

SERFF Tracking Number: AMAX-125268510 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: AR-PC-07-025860
Company Tracking Number: AAIS-2007-61
TOI: 09.0 Inland Marine Sub-TOI: 09.0002 Difference in Conditions (DIC)
Product Name: Inland Marine Guide
Project Name/Number: CW IMG DIC New Forms, Endt's & Schedules AAIS-2007-61/AAIS-2007-61

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Inland Marine Guide SERFF Tr Num: AMAX-125268510 State: Arkansas
TOI: 09.0 Inland Marine SERFF Status: Closed State Tr Num: AR-PC-07-025860
Sub-TOI: 09.0002 Difference in Conditions (DIC) Co Tr Num: AAIS-2007-61 State Status:
Filing Type: Form Co Status: Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding
Author: SPI AAIS Disposition Date: 08/23/2007
Date Submitted: 08/21/2007 Disposition Status: Filed
Effective Date Requested (New): 12/01/2007 Effective Date (New): 12/01/2007
Effective Date Requested (Renewal): Effective Date (Renewal):

General Information

Project Name: CW IMG DIC New Forms, Endt's & Schedules AAIS-2007-61 Status of Filing in Domicile: Not Filed
Project Number: AAIS-2007-61 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 08/23/2007
State Status Changed: 08/22/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
SENT VIA SERFF

Re: AAIS-2007-61
Inland Marine Guide Program (Traditional Non-Filed Inland Marine)
New Difference In Conditions Class - Forms, Endorsements and Schedules

Dear Sir or Madam:

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On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing a new coverage form and corresponding schedules and endorsements for the Commercial Inland Marine classes that are traditionally considered "non-filed". The new form, endorsements and schedules constitute the new Difference IN Conditions class of coverage.

The Filing Memorandum provides background for this submission and detailed descriptions of the materials being filed. Copy of the forms, Schedules and endorsements are enclosed.

We propose that the forms, schedules and endorsements described in this filing become effective December 1, 2007 and only companies that choose not to adopt these materials on that date will be required to notify the Insurance Department. Once approved, we also ask that companies that choose to adopt these materials on an earlier date may do so by notifying the Insurance Department.

Please be advised that, once approved, the materials that are the subject of this filing will also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same material electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

Sincerely,

Pallavi U. Shah
Senior Filings Specialist
Pallavis@AAISonline.com

Company and Contact

Filing Contact Information

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Filing Company Information

American Association of Insurance Services CoCode: 31400 State of Domicile: Delaware
1745 S. Naperville Road Group Code: Company Type:
Wheaton, IL 60187-8132 Group Name: State ID Number:
(630) 681-8347 ext. [Phone] FEIN Number: 36-2021360

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Filing Fees

Fee Required? Yes
Fee Amount: \$500.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$500.00	08/21/2007	15214256

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	08/23/2007	08/23/2007

SERFF Tracking Number: *AMAX-125268510* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *AR-PC-07-025860*
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TOI: *09.0 Inland Marine* *Sub-TOI:* *09.0002 Difference in Conditions (DIC)*
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Disposition

Disposition Date: 08/23/2007

Effective Date (New): 12/01/2007

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	AR DIC Forms Filing Memo 04 07	Filed	Yes
Form	Difference In Conditions - Property Coverage Part	Filed	Yes
Form	Difference In Conditions - Property Coverage Part - Excess Coverage	Filed	Yes
Form	Schedule of Coverages - Difference In Conditions	Filed	Yes
Form	Locations Schedule - Difference In Conditions	Filed	Yes
Form	Schedule Of Coverages - Difference In Conditions - Excess Coverage	Filed	Yes
Form	Excess Coverage Schedule	Filed	Yes
Form	Difference In Conditions - Income Coverage Part	Filed	Yes
Form	Difference In Conditions - Income Coverage Part - Excess Coverage	Filed	Yes
Form	Mortgageholders Endorsement	Filed	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Filed	Difference In Conditions - Property Coverage Part	IM 7800	04 07	Policy/CoveNew rage Form		53.90	IM 7800.PDF
Filed	Difference In Conditions - Property Coverage Part - Excess Coverage	IM 7801	04 07	Policy/CoveNew rage Form		53.90	IM 7801.PDF
Filed	Schedule of Coverages - Difference In Conditions	IM 7805	07 07	Declaration New s/Schedule		0.00	IM 7805.PDF
Filed	Locations Schedule - Difference In Conditions	IM 7806	04 07	Declaration New s/Schedule		0.00	IM 7806.PDF
Filed	Schedule Of Coverages - Difference In Conditions - Excess Coverage	IM 7808	04 07	Declaration New s/Schedule		0.00	IM 7808.PDF
Filed	Excess Coverage Schedule	IM 7813	04 07	Declaration New s/Schedule		0.00	IM 7813.PDF
Filed	Difference In Conditions - Income Coverage Part	IM 7810	07 07	Endorseme New nt/Amendm ent/Condi tions		44.36	IM 7810.PDF
Filed	Difference In Conditions - Income Coverage Part - Excess Coverage	IM 7814	04 07	Endorseme New nt/Amendm ent/Condi tions		50.60	IM 7814.PDF

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Filed	Mortgageholders IM 7815	04 07	Endorseme New nt/Amendm ent/Condi ons	52.43	IM 7815.PDF
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DIFFERENCE IN CONDITIONS FORM PROPERTY COVERAGE PART

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

AGREEMENT

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

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss to covered building property and business personal property (as described below) caused by a covered peril.
2. **Coverage Limitation** -- "We" only cover building property and business personal property at "covered locations".

3. **Building Property** -- Covered building property means buildings and structures including:
 - a. completed additions;
 - b. fixtures, machinery, and equipment that are a permanent part of a covered building or structure;
 - c. outdoor fixtures;
 - d. personal property owned by "you" and used to maintain or service a covered building or structure or its premises. This includes air-conditioning equipment; fire extinguishing apparatus; floor coverings; and appliances for refrigerating, cooking, dishwashing, and laundering;
 - e. if not covered by other insurance:
 - 1) buildings and additions to buildings under construction, alteration, and repair;
 - 2) materials, equipment, supplies, and temporary structures, on or within 1,000 feet of "covered locations", used for the construction, alteration, and repair of buildings or additions to buildings;
 - f. building glass;
 - g. the following property if it is located on or within 1,000 feet of a covered building or structure:
 - 1) radio and television towers, antennas, satellite dishes, masts, lead-in wiring, and guy wires. This includes foundations and any other property that is permanently attached to any of these types of ~~property~~;
 - 2) awnings; or canopies; and
 - 3) fences;

h. signs, attached to covered buildings, or structures.

4. **Business Personal Property** -- Covered business personal property means "your" business personal property in buildings or structures at "covered locations" or in the open (or in vehicles) on or within 1,000 feet of "covered locations". This includes:

- a. "your" use interest as a tenant in improvements to the buildings or structures. Improvements are fixtures, alterations, installations, or additions:
 - 1) to a building or structure "you" occupy but do not own; and
 - 2) made or acquired at "your" expense and which cannot be legally removed by "you";
- b. leased personal property that "you" have a contractual responsibility to insure;
- c. "your" interest in personal property of others to the extent of "your" labor, material, and services;
- d. personal property of others, this means personal property of others that is in "your" care, custody, or control.

Personal property of others includes property that is sold under an installation agreement where "your" responsibility continues until the property is accepted by the buyer.

"Our" payment for loss to personal property of others will only be for the benefit of the owners of the personal property.

PROPERTY NOT COVERED

1. **Airborne Or Waterborne Property** -- "We" do not cover airborne or waterborne personal property unless the property is being transported by regularly scheduled airlines or ferry service.

2. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft (including their motors, equipment, and accessories).

However, "we" do cover aircraft or watercraft (including their motors, equipment, and accessories) that "you" manufacture, process, warehouse, or hold for sale.

3. **Animals** -- "We" do not cover animals, including birds and fish.

4. **Automobiles And Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed and used for over-the-road transportation of people or cargo.

"We" do cover automobiles and vehicles that "you" manufacture, process, or warehouse. However, "we" do not cover automobiles or vehicles held for sale.

5. **Bridges, Dams, And Tunnels** -- "We" do not cover bridges, dams, or tunnels.

6. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.

7. **Crops** -- "We" do not cover grain, hay, straw, or other crops when outdoors.

8. **Exports And Imports** -- "We" do not cover exported or imported property that is covered under any ocean marine cargo insurance policy or any similar policy that anyone has obtained covering exports and imports.

