is amended as follows:
  - a. Exclusion **2.a.** is deleted.
  - b. Exclusion **B.2.d.(7)(a)** does not apply to loss to digital telephone switching equipment if the loss results from failure of an air conditioning system.
  - c. Exclusion **B.2.d.(7)(b)** does not apply to loss to digital telephone switching equipment if the loss results from failure of an air conditioning system.
- 2. Paragraph **C. Limitations** is amended as follows:
  - a. The coverage limit in paragraph **3.a.** is increased from \$2,500 to \$5,000.
  - b. The coverage limit in paragraph **3.b.** is increased from \$2,500 to \$5,000.
- 3. Paragraph **F.1. Property In Transit** is deleted.

## TELECOMMUNICATIONS FLOOD COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

- A. Exclusion **B.1.g.** of the **Causes Of Loss - Special Form** is deleted in its entirety and replaced with the following:

**g. Water**

- (1) Mudslide or mudflow;
- (2) Water that backs up or overflows from a sewer, drain or sump;
- (3) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g. (1)** through **g. (3)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- B. The following is added to **B.2. Exclusions** of the **Causes Of Loss - Special Form**:

- n. Loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.

- C. The following is added to **C. Limitations** of the **Causes Of Loss - Special Form**:

5. We will not pay for any loss or damage caused by or resulting from flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not, that begins before or within 72 hours after the inception date of this endorsement.

- D. Paragraph **C. Limits Of Insurance** of the **Building and Personal Property Coverage Form** is deleted and replaced with the following:

The most we will pay for loss or damage caused by or resulting from flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not is \$1,000,000 or the applicable limit for Covered Property, whichever is less.

In the event of a covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will not pay the sum of the Fire limit and the Flood limit provided by this endorsement.

If a single occurrence begins during one annual policy period and ends during the following annual policy period, the limit of insurance applicable to the following annual policy period will not apply to that occurrence.

## TELECOMMUNICATIONS EARTHQUAKE COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

A. Exclusion **B.1.b.** of the **Causes Of Loss - Special Form** is deleted in its entirety and replaced with the following:

**b. Earth Movement**

- (1) Loss caused by earthquake or the eruption, explosion, or effusion of a volcano that begins before the inception date of this endorsement;
- (2) Loss caused by blasting (other than volcanic explosion), landslide, mine subsidence, mudflow, or mudslide even if caused by earthquake or volcanic eruption;
- (3) Loss caused directly or indirectly by flood, tidal wave, or tsunami even if such flood, tidal wave, or tsunami is attributable to an earthquake or volcanic eruption.
- (4) Loss caused by earth sinking, rising, or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

However, with respect to **b.(1)** above, we will pay for loss caused by earthquake or volcanic eruption that occurs on or after the inception of the coverage provided by this endorsement, if:

- (1) The series of earthquake shocks or volcanic eruptions began within 72 hours prior to the inception of the coverage provided by this endorsement; and
- (2) The coverage provided by this endorsement is a renewal of earthquake coverage that did not include coverage for earthquake or volcanic eruption beyond the expiration date of the policy.

All earthquake shocks or volcanic eruptions that occur within any 168-hour period will be considered a single loss. The expiration of this policy will not reduce the 168-hour period.

B. Exclusion **B.2.k.** of the **Causes Of Loss - Special Form** does not apply to collapse caused by Earthquake or Volcanic Eruption.

C. Paragraph **D. Additional Coverage - Collapse** of the **Causes Of Loss - Special Form** does not apply to the coverage provided by this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.

D. Paragraph **C. Limits Of Insurance** of the **Building and Personal Property Coverage Form** is deleted and replaced with the following:

The most we will pay for loss or damage caused by or resulting from earthquake or volcanic eruption is \$1,000,000 or the applicable limit for Covered Property, whichever is less.