9. **Furs, Jewelry, Stamps, Tickets, And/Or Letters Of Credit** -- "We" do not cover:
- a. furs or fur trimmed garments;
 - b. jewelry; watches; watch movements; jewels; pearls; precious or semi-precious stones; gold, silver, or other precious metals; or items consisting primarily of precious metals; or
 - c. stamps, tickets (including lottery tickets held for sale), or letters of credit.
10. **Land, Water, Or Cost Of Excavation** -- "We" do not cover:
- a. land, including land on which the covered property is located;
 - b. underground or surface water; or
 - c. cost of excavations, grading, or filling.
11. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, money, notes, or securities.
12. **Property Of Others** -- "We" do not cover property of others for which "you" are responsible as:
- a. a carrier for hire; or
 - b. an arranger of transportation. This includes carloaders, consolidators, brokers, freight forwarders, or shipping associations.
13. **Property You Have Sold** -- "We" do not cover property that "you" have sold after it has been delivered. This does not include property "you" have sold under an installation agreement.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage

Extensions -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. **Debris Removal** --

- a. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
- b. **We Do Not Cover** -- This coverage does not include costs to:
 - 1) extract "pollutants" from land or water; or
 - 2) remove, restore, or replace polluted land or water.

- c. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
 - d. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
 - e. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.
2. **Emergency Removal** --
- a. **Coverage** -- "We" cover any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril.
 - b. **Time Limitation** -- This coverage applies for up to ten days after the property is first moved. Also, this coverage does not extend past the date on which this policy expires.
3. **Limited Fungus Coverage** --
- a. **Coverage** -- "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus".
 - b. **Coverage Limitation** -- "We" only cover loss caused by "fungus":
 - 1) when the "fungus" is the result of:
 - a) a "named peril" other than fire or lightning; or
- b) "flood" (if Flood Coverage is provided under this policy);

that occurs during the policy period;
and
 - 2) if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
- c. **Limit** -- The most "we" pay for all losses at all "covered locations" is \$15,000, unless another "limit" is indicated on the "schedule of coverages". The Limited Fungus Limit applies regardless of the number of claims made.
- The Limited Fungus Limit applies regardless of the number of buildings or structures, or locations insured under this policy.
- The Limited Fungus Limit is the most that "we" pay for the total of all loss or damage arising out of all occurrences of "named perils", other than fire or lightning, or "flood" (if applicable) during each separate 12-month period beginning with the inception date of this policy.
- d. **If The Policy Period Is Extended** -- If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Limited Fungus Limit.
 - e. **Recurrence And Continuation Of Fungus** -- The Limited Fungus Limit is the most that "we" pay with respect to a specific occurrence of a loss that results in "fungus" even if such "fungus" recurs or continues to exist during this or any future policy period.

- f. **Limit Applies To Other Costs Or Expenses** -- The Limited Fungus Limit also applies to any cost or expense to:
- 1) clean up, contain, treat, detoxify, or neutralize "fungus" on covered property or remove "fungus" from covered property;
 - 2) remove and replace those parts of covered property necessary to gain access to "fungus"; and
 - 3) test for the existence or level of "fungus" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus" is present.
- g. **Loss Not Caused By Fungus** -- If there is a covered loss or damage to covered property not caused by "fungus", loss payment will not be limited by the "terms" of this coverage extension. However, to the extent that "fungus" causes an increase in the loss, that increase is subject to the "terms" of this coverage extension.

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

1. **Foundations Of Buildings, Pilings, And Underground Pipes** --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
 - 1) foundations of buildings, structures, machinery, or boilers if their foundations are below:
 - a) the lowest basement floor; or
 - b) the surface of the ground, if there is no basement;
 - 2) pilings, piers, wharves, docks, or retaining walls; and
 - 3) underground pipes, flues, or drains.
- b. **Limit** -- The most "we" pay in any one occurrence for loss at any one "covered location" under this Supplemental Coverage is \$100,000.

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

2. **Newly Acquired Buildings --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional buildings or structures "you" build or acquire during the policy period.
- b. **Time Limitation** -- "We" extend coverage to the additional buildings or structures that "you" build or acquire for up to 90 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 90 days after "you" build or acquire the additional buildings or structures; or
- 3) "you" report the additional buildings or structures to "us".

- c. **Additional Premium** -- "You" must pay any additional premium due from the date "you" build or acquire the additional buildings or structures.

- d. **Limit** -- The most that "we" pay in any one occurrence for any loss under this Supplemental Coverage is the lesser of the:

- 1) value of covered property as indicated on the "schedule of coverages" and described in the Valuation section of this coverage part; or
- 2) \$100,000.

3. **Ordinance Or Law (Undamaged Parts Of A Building) --**

- a. **Coverage** -- When a covered peril occurs to a covered building or structure, "we" pay for the value of undamaged parts of a covered building or structure that is required to be demolished as a result of the enforcement of any ordinance, law, or decree that:

- 1) requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a covered peril;
- 2) regulates the construction or repair of a building or structure, or establishes building, zoning, or land use requirements at a "covered location"; and
- 3) is in force at the time of loss.

b. **We Do Not Cover** -- "We" do not cover:

- 1) the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants";
- 2) loss or increased cost caused by the enforcement of any ordinance, law, or decree that requires the reconstruction, repair, replacement, remodeling, remediation or razing of property due to the existence of or any activity of "fungus"; or
- 3) costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "fungus".

- c. **Coverage Limitation** -- This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

4. **Ordinance Or Law (Increased Cost To Repair And Cost To Demolish/Clear Site) --**

a. **Increased Cost To Repair** --

- 1) **Coverage** -- When a covered peril occurs to a covered building or structure, "we" cover the increased cost to repair, rebuild, or reconstruct:

- a) damaged portions of a covered building or structure; and
 - b) undamaged portions of a covered building or structure whether or not those undamaged portions need to be demolished
- as a result of the enforcement of building, zoning, or land use ordinance, law, or decree and is in force at the time when a covered peril occurs to a covered building or structure.
- 2) **If The Building Is Repaired Or Rebuilt** -- If a covered building or structure is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by building, zoning, or land use ordinance, law, or decree.
 - 3) **Coverage Limitation** -- "We" do not cover the increased cost of construction until the covered building or structure is actually repaired or replaced, whether at the same or another "covered location", and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years. The period for repair or replacement may be extended by "us" in writing during the two-year period.
- b. **Cost To Demolish And Clear Site** -- "We" cover the cost to demolish and clear the site of undamaged parts of the covered building or structure that is damaged or destroyed by a covered peril. The demolition must be a result of the enforcement of a building, zoning, or land use ordinance, law, or decree that is in force at the time when a covered peril occurs to a covered building or structure.
 - c. **We Do Not Cover** -- "We" do not cover:
 - 1) the costs associated with the enforcement of any ordinance, law, or decree:
 - a) that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants";
 - b) that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "fungus"; or
 - c) "you" were required to comply with before the covered peril occurred to a covered building or structure, even if the building or structure was undamaged and "you" failed to comply with the ordinance, law, or decree; or
 - 2) loss or increased cost caused by the enforcement of any ordinance, law, or decree that requires the reconstruction, repair, replacement, remodeling, remediation or razing of property due to the existence of or any activity of "fungus".
 - d. **What We Pay** --
 - 1) **If The Building Is Repaired Or Replaced At Same Site Or Opt To Build At Another Site** -- If the covered building or structure is repaired or replaced at the same "covered location", or "you" opt to build at another location, "we" pay the lesser of:
 - a) the amount "you" actually spend to demolish and clear the site of undamaged parts of the covered building or structure, plus the actual increased cost to repair, rebuild, or construct the property, but not for more than a building or structure of the same height, floor area, and style at the same "covered location"; or
 - b) \$100,000.

- 2) **If The Building Is Repaired Or Replaced And Required To Relocate** -- If the covered building or structure is rebuilt at a new "covered location" due to an ordinance or law requirement, "we" pay the lesser of:
 - a) the amount "you" actually spend to demolish and clear the site of undamaged parts of the covered building or structure, plus the actual increased cost to construct a building or structure of the same height, floor area, and style at a new "covered location"; or
 - b) \$100,000.
 - 3) **If The Building Is Not Repaired Or Replaced** -- If the covered building or structure is not repaired or replaced, "we" pay the lesser of:
 - a) the amount "you" actually spend to demolish and clear the site of undamaged parts of the covered building or structure; or
 - b) \$100,000.
5. **Personal Property - Acquired Locations** --
- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "your" business personal property at locations that "you" acquire during the policy period.
 - b. **We Do Not Cover** -- "We" do not cover personal property at fairs or exhibitions.
 - c. **Time Limitation** -- "We" extend coverage to business personal property at locations "you" acquire for up to 90 days.

This supplemental coverage will end when any of the following first occur:

 - 1) this policy expires;
 - 2) 90 days after "you" acquire the location; or
- 3) "you" report the acquired location to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the location.
 - e. **Limit** -- The most that "we" pay in any one occurrence for any loss under this supplemental coverage is the lesser of the:
 - 1) value of covered property as indicated on the "schedule of coverages" and described in the Valuation section of this coverage part; or
 - 2) \$100,000.
6. **Pollutant Cleanup And Removal** --
- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
 - b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
 - c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
 - d. **Limit** -- The most "we" pay for each location is \$25,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

7. **Property in Transit --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to covered business personal property (other than property in the care, custody, or control of "your" sales representatives) while in transit.
- b. **Limit** -- The most "we" pay in any one occurrence for personal property in transit is \$50,000. This "limit" applies regardless if the loss involves one or more vehicles, conveyances, containers, trailers, or any combination of these.
- c. **1,000 Feet Restriction Does Not Apply** -- Coverage under this Supplemental Coverage is not restricted to buildings or structures at "covered locations" or within 1,000 feet of "covered locations".

PERILS COVERED

- 1. **DIC Coverage** -- If DIC Coverage is indicated on the "schedule of coverages":
 - a. **Coverage** -- Unless a loss is limited or caused by a peril that is excluded, "we" cover risks of direct physical loss subject to the provisions and limitations described below.
 - b. **We Do Not Cover Named Perils** -- Except as described in Coverage Extensions - Limited Fungus Coverage, "we" do not cover loss caused by or resulting from a "named peril".
- 2. **DIC Coverage Excluding Property Perils** -- If DIC Coverage Excluding Property Perils is indicated on the "schedule of coverages":
 - a. **Coverage** -- Unless a loss is limited or caused by a peril that is excluded, "we" cover risks of direct physical loss subject to the provisions, exclusions, and limitations described below.

- b. **We Do Not Cover Perils Covered Under A Property Policy** -- "We" do not cover loss caused by or resulting from a peril that is covered by the property policy described in the "schedule of coverages". "We" do not pay for loss caused by a peril that is covered by the property policy whether "your" loss is collectable or not under the policy.

- c. **Excess Earthquake And Flood Coverage** --

- 1) **Coverage** --

- a) **Property Policy** -- If Earthquake and/or Flood Excess Coverage is indicated on the "schedule of coverages", "we" will pay the amount of loss in excess of the "limit" provided under the property policy for loss caused by earthquake and/or "flood". "We" only pay up to the "limit" under "our" policy for loss in excess of the property policy.

- b) **National Flood Insurance Program** -- If Flood Excess Coverage is indicated on the "schedule of coverages", "we" will pay the amount of loss in excess of the "limit" provided under the named National Flood Insurance Program policy for loss caused by "flood". "We" only pay up to the "limit" under "our" policy for loss in excess of the National Flood Insurance Program policy.

- 2) **No Drop Down Coverage** -- "We" will not drop down from "our" excess coverage position to pay for any amount of a loss that "you" cannot collect under the property policy or National Flood Insurance Program policy.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded 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 cover 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. **Earth Movement** -- Except to the extent earthquake coverage may be provided under this policy, "we" do not pay for loss caused by any "earth movement".

This exclusion does not apply to covered property while in transit.
 - c. **Flood** -- Except to the extent "flood" coverage may be provided under this policy, "we" do not pay for loss caused by "flood".

This exclusion does not apply to covered property while in transit.
 - d. **Fungus** -- Except as provided under Coverage Extensions - Limited Fungus Coverage, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus".

This exclusion does not apply to:

- 1) collapse caused by hidden decay; or
 - 2) covered property while in transit.
- e. **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. Direct loss by fire resulting from the nuclear hazard is covered.
 - f. **Ordinance Or Law** -- Except as provided under Supplemental Coverages - Ordinance Or Law, "we" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or results from the:

 - 1) enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
 - 2) increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- g. **Utility Failure** -- "We" do not pay for loss caused by interruption of power or other utility services resulting from any cause if the interruption takes place away from the "covered locations". Interruption includes reduced or increased voltage, low or high pressure, or other interruptions of normal services.

"We" do cover the direct loss by a covered peril that occurs at "covered locations" as a result of any power interruption.

- h. **War And Military Action** -- "We" do not pay for loss caused by:
- 1) war, including undeclared war or civil war; or
 - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
 - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:
- a. **Animal Nesting, Infestation, Or Discharge** -- "We" do not pay for loss caused by nesting, infestation, discharge, or release of waste products or secretions by animals, including but not limited to, birds, insects, or vermin.

But if nesting, infestation, discharge, or release of waste products or secretions by animals results in breakage of building glass, "we" cover the loss or damage caused by that breakage of building glass.

- b. **Collapse** -- "We" do not pay for loss caused by collapse, except as provided under Other Coverages - Collapse.

But if collapse results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- c. **Contamination Or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- d. **Criminal, Fraudulent, Dishonest, Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed 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, joint venturers, or "your" members or managers if "you" are a limited liability company; 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.

e. **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 (negligent or not) 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 the "covered locations";
- 3) the cost to make good an error in design; or
- 4) a data processing error or omission in programming or giving improper instructions.

In addition, "we" do not pay for loss to business personal property caused by deficiencies or defects in design, specifications, materials, or workmanship, or caused by latent or inherent defects.

"We" do cover any resulting loss caused by a covered peril unless the resulting loss itself is excluded.

f. **Electrical Currents --** "We" do not pay for loss caused by arcing or by electrical currents.

But if arcing or electrical currents result in a covered peril, "we" do cover the loss or damage caused by that covered peril.

g. **Explosion, Rupture, Or Bursting --**

"We" do not pay for loss caused by explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

h. **Freezing --** "We" do not pay for loss caused by water; other liquids; powder; or molten material that leaks or flows from plumbing, heating, air-conditioning systems, or appliances other than fire protective systems caused by freezing. This does not apply if "you" use reasonable care to maintain heat in the building or structure; or "you" drain the equipment and turn off the supply if the heat is not maintained.

i. **Increased Hazard --** "We" do not pay for loss occurring while the hazard has been materially increased by any means within "your" knowledge or "your" control.

j. **Loss Of Use --** "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.

k. **Mechanical Breakdown --** "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.

But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- l. **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.

- m. **Named Perils** -- Except as described in Coverage Extensions - Limited Fungus Coverage, "we" do not pay for loss caused by a "named peril".
- n. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "named peril"; or
 - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup And Removal.
- o. **Seepage** -- "We" do not pay for loss caused by continuous or repeated seepage or leakage of water or steam that occurs over a period of 14 days or more.
- p. **Settling, Cracking, Shrinking, Bulging, Or Expanding** -- "We" do not pay for loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs.
- "We" do cover any resulting loss caused by breakage of building glass.

- q. **Smog, Smoke, Vapor, Or Gas** -- "We" do not pay for loss caused by smog, smoke, vapor, or gas from agricultural smudging or industrial operations.

- r. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- s. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- t. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

ADDITIONAL PROPERTY NOT COVERED OR SUBJECT TO LIMITATIONS

1. **Boilers** -- "We" do not cover loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment.

"We" do not cover loss to hot water boilers or heaters caused by any condition or occurrence within such equipment. This exclusion includes bursting, cracking, or rupturing.

2. **Earthquake** -- "We" do not pay for loss caused by earthquake that begins before the inception date of this coverage.
3. **Glassware/Fragile Articles** -- "We" do not cover breakage of fragile articles such as glassware, statuary, porcelains, and bric-a-brac or breakage of building glass. This does not apply to glass that is a part of a building or structure, bottles or other containers held for sale, or lenses of photographic and scientific instruments.
4. **Gutters And Downspouts** -- "We" do not cover loss to gutters and downspouts caused by the weight of ice, sleet, or snow.
5. **Interior Of Buildings** -- "We" do not cover loss to the interior of buildings or structures or to personal property in the buildings or structures caused by rain, snow, sleet, ice, sand, or dust, unless:
 - a. entering through openings made by a "named peril"; or
 - b. the loss is caused by the thawing of snow, sleet, or ice on the building or structure.
6. **Masonry Veneer** -- "We" do not pay for loss to exterior masonry veneer (other than stucco) on wood frame walls caused by earthquake. The value of masonry veneer will not be included in the value of covered property or the amount of loss when applying the deductible that applies to earthquake.

However, "we" cover masonry veneer when:

- a. the "schedule of coverages" indicates that masonry veneer is covered; or
- b. masonry veneer is less than 10% of the exterior wall area of a covered building or structure.

7. **Personal Property In The Open** -- "We" do not cover loss to personal property in the open caused by rain, snow, ice, or sleet.

This exclusion does not apply to property in the custody of carriers for hire.