If fire, explosion, or volcanic action occur as a result of earthquake or volcanic eruption covered by this endorsement, the most we will pay for the total of all loss caused by earthquake or volcanic eruption and fire, explosion, or volcanic action is the limit that applies to loss caused by fire, explosion or volcanic action. We will not pay the sum of the Fire, Explosion or Volcanic Action limit and the Earthquake and Volcanic Eruption limit provided by this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TELECOMMUNICATIONS POLLUTION CLEAN UP**

This endorsement modifies insurance provided under the following:

### **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

- A.** We will pay for the cleanup of "pollutants" emanating from aboveground storage tanks and/or transformers, whether off-premises or on-premises, resulting from an accident, provided that the discharge, dispersal, release, or escape of such "pollutants" is abrupt, sudden, unexpected, unintended and immediate.

This coverage only applies to losses occurring and reported during the policy period.

We will not pay for the cleanup of any other type of pollution; including, but not limited to, pollution directly or indirectly caused by repeated or continuous leakage or seepage, or for any fine or penalty imposed upon you as a result of pollution.

Such cleanup may include testing required by a governmental pollution control agency.

- B.** With respect to the coverage provided by this endorsement, Definition **H.2.** is deleted and replaced with the following:
- 2.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, petroleum products, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- C.** With respect to the coverage provided by this endorsement, paragraph **A.4.d. Pollution Clean Up And Removal** does not apply.

\$\_\_\_\_\_ is the most we will pay for loss or damage in any one occurrence. Coverage only applies if a limit of insurance is indicated.

A \$500 deductible applies to each occurrence of loss or damage covered under this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FULL GLASS COMPREHENSIVE COVERAGE**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

For an additional premium, **SECTION III – PHYSICAL DAMAGE COVERAGE** is amended as follows:

Paragraph **D. Deductible** is amended by the addition of the following:

Additionally, if the Declarations indicate that Comprehensive Coverage applies to a covered "auto(s)", no Comprehensive Coverage deductible applies to the cost of repairing or replacing damaged safety glass on the covered "auto(s)" described in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ACCIDENTAL DISCHARGE COVERAGE – PROPERTY DAMAGE**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The following is added to **SECTION II – LIABILITY COVERAGE**:

### **SCHEDULE**

	<b>Limit For Each Accident</b>
<b>Accidental Discharge Coverage</b>	<b>\$</b>

- A.** We will pay for “property damage” as a result of accidental discharge of “pollutants” during the “delivery” process.

A \$500 deductible is applicable to each loss covered under this coverage. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

- B.** The most we will pay for “loss” in any one "accident" is the Limit of Insurance shown in the Schedule of this endorsement. The Limit of Insurance shown in the Schedule of this endorsement is part of and not in addition to the Limit of Insurance for Liability Coverage shown in the Declarations.

- C.** The following is added to **SECTION V – DEFINITIONS**:

“Delivery” means:

1. Loading of cargo into or onto a covered “auto”; or
2. Transportation of cargo by a covered “auto”; or
3. Unloading of cargo from a covered “auto” at its final destination.

“Delivery” is complete when the cargo has been unloaded from the covered “auto” and the covered “auto” has left the customer’s premises.

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

## **RURAL UTILITIES SERVICE, DEPARTMENT OF AGRICULTURE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
COMMERCIAL CRIME POLICY  
COMMERCIAL CRIME COVERAGE FORM