8. **Transferred Property** -- "We" do not cover loss to property that has been transferred to a person or to a place away from the "covered locations" on the basis of unauthorized instructions.

OTHER COVERAGES

1. **Collapse** -- "We" pay for loss caused by direct physical loss involving collapse as described in a., b., and c. below.
 - a. **Coverage** -- "We" pay for loss caused by direct physical loss involving collapse, as described below, of:
 - 1) a building or structure;
 - 2) any part of a building or structure; or
 - 3) personal property inside a building or structure.
 - b. **Coverage Limitation** -- "We" only cover collapse if the collapse is caused by one or more of the following:
 - 1) hidden decay, unless "you" know of the presence of the decay prior to the collapse;
 - 2) hidden insect or vermin damage, unless "you" know of the damage prior to the collapse;
 - 3) weight of people or personal property;
 - 4) weight of rain that collects on a roof; or
 - 5) use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a peril listed in 1) through 5) above, "we" will pay for the loss or damage even if the use of defective material or methods in construction, remodeling, or renovation, contributes to the collapse.

- c. **Collapse Means** -- Collapse means a sudden and unexpected falling in or caving in of a building or structure or any portion of a building or structure with the result that the building or portion of the building cannot be occupied for its intended purpose.
- d. **Not Considered In A State Of Collapse** -- The following are not considered to be in a state of collapse:
- 1) a building or structure that is standing or any portion of a building that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
 - 2) a building or structure or any portion of a building structure in danger of falling in or caving; and
 - 3) a portion of a building or structure that is standing even if it has separated from another portion of the building or structure.
2. **Tearing Out And Replacing** -- When "we" cover buildings or structures and a loss caused by water, other liquids, powder, or molten material is covered, "we" also pay the cost of tearing out and replacing any part of the covered building or structure to repair damage to the system or appliance from which the water or other substance escapes.

"We" also pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system; or is directly caused by freezing.

WHAT MUST BE DONE IN CASE OF LOSS

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. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "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. "Our" payment of reasonable costs does not increase the "limit".
 - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.
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 canceled 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.

VALUATION

1. **Actual Cash Value** -- When actual cash value is shown on the "schedule of coverages" for covered property, the value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation), subject to items 3. through 6. under Valuation.
2. **Replacement Cost** -- When replacement cost is shown on the "schedule of coverages" for covered property, the value of covered property will be based on the replacement cost without any deduction for depreciation, subject to items 3. through 6. under Valuation.
 - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
 - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
 - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

4. **Merchandise Sold** -- The value of merchandise that "you" have sold but not delivered will be based on the selling price less all discounts and unincurred expenses.
5. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
6. **Tenant's Improvements** -- The value of tenant's improvements losses will be based on the actual cash value if repaired or replaced at "your" expense within a reasonable time.
 - a. **If Not Repaired Or Replaced** --The value of tenant's improvements losses will be based on a portion of "your" original cost if not repaired or replaced within a reasonable time. This portion is determined as follows:
 - 1) divide the number of days from the date of the loss to the expiration date of the lease by the number of days from the date of installation to the expiration date of the lease; and
 - 2) multiply the figure determined in 6.a.1) above by the original cost.
 - b. **If Your Lease Contains A Renewal Option** -- If "your" lease contains a renewal option, the expiration of the lease in this procedure will be replaced by the expiration of the renewal option period.
 - c. **Losses That Are Not Covered** -- Tenant's improvements losses are not covered if repaired or replaced at another's expense.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount stated on the "schedule of coverages" in any one occurrence.
 - a. **Flood And Earthquake Deductibles** -- The "flood" deductible may be shown as a dollar amount. The earthquake deductible may be shown as either a dollar amount or a percentage. When indicated as a percentage, the deductible is that percentage of the value of the covered property at the time of the loss.
 - b. **More Than One Deductible** -- If more than one deductible is shown on the "schedule of coverages" and more than one deductible can apply to a loss, "we" pay only that part of "your" loss over the highest deductible amount indicated on the "schedule of coverages".
3. **Earthquake Period** -- All earthquakes that occur within a 168-hour period will be considered a single loss. This 168-hour period is not limited by the policy expiration.
4. **Loss Settlement Terms** --
 - a. **We Pay The Lesser Of** -- Subject to paragraphs 1., 2., 3., 5., and 6. under How Much We Pay, "we" pay the lesser of:
 - 1) the amount determined under Valuation;
 - 2) the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - 3) the "limit" that applies to covered property:
 - a) The most "we" pay for loss in any one occurrence at a "covered location" is the "occurrence limit" indicated on the "schedule of coverages".

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.

- b) The most "we" pay for loss at a "covered location" during a 12-month period is the "aggregate limit" indicated on the "schedule of coverages".
- b. **Catastrophe Limit** -- In no event will "we" pay more during a 12-month period than the "catastrophe limit" indicated on the "schedule of coverages" regardless if a loss involves one or more "covered locations".
5. **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.
6. **Excess Insurance** -- "You" may purchase insurance in excess of the amount(s) stated in the "schedule of coverages". Such excess insurance will not be considered in the application of any pro rata or apportionment provision.

LOSS PAYMENT

1. **Loss Payment Options** --
- a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
- 1) pay the value of the lost or damaged property;
 - 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "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** --

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received; and
 - 2) 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** --

- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
 - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

OTHER CONDITIONS

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 will 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.
 - a. **Your Death** -- On "your" death, "we" cover the following as an insured:
 - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.

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

- b. **Policy Period Is Not Extended** -- 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.
 - 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 prorated between "you" and "us" based on "our" respective interest in the loss.

8. **Restoration Of Limits** -- Except as indicated under Limited Fungus Coverage and subject to the "aggregate limit" and "catastrophe limit", 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 in the United States of America, its territories and possessions, Canada, and Puerto Rico.

12. **Carriers For Hire** -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the replacement cost or actual cash value of the covered property.

ADDITIONAL COVERAGE LIMITATIONS

Vacancy - Unoccupancy --

1. **When Vacant Or Unoccupied We Do Not Pay For** -- "We" do not pay for loss caused by attempted theft; breakage of building glass; sprinkler leakage (unless "you" have protected the system against freezing); theft; vandalism; or water damage occurring while the building or structure has been:

a. vacant for more than 60 consecutive days; or

b. unoccupied for more than:

- 1) 60 consecutive days; or
- 2) the usual or incidental unoccupancy period for the "covered locations",

whichever is longer.

2. **Reduction In Payment** -- The amount "we" will pay for any loss that is not otherwise excluded will be reduced by 15%.

3. **Unoccupied Means** -- Unoccupied means that the customary activities or operations at the "covered location" are suspended, but business personal property has not been removed. The building or structure will be considered vacant and not unoccupied when the occupants have moved, leaving the building or structure empty or containing only limited business personal property. Buildings or structures under construction are not considered vacant or unoccupied.

DEFINITIONS

1. "Aggregate limit" means the amount of coverage that applies to loss at each "covered location" during each separate 12-month period of this policy. This is limited to the expiration or anniversary date.
2. "Catastrophe limit" means the amount of coverage that applies to all losses at all "covered locations" during each separate 12-month period of this policy. This is limited to the expiration or anniversary date.
3. "Covered locations"
 - a. If Blanket Coverage is indicated on the "schedule of coverages", "covered locations" means any location or premises where "you" have buildings, structures, or business personal property covered under this coverage.
 - b. If Scheduled Locations Coverage and Refer To Locations Schedule is indicated on the "schedule of coverages", "covered locations" means buildings or structures described on the Location Schedule attached to this policy.

If Scheduled Locations Coverage and Schedule On File is indicated on the "schedule of coverages", "covered locations" means buildings or structures described on a schedule that "you" must submit to "us" and "we" keep on file. The schedule must contain a description of each building or structure to be covered and the value of each location.
4. "Earth movement" means:
 - a. earthquake;
 - b. landslide;
 - c. mine subsidence whether or not the non-natural mine is currently in use;
5. "Flood" means a general and temporary condition of partial or complete inundation of land that is normally dry resulting from:
 - a. overflow of inland or tidal waters, waves, tidal waves or tsunamis, or spray that results from any of these, all whether driven by wind or not;
 - b. unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. mudslides or mudflows if caused by:
 - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
 - 2) currents of water exceeding anticipated cyclical levels.
6. "Fungus" means:
 - a. a "fungus", including but not limited to mildew and mold;
 - b. a protist, including but not limited to algae and slime mold;
 - c. wet rot and dry rot;
 - d. a bacterium; or
 - e. a chemical, matter, or compound produced or released by a "fungus", a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
7. "Limit" means the amount of coverage that applies:
 - d. sinking, shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
 - e. eruption, explosion, or effusion of a volcano.

8. "Named perils" means:
- a. fire;
 - b. lightning;
 - c. explosion;
 - d. windstorm or hail;
 - e. smoke that causes sudden or accidental loss or damage;
 - f. aircraft, vehicles, or falling objects means physical contact with and loss or damage resulting from an aircraft, vehicle or falling object;
 - g. riot or civil commotion;
 - h. vandalism;
 - i. sprinkler leakage means leakage or discharge of water or other substance from an automatic sprinkler system;
 - j. "sinkhole collapse"; and
 - k. "volcanic action".
- Falling objects does not include loss to business personal property in the open, to the interior of buildings or structures, or business personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.
9. "Occurrence limit" means the amount of coverage that applies to loss in any one occurrence at each "covered location".

10. "Pollutant" means:
- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
11. "Schedule of coverages" means:
- a. all pages labeled "schedule of coverages" or schedules which pertain to this coverage; and
 - b. declarations or supplemental declarations which pertain to this coverage.
12. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
13. "Terms" are all provisions, limitations, exclusions, conditions, and definitions that apply.
14. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.
- Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

DIFFERENCE IN CONDITIONS FORM PROPERTY COVERAGE PART - EXCESS COVERAGE

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

AGREEMENT

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

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss to covered building property and business personal property (as described below) caused by a covered peril.
2. **Coverage Limitation** -- "We" only cover building property and business personal property at "covered locations".

3. **Building Property** -- Covered building property means buildings and structures including:
 - a. completed additions;
 - b. fixtures, machinery, and equipment that are a permanent part of a covered building or structure;
 - c. outdoor fixtures;
 - d. personal property owned by "you" and used to maintain or service a covered building or structure or its premises. This includes air-conditioning equipment; fire extinguishing apparatus; floor coverings; and appliances for refrigerating, cooking, dishwashing, and laundering;
 - e. if not covered by other insurance:
 - 1) buildings and additions to buildings under construction, alteration, and repair;
 - 2) materials, equipment, supplies, and temporary structures, on or within 1,000 feet of "covered locations", used for the construction, alteration, and repair of buildings or additions to buildings;
 - f. building glass;
 - g. the following property if it is located on or within 1,000 feet of a covered building or structure:
 - 1) radio and television towers, antennas, satellite dishes, masts, lead-in wiring, and guy wires. This includes foundations and any other property that is permanently attached to any of these types of property;

- 2) awnings or canopies; and
 - 3) fences;
- h. signs, attached to covered buildings, or structures.
4. **Business Personal Property** -- Covered business personal property means "your" business personal property in buildings or structures at "covered locations" or in the open (or in vehicles) on or within 1,000 feet of "covered locations". This includes:
- a. "your" use interest as a tenant in improvements to the buildings or structures. Improvements are fixtures, alterations, installations, or additions:
 - 1) to a building or structure "you" occupy but do not own; and
 - 2) made or acquired at "your" expense and which cannot be legally removed by "you";
 - b. leased personal property that "you" have a contractual responsibility to insure;
 - c. "your" interest in personal property of others to the extent of "your" labor, material, and services;
 - d. personal property of others, this means personal property of others that is in "your" care, custody, or control.

Personal property of others includes property that is sold under an installation agreement where "your" responsibility continues until the property is accepted by the buyer.

"Our" payment for loss to personal property of others will only be for the benefit of the owners of the personal property.

PROPERTY NOT COVERED

1. **Airborne Or Waterborne Property** -- "We" do not cover airborne or waterborne personal property.
2. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft (including their motors, equipment, and accessories).

However, "we" do cover aircraft or watercraft (including their motors, equipment, and accessories) that "you" manufacture, process, warehouse, or hold for sale.
3. **Animals** -- "We" do not cover animals, including birds and fish.
4. **Automobiles And Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed and used for over-the-road transportation of people or cargo.

"We" do cover automobiles and vehicles that "you" manufacture, process, or warehouse. However, "we" do not cover automobiles or vehicles held for sale.
5. **Bridges, Dams, And Tunnels** -- "We" do not cover bridges, dams, or tunnels.
6. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
7. **Crops** -- "We" do not cover grain, hay, straw, or other crops when outdoors.
8. **Furs, Jewelry, Stamps, Tickets, And/Or Letters Of Credit** -- "We" do not cover:
 - a. furs or fur trimmed garments;
 - b. jewelry; watches; watch movements; jewels; pearls; precious or semi-precious stones; gold, silver, or other precious metals; or items consisting primarily of precious metals; or

- c. stamps, tickets (including lottery tickets held for sale), or letters of credit.
9. **Land, Water, Or Cost Of Excavation** -- "We" do not cover:
- a. land, including land on which the covered property is located;
 - b. underground or surface water; or
 - c. cost of excavations, grading, or filling.
10. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, money, notes, or securities.

PERILS COVERED

Excess DIC Coverage --

1. **Coverage** -- Unless a loss is limited or caused by a peril that is excluded, "we" cover risks of direct physical loss on an excess basis subject to the provisions and limitations described below.
2. **We Do Not Cover Named Perils** -- "We" do not cover loss caused by or resulting from a "named peril" either on a primary or excess basis.
3. **We Only Provide Excess Coverage** -- "Our" coverage under this policy is only excess over the "limit" provided under the primary policy described in the "schedule of coverages". When "limits" for excess layers are indicated, "our" policy is excess over the "limits" provided under the excess layers described in the "schedule of coverages".
4. **Other Insurance In Our Excess Layer** -- If any other insurance company is providing coverage in the excess layer that we are participating in, "we" will pay for any loss in "our" excess layer on a pro rata basis based on the percentage indicated for "our" participation in the layer.

5. No Drop Down Coverage --

- a. "We" will not drop down from "our" excess layer position to pay for any amount of a loss that "you" cannot collect under the primary policy including losses that have exhausted the primary policy's "limits" on a occurrence, aggregate or catastrophe basis.
- b. "We" will not drop down from "our" excess layer position to pay for any amount of a loss that "you" cannot collect under an excess layer below "our" excess layer.

6. **Pro Rata Share Limitation** -- "We" will not pay more than "our" pro rata share in "our" excess layer position whether or not "you" can collect the amount of the loss due from any other insurance company that is participating in "our" excess layer position.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded 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 cover 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. **Earth Movement** -- Except to the extent earthquake coverage may be provided under this policy, "we" do not pay for loss caused by any "earth movement".
- c. **Flood** -- Except to the extent "flood" coverage may be provided under this policy, "we" do not pay for loss caused by "flood".
- d. **Fungus** -- "We" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus".

This exclusion does not apply to collapse caused by hidden decay.

- e. **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. Direct loss by fire resulting from the nuclear hazard is covered.
- f. **Ordinance Or Law** -- "We" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or results from the:

- 1) enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
- 2) increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- g. **Utility Failure** -- "We" do not pay for loss caused by interruption of power or other utility services resulting from any cause if the interruption takes place away from the "covered locations". Interruption includes reduced or increased voltage, low or high pressure, or other interruptions of normal services.

"We" do cover the direct loss by a covered peril that occurs at "covered locations" as a result of any power interruption.

- h. **War And Military Action** -- "We" do not pay for loss caused by:
 - 1) war, including undeclared war or civil war; or
 - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
 - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

- 2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Animal Nesting, Infestation, Or Discharge** -- "We" do not pay for loss caused by nesting, infestation, discharge, or release of waste products or secretions by animals, including but not limited to, birds, insects, or vermin.

But if nesting, infestation, discharge, or release of waste products or secretions by animals results in breakage of building glass, "we" cover the loss or damage caused by that breakage of building glass.

- b. **Collapse** -- "We" do not pay for loss caused by collapse, except as provided under Other Coverages - Collapse. But if collapse results in a covered peril, "we" cover the loss or damage caused by that covered peril.

- c. **Contamination Or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- d. **Criminal, Fraudulent, Dishonest, Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed 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, joint venturers, or "your" members or managers if "you" are a limited liability company; 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.

- e. **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 (negligent or not) 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 the "covered locations";
- 3) the cost to make good an error in design; or
- 4) a data processing error or omission in programming or giving improper instructions.

In addition, "we" do not pay for loss to business personal property caused by deficiencies or defects in design, specifications, materials, or workmanship, or caused by latent or inherent defects.

"We" do cover any resulting loss caused by a covered peril unless the resulting loss itself is excluded.

- f. **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents.