- A.** In compliance with 7 CFR § 1788.5, the insurer agrees with the Rural Utilities Service (RUS) as follows:
1. That this endorsement forms a part of the original policy.
  2. Changes in policy forms or endorsements, as a result of approval by a regulatory authority, will be submitted to the Rural Utilities Service prior to use for a borrower of said Administration.
  3. That it will mail to said Administration, at least 10 days before the effective date thereof, notice of cancellation or termination of said policy.
  4. That each endorsement subsequently issued will be come a part of said original policy.
- B.** If the RUS Borrower is a subsidiary of a parent corporation, the Insurer agrees with the Rural Utilities Service, as follows:
1. That this endorsement forms a part of the original policy.
  2. Changes in policy forms or endorsements, as a result of approval by a regulatory authority, will be submitted to the Rural Utilities Service prior to use for a borrower of said Administration.
  3. That it will mail to said Administration, at least 10 days before the effective date thereof, notice of cancellation or termination of said policy, or cessation of coverage for any reason of any affiliate or subsidiary of the assured, which is a borrower from the administration.
  4. That each endorsement subsequently issued will become a part of said original policy.
- C.** If the RUS Borrower is a cooperative or mutual organization, the insurer agrees with the Rural Utilities Services, as follows:
1. "Endorsement Waiving Immunity From Tort Liability": The Insurer agrees with the Rural Utilities Service that such insurance as is afforded by the policy applies subject to the following provisions:
    - a. The company agrees that it will not use, either in the adjustment of claims or in the defense of suits against the Insured, the immunity of the insured from tort liability, unless requested by the Insured to interpose such defense.
    - b. The Insured agrees that the waiver of the defense of immunity shall not subject the company to liability of any portion of a claim, verdict or judgment in excess of the limits of liability stated in the policy.
    - c. The company agrees that if the Insured is relieved of liability because of its immunity, either by interposition of such defense at the request of the Insured or by voluntary action of a court, the insurance applicable to the injuries on which such suit is based, to the extent to which it would otherwise have been available to the insured, shall apply to officers and employees of the insured in their capacity as such; provided that all defenses other than immunity from tort liability, which would be available to the company but for said immunity in suits against the Insured or against the company under the policy shall be available to the company with respect to such officers and employees in suits against such officers and employees or against the company under the policy.

*SERFF Tracking Number:* UNON-125325480      *State:* Arkansas  
*First Filing Company:* Continental Western Insurance Company, ...      *State Tracking Number:* AR-PC-07-026565  
*Company Tracking Number:* 07-MP-FM-5  
*TOI:* 05.0 Commercial Multi-Peril - Liability & Non-      *Sub-TOI:* 05.0003 Commercial Package  
Liability  
*Product Name:* 2007 Pkg. Form/Rule Filings  
*Project Name/Number:* 01-08 Pkg. Form/Rule Filing/

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: UNON-125325480 State: Arkansas  
 First Filing Company: Continental Western Insurance Company, ... State Tracking Number: AR-PC-07-026565  
 Company Tracking Number: 07-MP-FM-5  
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package  
 Liability  
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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Telecommunications Program Manual	Exception Page RUP-1 through RUP-3	New	Manual Pages 09-07.pdf

ACADIA INSURANCE COMPANY  
CONTINENTAL WESTERN INSURANCE COMPANY  
UNION INSURANCE COMPANY

COMMERCIAL LINES MANUAL  
DIVISION NINE - MULTIPLE LINE  
COMMERCIAL PACKAGE POLICY SUBDIVISION

EXCEPTION TO I.S.O. - ADDITIONAL PROGRAM

**TELECOMMUNICATIONS PROGRAM**

**COMPLIANCE WITH RURAL UTILITIES SERVICE REQUIREMENTS OF USDA**

- A. Refer to 7 CFR § 1788.1 – 1788.55 for specific insurance requirements applicable to utility borrowers.
- B. Attach Rural Utilities Service Endorsement **CW 25 31** to all policies.

**PACKAGE MODIFICATION FACTORS**

The following package modification factors will apply to this program:

Package Modification Assignment (PMA)	Type of Policy Code	Premium From CLM Division					AAIS Inland Marine
		One Auto	Three Crime	Five Property	Six Liability	All Other Divisions	
Telecommunications Program	76	1.00	1.00	1.00	1.00	1.00	.90

**COMMERCIAL AUTOMOBILE COVERAGES**

**A. Physical Damage Coverage**

- 1. Comprehensive Deductibles
  - a. Full Glass Comprehensive Coverage

For those autos needing full glass coverage, use Full Glass Comprehensive Coverage, **CW 30 73**. A flat \$25 per vehicle is charged when this coverage is applicable.

**B. Accidental Discharge Coverage – Property Damage**

- 1. Use Accidental Discharge Coverage – Property Damage, **CW 30 71**, to provide “property damage” as a result of accidental discharge of pollutants during the delivery process. A \$500 deductible applies to each loss covered under the **CW 30 71**.
- 2. Rates

<u>Limit of Liability</u>	<u>Charge</u>
\$ 25,000	\$300
\$ 50,000	\$550
\$ 75,000	\$775
\$100,000	\$950

The charge for this coverage will not be subject to adjustment.

ACADIA INSURANCE COMPANY  
CONTINENTAL WESTERN INSURANCE COMPANY  
UNION INSURANCE COMPANY  
  
COMMERCIAL LINES MANUAL  
DIVISION NINE - MULTIPLE LINE  
COMMERCIAL PACKAGE POLICY SUBDIVISION

EXCEPTION TO I.S.O. - ADDITIONAL PROGRAM

**TELECOMMUNICATIONS PROGRAM** (continued)

**COMMERCIAL PROPERTY COVERAGES**

- A. Attach Telecommunications Property Enhancement Endorsement **CW 24 88 US** to all policies. The charge for this endorsement will be 10% of the Building, Personal Property, Business Income, and Stock premium, subject to a minimum premium of \$300 and a maximum premium of \$1,000. The premium for this endorsement is not subject to modification.

**B. Flood**

1. To provide coverage for flood, attach Telecommunications Flood Coverage Endorsement **CW 25 34**.
2. Multiply the Total Insured Value (TIV), regardless of the number of locations or values, by \$0.01 per \$100 of TIV.

No further rate modifications apply to this coverage.

**C. Earthquake**

1. To provide coverage for earthquake, attach Telecommunications Earthquake Coverage Endorsement **CW 26 31 US**.

2. Multiply the Total Insured Value (TIV), regardless of the number of locations or values, by \$0.01 per \$100 of TIV.

No further rate modifications apply to this coverage.

**D. Pollution Cleanup**

1. To provide coverage for clean-up costs associated with abrupt, sudden, unexpected, unintended and immediate discharge of pollutants from above ground tanks and transformers, attach Telecommunications Pollution Clean Up endorsement **CW 25 32**.
2. Premium Development

Flat charge per policy:

<u>Limit Per Occurrence</u>	<i>Rate</i>
\$25,000	\$300
\$50,000	\$500
\$75,000	\$750
\$100,000	\$1,000

\$500 per loss deductible applies.

No further rate modifications apply to this coverage.

ACADIA INSURANCE COMPANY  
CONTINENTAL WESTERN INSURANCE COMPANY  
UNION INSURANCE COMPANY

COMMERCIAL LINES MANUAL  
DIVISION NINE - MULTIPLE LINE  
COMMERCIAL PACKAGE POLICY SUBDIVISION

EXCEPTION TO I.S.O. - ADDITIONAL PROGRAM

**TELECOMMUNICATIONS PROGRAM** (continued)

**COMMERCIAL GENERAL LIABILITY COVERAGES**

- A. Attach Telecommunications Liability Enhancement Endorsement **CW 18 05** to all policies.
- B. If a Railroad Easement Agreement is needed, attach Telecommunications Railroad Easement Agreements Endorsement **CW 30 74**.  
The premium charge for this endorsement is \$750.  
No further rate modifications apply.

**C. Internet Service Provider Liability**

1. To provide liability for the insured if they are an internet service provider, attach Internet Service Provider Liability Coverage Endorsement **CW 30 75**.
2. Premium Development
- a. Internet Service Provider (ISP) only

<u>Limit</u>	<u>Premium</u>
\$300,000	\$100
\$500,000	\$150
\$1,000,000	\$175

- b. ISP also engaged in internet site development, production and/or publishing

<u>Limit</u>	<u>Premium</u>
\$300,000	\$250
\$500,000	\$375
\$1,000,000	\$438

No further rate modifications apply to this coverage.

**INLAND MARINE COVERAGES**

- A. Attach Telecommunications Described Property Form **IM 50 14** to all policies.

**I.S.O. AND COMPANY RULES REFERENCE**

For rules not specifically mentioned for the Telecommunications Program, use the rates/loss costs and rules filed by I.S.O., AAIS, or Company exceptions.