But if arcing or electrical currents result in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- g. **Explosion, Rupture, Or Bursting** -- "We" do not pay for loss caused by explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
- h. **Freezing** -- "We" do not pay for loss caused by water; other liquids; powder; or molten material that leaks or flows from plumbing, heating, air-conditioning systems, or appliances other than fire protective systems caused by freezing. This does not apply if "you" use reasonable care to maintain heat in the building or structure; or "you" drain the equipment and turn off the supply if the heat is not maintained.
- i. **Increased Hazard** -- "We" do not pay for loss occurring while the hazard has been materially increased by any means within "your" knowledge or "your" control.
- j. **Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.
- k. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.
- But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a covered peril, "we" do cover the loss or damage caused by that covered peril.
- l. **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.
- m. **Named Perils** -- "We" do not pay for loss caused by a "named peril".
- n. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "named peril"; or
 - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup And Removal.
- o. **Seepage** -- "We" do not pay for loss caused by continuous or repeated seepage or leakage of water or steam that occurs over a period of 14 days or more.
- p. **Settling, Cracking, Shrinking, Bulging, Or Expanding** -- "We" do not pay for loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs.
- "We" do cover any resulting loss caused by breakage of building glass.
- q. **Smog, Smoke, Vapor, Or Gas** -- "We" do not pay for loss caused by smog, smoke, vapor, or gas from agricultural smudging or industrial operations.
- r. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.
- But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.
- s. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- t. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

ADDITIONAL PROPERTY NOT COVERED OR SUBJECT TO LIMITATIONS

1. **Boilers** -- "We" do not cover loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment.

"We" do not cover loss to hot water boilers or heaters caused by any condition or occurrence within such equipment. This exclusion includes bursting, cracking, or rupturing.

2. **Earthquake** -- "We" do not pay for loss caused by earthquake that begins before the inception date of this coverage.
3. **Glassware/Fragile Articles** -- "We" do not cover breakage of fragile articles such as glassware, statuary, porcelains, and bric-a-brac or breakage of building glass. This does not apply to glass that is a part of a building or structure, bottles or other containers held for sale, or lenses of photographic and scientific instruments.
4. **Gutters And Downspouts** -- "We" do not cover loss to gutters and downspouts caused by the weight of ice, sleet, or snow.
5. **Interior Of Buildings** -- "We" do not cover loss to the interior of buildings or structures or to personal property in the buildings or structures caused by rain, snow, sleet, ice, sand, or dust, unless:
- a. entering through openings made by a "named peril"; or

- b. the loss is caused by the thawing of snow, sleet, or ice on the building or structure.

6. **Masonry Veneer** -- "We" do not pay for loss to exterior masonry veneer (other than stucco) on wood frame walls caused by earthquake. The value of masonry veneer will not be included in the value of covered property or the amount of loss when applying the deductible that applies to earthquake.
7. **Personal Property In The Open** -- "We" do not cover loss to personal property in the open caused by rain, snow, ice, or sleet.
8. **Transferred Property** -- "We" do not cover loss to property that has been transferred to a person or to a place away from the "covered locations" on the basis of unauthorized instructions.

OTHER COVERAGES

1. **Collapse** -- "We" pay for loss caused by direct physical loss involving collapse as described in a., b., and c. below.
- a. **Coverage** -- "We" pay for loss caused by direct physical loss involving collapse, as described below, of:
- 1) a building or structure;
- 2) any part of a building or structure; or
- 3) personal property inside a building or structure.
- b. **Coverage Limitation** -- "We" only cover collapse if the collapse is caused by one or more of the following:
- 1) hidden decay, unless "you" know of the presence of the decay prior to the collapse;
- 2) hidden insect or vermin damage, unless "you" know of the damage prior to the collapse;
- 3) weight of people or personal property;

- 4) weight of rain that collects on a roof; or
- 5) use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a peril listed in 1) through 5) above, "we" will pay for the loss or damage even if the use of defective material or methods in construction, remodeling, or renovation, contributes to the collapse.

- c. **Collapse Means** -- Collapse means a sudden and unexpected falling in or caving in of a building or structure or any portion of a building or structure with the result that the building or portion of the building cannot be occupied for its intended purpose.
 - d. **Not Consider In A State Of Collapse** -- The following are not considered to be in a state of collapse:
 - 1) a building or structure that is standing or any portion of a building that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
 - 2) a building or structure or any portion of a building structure in danger of falling in or caving; and
 - 3) a portion of a building or structure that is standing even if it has separated from another portion of the building or structure.
2. **Tearing Out And Replacing** -- When "we" cover buildings or structures and a loss caused by water, other liquids, powder, or molten material is covered, "we" also pay the cost of tearing out and replacing any part of the covered building or structure to repair damage to the system or appliance from which the water or other substance escapes.

"We" also pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system; or is directly caused by freezing.

WHAT MUST BE DONE IN CASE OF LOSS

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. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "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. "Our" payment of reasonable costs does not increase the "limit".
 - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

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 canceled 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.
-

VALUATION

1. **Actual Cash Value** -- When actual cash value is shown on the "schedule of coverages" for covered property, the value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation), subject to items 3. through 6. under Valuation.
2. **Replacement Cost** -- When replacement cost is shown on the "schedule of coverages" for covered property, the value of covered property will be based on the replacement cost without any deduction for depreciation, subject to items 3. through 6. under Valuation.
 - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
 - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
 - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.
4. **Merchandise Sold** -- The value of merchandise that "you" have sold but not delivered will be based on the selling price less all discounts and unincurred expenses.
5. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
6. **Tenant's Improvements** -- The value of tenant's improvements losses will be based on the actual cash value if repaired or replaced at "your" expense within a reasonable time.
 - a. **If Not Repaired Or Replaced** --The value of tenant's improvements losses will be based on a portion of "your" original cost if not repaired or replaced within a reasonable time. This portion is determined as follows:
 - 1) divide the number of days from the date of the loss to the expiration date of the lease by the number of days from the date of installation to the expiration date of the lease; and
 - 2) multiply the figure determined in 6.a.1) above by the original cost.
 - b. **If Your Lease Contains A Renewal Option** -- If "your" lease contains a renewal option, the expiration of the lease in this procedure will be replaced by the expiration of the renewal option period.
 - c. **Losses That Are Not Covered** -- Tenant's improvements losses are not covered if repaired or replaced at another's expense.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Earthquake Period** -- All earthquakes that occur within a 168-hour period will be considered a single loss. This 168-hour period is not limited by the policy expiration.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., and 5. under How Much We Pay, "we" pay the lesser of:
 - 1) the amount determined under Valuation;
 - 2) the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - 3) the "limit" that applies to covered property.
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. **Excess Insurance** -- "You" may purchase insurance in excess of the amount(s) stated in the "schedule of coverages". Such excess insurance will not be considered in the application of any pro rata or apportionment provision.

LOSS PAYMENT

1. **Loss Payment Options** --
 - a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
 - 1) pay the value of the lost or damaged property;

- 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.
- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "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** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
 - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
 - 1) a satisfactory proof of loss is received; and
 - 2) 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** --
- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
 - 1) "you" on behalf of the owner; or
 - 2) the owner.
 - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

OTHER CONDITIONS

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 will 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.
- a. **Your Death** -- On "your" death, "we" cover the following as an insured:
- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. **Policy Period Is Not Extended** -- 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.
- 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 prorated 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 in the United States of America, its territories and possessions, Canada, and Puerto Rico.

ADDITIONAL COVERAGE LIMITATIONS

Vacancy - Unoccupancy --

1. **When Vacant Or Unoccupied We Do Not Pay For** -- "We" do not pay for loss caused by attempted theft; breakage of building glass; sprinkler leakage (unless "you" have protected the system against freezing); theft; vandalism; or water damage occurring while the building or structure has been:
 - a. vacant for more than 60 consecutive days; or
 - b. unoccupied for more than:
 - 1) 60 consecutive days; or
 - 2) the usual or incidental unoccupancy period for the "covered locations",whichever is longer.
2. **Reduction In Payment** -- The amount "we" will pay for any loss that is not otherwise excluded will be reduced by 15%.
3. **Unoccupied Means** -- Unoccupied means that the customary activities or operations at the "covered location" are suspended, but business personal property has not been removed. The building or structure will be considered vacant and not unoccupied when the occupants have moved, leaving the building or structure empty or containing only limited business personal property. Buildings or structures under construction are not considered vacant or unoccupied.

DEFINITIONS

1. "Covered locations" means any location or premises where "you" have buildings, structures, or business personal property covered under this coverage.