SERFF Tracking Number: UNON-125325480 State: Arkansas  
First Filing Company: Continental Western Insurance Company, ... State Tracking Number: AR-PC-07-026565  
Company Tracking Number: 07-MP-FM-5  
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Liability  
Product Name: 2007 Pkg. Form/Rule Filings  
Project Name/Number: 01-08 Pkg. Form/Rule Filing/

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty

**Review Status:** Approved 10/29/2007

**Comments:**

**Attachment:**

01-08 MP FormRule Filing Trans Docs.pdf

**Property & Casualty Transmittal Document**

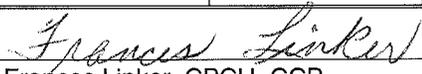
**Reset Form**

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	<input type="checkbox"/> New Business	
	<input type="checkbox"/> Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>	W. R. Berkley Group				<b>Group NAIC #</b>	0098
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>		
Union Insurance Company	IA	25844	47-0547953			
Continental Western Insurance Company	IA	10804	42-0594770			
Acadia Insurance Company	ME	31325	01-0471706			

<b>5. Company Tracking Number</b>	07-MP-FM-5
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
Frances Linker, P. O. Box 152180, Irving, TX 75015-2180	Compliance Analyst	(800) 444-0049 ext2465	(972) 719-2348	flinker@usic.com
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>	Frances Linker, CPCU, CCP			

**Filing information** (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	05.0 CMP Liability and Non-Liability		
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	05.0003 Commercial Package		
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>			
<b>12. Company Program Title (Marketing title)</b>			
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input checked="" type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)		
<b>14. Effective Date(s) Requested</b>	New: 01/01/2008	Renewal:	
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>16. Reference Organization (if applicable)</b>			
<b>17. Reference Organization # &amp; Title</b>			
<b>18. Company's Date of Filing</b>	10/26/2007		
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved		

# Property & Casualty Transmittal Document—

**20. This filing transmittal is part of Company Tracking #** 07-MP-FM-5

**21. Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

Continental Western Insurance Company, Union Insurance Company and Acadia Insurance Company wish to file a "Rural Telephone Program" to be effective upon approval.

The "Rural Telephone Program" is being filed as an additional component to our current filings. The Rural Telephone Program is a program specifically designed to meet the specialized needs of the rural telecommunications industry exposures so that we can compete for this type of business. This business has specific coverage needs relating to things such as switching equipment, telephone poles, mobile equipment, "internet" liability exposure, etc. that have been included as part of our enhancement endorsements.

The program is being filed as a package and includes the following lines of business:

General Liability  
Inland Marine  
Commercial Property  
Commercial Automobile  
Commercial Crime

The Companies propose to adopt the following company endorsements for use with this program:

CW 18 05 01 08 Telecommunications Liability Enhancement Endorsement  
CW 30 75 09 07 Internet Service Provider Liability Coverage  
CW 30 74 01 08 Telecommunication Railroad Easement Agreements  
IM 50 14 01 08 Telecommunications Described Property Coverage  
CW 24 88 US 01 08 Telecommunications Property Enhancement Endorsement  
CW 25 34 09 07 Telecommunications Flood Coverage  
CW 26 31 US 01 08 Telecommunications Earthquake Coverage  
CW 25 32 01 08 Telecommunications Pollution Clean Up  
CW 30 73 09 07 Full Glass Comprehensive Coverage  
CW 30 71 01 08 Accidental Discharge Coverage - Property Damage  
CW 25 31 09 07 Rural Utilities Service, Department of Agriculture Endorsement

We are also enclosing a copy of our Rules for this program, including the above endorsements.

[View Complete Filing Description](#)

**22. Filing Fees** (Filer must provide check # and fee amount if applicable)  
[If a state requires you to show how you calculated your filing fees, place that calculation below]

**Check #:**   
**Amount:**

Check will be mailed shortly.

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

## FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)  
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	07-MP-FM-5
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<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Forms are listed and attached to the Form Schedule tab.		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

### RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	07-MP-FM-5
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	
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Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

<b>5.</b>	<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>
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		COMPANY USE	STATE USE
<b>5a</b>	Overall percentage rate indication (when applicable)		
<b>5b</b>	Overall percentage rate impact for this filing		
<b>5c</b>	Effect of Rate Filing – Written premium change for this program		
<b>5d</b>	Effect of Rate Filing – Number of policyholders affected		

<b>6.</b>	Overall percentage of last rate revision	
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<b>7.</b>	Effective Date of last rate revision	
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<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Telecommunications Program Manual is described and attached to the Rate/Rule Schedule tab.	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	