2. "Earth movement" means:
 - a. earthquake;
 - b. landslide;
 - c. mine subsidence whether or not the non-natural mine is currently in use;
 - d. sinking, shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
 - e. eruption, explosion, or effusion of a volcano.
3. "Flood" means a general and temporary condition of partial or complete inundation of land that is normally dry resulting from:
 - a. overflow of inland or tidal waters, waves, tidal waves or tsunamis, or spray that results from any of these, all whether driven by wind or not;
 - b. unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. mudslides or mudflows if caused by:
 - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
 - 2) currents of water exceeding anticipated cyclical levels.
4. "Fungus" means:
 - a. a fungus, including but not limited to mildew and mold;
 - b. a protist, including but not limited to algae and slime mold;
 - c. wet rot and dry rot;
 - d. a bacterium; or

- e. a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
5. "Limit" means the amount of coverage that applies.
6. "Named perils" means:
- a. fire;
 - b. lightning;
 - c. explosion;
 - d. windstorm or hail;
 - e. smoke that causes sudden or accidental loss or damage;
 - f. aircraft, vehicles, or falling objects means physical contact with and loss or damage resulting from an aircraft, vehicle or falling object;
 - g. riot or civil commotion;
 - h. vandalism;
 - i. sprinkler leakage means leakage or discharge of water or other substance from an automatic sprinkler system;
 - j. "sinkhole collapse"; and
 - k. "volcanic action".
- Falling objects does not include loss to business personal property in the open, to the interior of buildings or structures, or business personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.
7. "Pollutant" means:
- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
- a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
 - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
10. "Terms" are all provisions, limitations, exclusions, conditions, and definitions that apply.
11. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.
-

SCHEDULE OF COVERAGES DIFFERENCE IN CONDITIONS

(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)

COVERAGES (check one)

- Blanket Coverage
- Scheduled Locations Coverage (check one)
- Refer to Locations Schedule
- Schedule On File

TYPE OF COVERAGES (check one)

- DIC Coverage
- DIC Coverage Excluding Property Perils

Property Policy Information

Insurer _____

Policy Number _____

Excess Coverage (check if applicable)

- Excess coverage for earthquake
- Excess coverage for "flood"

National Flood Insurance Program (if applicable)

Policy Number _____

EARTHQUAKE LIMITS

If Income Coverage is part of this policy and a loss is caused by or results from an earthquake, the "limit" for Income Coverage is part of and not in addition to the Earthquake Limits indicated below.

Occurrence Limit -- The earthquake "occurrence limit" is: \$ _____

Aggregate Limit -- The earthquake "aggregate limit" is: \$ _____

Catastrophe Limit -- The earthquake "catastrophe limit" is: \$ _____

FLOOD LIMITS

If Income Coverage is part of this policy and a loss is caused by or results from a "flood", the "limit" for Income Coverage is part of and not in addition to the Flood Limits indicated below.

Occurrence Limit -- The "flood" "occurrence limit" is: \$ _____

Aggregate Limit -- The "flood" "aggregate limit" is: \$ _____

Catastrophe Limit -- The "flood" "catastrophe limit" is: \$ _____

**ALL OTHER COVERED PERILS LIMITS
(Excluding Earthquake And Flood)**

Occurrence Limit -- The "occurrence limit" for all other covered perils (excluding earthquake and "flood") is: \$ _____

Aggregate Limit -- The "aggregate limit" for all other covered perils (excluding earthquake and "flood") is: \$ _____

Catastrophe Limit -- The "catastrophe limit" for all other perils (excluding earthquake and "flood") is: \$ _____

COVERAGE EXTENSIONS

LIMIT

Additional Debris Removal Expenses \$ _____

Emergency Removal _____ Days

Limited Fungus Coverage \$ _____

SUPPLEMENTAL COVERAGES

LIMIT

Foundations Of Buildings, Pilings And Underground Pipes \$ _____

Newly Acquired Buildings \$ _____

Ordinance or Law (Undamaged Parts Of A Building) _____ covered

Ordinance or Law (Increased Cost To Repair and Cost To Demolish/Clear Site) \$ _____

SUPPLEMENTAL COVERAGES (continued)	LIMIT
Personal Property - Acquired Locations	\$ _____
Pollutant Cleanup And Removal	\$ _____
Property In Transit	\$ _____

COVERAGE OPTION

Masonry Veneer (check one)

- Covered For Loss Caused By Earthquake
- Not Covered For Loss Caused By Earthquake

VALUATION (check one)

- Actual Cash Value
- Replacement Cost

DEDUCTIBLES

Earthquake Deductible (check one)

- Deductible Amount \$ _____
- Percentage _____%

Flood Deductible

Deductible Amount \$ _____

All Other Covered Perils
(excluding earthquake and "flood")

Deductible Amount \$ _____

**SCHEDULE OF COVERAGES
DIFFERENCE IN CONDITIONS
EXCESS COVERAGE**

(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)

COVERAGE

Our Participating Excess Layer (check one)

The most "we" pay for all losses at all "covered locations" during each separate 12-month period of this policy is the amount shown below for "our" participating excess layer. This is limited to the expiration or anniversary date.

Limit: \$ _____ Excess of \$ _____

Limit: \$ _____ Part of \$ _____

_____ % Percentage of Participation

\$ _____ Excess of \$ _____

VALUATION (check one)

Actual Cash Value

Replacement Cost

INCOME COVERAGE PART

Coverage Options (check one)

No coverage

Earnings/"Rents"/Extra Expense

Earnings/Extra Expense

Income Coverage Limit:

The "limit" for Income Coverage is included as part of the "limit" for Our Participating Excess Layer

OPTIONAL COVERAGES AND ENDORSEMENTS

EXCESS COVERAGE SCHEDULE

(The entries required to complete this schedule
will be shown below or on the "schedule of coverages".)

Primary Policy

Insurer _____

Policy Number _____

Limit \$ _____

1st Excess Layer

Limit \$ _____ Excess of \$ _____

Participants:

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

2nd Excess Layer

Limit \$ _____ Excess of \$ _____

Participants:

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

3rd Excess Layer

Limit \$ _____ Excess of \$ _____

Participants:

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

4th Excess Layer

Limit \$ _____ Excess of \$ _____

Participants:

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

5th Excess Layer

Limit \$ _____ Excess of \$ _____

Participants:

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

Insurer _____

Policy Number _____ Percentage of Participation ____%

DIFFERENCE IN CONDITIONS INCOME COVERAGE PART

Coverage provided under this coverage part is also subject to the "terms" and conditions in the Difference In Conditions - Property Coverage Part under the sections titled Agreement, Property Not Covered, Perils Covered, Perils Excluded, Additional Property Not Covered Or Subject To Limitations, What Must Be Done In Case Of Loss, How Much We Pay, Loss Payment, Other Conditions, and Definitions.

- 2) requires the demolition of any property, in part or in whole, not damaged by a covered peril.

The ordinance, law, or decree must be in force at the time of loss.

"Restoration period" does not mean the increased time required to comply with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

ADDITIONAL DEFINITIONS

1. "Business" means usual "business" operations occurring at "covered locations" including the tenantability of "covered locations" when the selected coverage option includes "rents".

2. "Restoration period" means:

- a. The time it should reasonably take to resume "your" "business" to a similar level of service starting from the date of a physical loss of or damage to covered property at a "covered location" that is caused by a covered peril and ending on the date:

- 1) the property should be rebuilt, repaired, or replaced; or
- 2) "business" is resumed at a new permanent location.

This is not limited by the expiration date of the policy.

- b. The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:

- 1) regulates the construction, use, or repair of any property; or

3. "Rents" means "your" actual loss of:

- a. rental income from "covered locations", as furnished or equipped, less any expenses that do not continue;
- b. the rental value of any part of a "covered location" that "you" occupy less any expenses that do not continue; and
- c. other charges for which a tenant is legally obligated and which "you" would otherwise be obligated.

COVERAGE OPTIONS

Coverage is provided for one of the Coverage Options when an option is indicated on the "schedule of coverages."

1. Earnings, "rents", and extra expense.
2. Earnings and extra expense.

Earnings includes "rents" when option 1. is selected.

COVERAGES

1. Covered Property --

- a. **Covered Location** -- "We" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted by direct physical loss of or damage to building property or business personal property as a result of a covered peril. This coverage applies only when the loss to building property or business personal property is at a "covered location".
- b. **Covered Location And Air Conditioning System** -- "We" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted as a result of direct physical loss of or damage to:
 - 1) a "covered location" that prevents "you" from using covered property;
 - 2) the air conditioning or electrical systems which are necessary for the operation of covered property and results in a reduction or suspension of "your" "business".
- c. **If You Lease Your Premises** -- If "you" lease, rent, or do not own the premises "you" occupy, for the purposes of determining an Income Coverage loss, "your" location is the space that "you" lease, rent, or occupy including, but not limited to, all passageways to "your" location within the building.

2. Coverages --

- a. **Earnings** -- If coverage for Earnings is indicated on the "schedule of coverages", "we" cover "your" actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense.

- b. **Extra Expense** -- If coverage for Extra Expense is indicated on the "schedule of coverages", "we" cover only the extra expenses that are necessary during the "restoration period" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril.

- 1) **Expenses To Reduce Interruption** -- "We" cover any extra expense to avoid or reduce the interruption of "your" "business" and continue operating at a "covered location", replacement location, or a temporary location. This includes expenses to relocate and costs to outfit and operate a replacement or temporary location.

"We" will also cover any extra expense to reduce the interruption of "business" if it is not possible for "you" to continue operating during the "restoration period".

- 2) **Expenses To Repair/Restore Property And Information** -- To the extent that they reduce a loss otherwise payable under this Coverage Part, "we" will cover any extra expenses to:

- a) repair, replace, or restore any property; and
- b) research, replace, or restore information on damaged documents, manuscripts, or records that are inscribed, printed, or written or exist on electronic or magnetic media.

EXCLUSIONS AND LIMITATIONS

1. **Finished Stock** -- "We" do not cover loss of earnings caused by loss to stock manufactured by "you" which is ready to pack, ship, or sell. This does not apply to stock manufactured for retail outlets that "you" own.

2. **Fire Extinguishment** -- "We" do not cover expenses to put out a fire.
3. **Leases, Licenses, Contracts, Or Orders** -- "We" do not cover any increase in loss due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.

However, "we" do cover loss during the "restoration period" if the suspension, lapse, or cancellation results directly from the interruption of "your" "business".

"We" do not cover any extra expense caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders beyond the "restoration period".
4. **Strikes, Protests, And Other Interference** -- "We" do not cover any increase in loss due to interference by strikers or other persons at "covered locations". This applies to interference with rebuilding, repairing, or replacing the property or with resuming "your" "business".
5. **Unnecessary Expenses** -- "We" do not cover any expenses that are not necessary during the "restoration period".
6. **Utility Failure** -- "We" do not pay for loss caused by or resulting from the failure of a utility to supply electrical power or other utility service to a "covered location", if the failure takes place away from the "covered location".
"We" do not pay for loss caused by or resulting from the failure of a utility to supply service regardless of the cause of failure.
7. **Interruption Of Web Site** -- "We" do not pay for loss caused by or resulting from the interruption of "your" Web site. "We" do not pay for loss caused by or resulting from the interruption of "your" Web site regardless of the cause of the interruption.

COVERAGE EXTENSIONS

Unless otherwise indicated the coverages provided below are part of and not in addition to the applicable Income Coverage "limit".

1. **Alterations And New Buildings** --
 - a. **Coverage** -- "We" extend "your" coverage for earnings and extra expense to include loss caused by damage to:
 - 1) additions or alterations;
 - 2) new buildings or structures, completed or under construction;
 - 3) machinery, equipment, supplies, or building materials located on or within 1,000 feet of "covered locations" used in the construction, alterations, or additions, or incidental to the occupancy of new buildings or structuresat "covered locations" caused by a covered peril.
 - b. **Delaying Start Of Business** -- If such loss delays the start of "your" "business", the "restoration period" starts from the time "your" "business" would have begun had no loss occurred.
2. **Interruption By Civil Authority** --
 - a. **Coverage** -- "We" extend "your" coverage for earnings and extra expense to include loss sustained while access to a "covered location" is specifically denied by an order of civil authority.
 - b. **Coverage Limitation** -- The order of civil authority must be a result of direct physical loss of or damage to property, other than at a "covered location" and must be caused by a covered peril.
 - c. **Time Limitation** -- Unless otherwise indicated on the "schedule of coverages", this coverage extension is limited to 30 consecutive days from the date of the order.

3. **Newly Acquired Locations --**

a. **Coverage** -- "We" extend "your" coverage for earnings and extra expense to include loss caused by damage to covered property at locations that "you" acquire during the policy period. The damage must be caused by a covered peril.

b. **We Do Not Cover** -- Coverage under this Coverage Extension does not apply to property at fairs or exhibitions.

c. **Time Limitation** -- "We" extend coverage to covered property at locations that "you" acquire for up to 90 days.

This coverage extension will end when any of the following first occur:

- 1) this policy expires;
- 2) 90 days after "you" acquire the location; or
- 3) "you" report the acquired location to "us".

d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the location.

e. **Limit** -- "We" pay up to \$100,000 in any one occurrence for loss of earnings and extra expenses caused by damage to covered property at locations that "you" acquire.

The "limit" provided for this Coverage Extension is separate from and not part of or in addition to the applicable "limit" for earnings and/or extra expense.

4. **Period Of Loss Extension After Business Resumes --**

a. **Coverage** -- "We" extend "your" coverage for earnings to cover loss from the date the covered property that incurred the loss is rebuilt, repaired, or replaced and "your" "business" is resumed until:

- 1) the end of 30 consecutive days (unless otherwise indicated on the "schedule of coverages"); or
- 2) the date "you" could reasonably resume "your" "business" to the conditions that would generate the earnings amount that would have existed had no loss or damage occurred,

whichever is earlier.

b. **Coverage Limitation** -- Loss of earnings must be caused by direct physical loss of or damage to property at a "covered location" as a result of a covered peril.

WHAT MUST BE DONE IN CASE OF LOSS

Other "terms" relating to What Must Be Done In Case Of Loss may also apply. These are shown in the Difference In Conditions -- Property Coverage Part.

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. **Intent To Continue Business** -- If "you" intend to continue "your" "business", "you" must resume all or part of "your" "business" as soon as possible.

VALUATION

1. Earnings --

- a. **Determining An Earnings Loss** -- In determining an earnings loss, "we" consider:
- 1) the experience of "your" "business" before the loss and the probable experience during the time of interruption had no loss occurred;
 - 2) "your" continuing operating expenses normally incurred by "your" "business", including, but not limited to, payroll expense necessary to resume "business" to a similar level of service that existed before the occurrence of direct physical loss or damage; and
 - 3) pertinent sources of information and reports including:
 - a) "your" accounting procedures and financial records;
 - b) bills, invoices, and other vouchers;
 - c) contracts, deeds, and liens;
 - d) reports on feasibility and status; and
 - e) records documenting "your" budget and marketing objectives and results.
- b. **Conditions For Non-Payment Of Increased Loss** -- "We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" "business". This includes making use of other locations and property to reduce the loss.
- c. **Loss Payment If You Do Not Resume Your Business** -- If "your" "business" is not resumed as soon as possible, or if it is not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" "business" as soon as possible.

2. **Extra Expense** -- In determining extra expenses that "you" have incurred, "we" consider the salvage value of any property bought for temporary use during the "restoration period" and it will be deducted from the amount of loss determined for extra expense.
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HOW MUCH WE PAY

Other "terms" relating to How Much We Pay may also apply. These are shown in the Difference In Conditions -- Property Coverage Part.

1. **Income Coverage Limit** -- "We" pay no more than the Income Coverage "limit" indicated on the "schedule of coverages" for any one loss. Payment for earnings and extra expense combined does not exceed the "limit".

The Earthquake Limits indicated on the "schedule of coverages" is the most "we" will pay for loss to covered property and Income Coverage caused by or resulting from an earthquake or earthquakes. Payment for building property, business personal property, earnings, and extra expense combined do not exceed the Earthquake Limits.

The Flood Limits indicated on the "schedule of coverages" is the most "we" will pay for loss to covered property and Income Coverage caused by or resulting from a "flood" or "floods". Payment for building property, business personal property, earnings, and extra expense combined do not exceed the Flood Limits.

2. Waiting Period --

- a. **Waiting Period Limitation** -- If an Income Coverage waiting period is indicated on the "schedule of coverages", "we" do not pay for "your" loss of earnings until after the first 48-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss of or damage to covered property caused by a covered peril.

This waiting period does not apply to extra expenses that "you" incur.

- b. **Waiting Period Limitation For Civil Authority** -- As regards coverage under Interruption By Civil Authority, coverage under this extension begins:
- 1) for earnings, 48 hours (unless otherwise indicated on the "schedule of coverages") after the time the order is issued and ends 30 consecutive days and 48 hours from the date of the order; and
 - 2) for extra expense, immediately after the time the order is issued, and ends 30 consecutive days and 48 hours from the date of the order.

OTHER CONDITIONS

The following condition applies as it relates to this Coverage Part. Other "terms" may also apply, these are shown in Difference In Conditions -- Property Coverage Part.

Appraisal -- If "you" and "we" do not agree on the amount of net income (net profit or loss before income taxes), payroll expense, and operating expenses, these amounts may be determined by appraisal in accordance with the provisions described in the Difference In Conditions - Property Coverage Part under Other Conditions, Appraisal.

IM 7810 07 07

DIFFERENCE IN CONDITIONS INCOME COVERAGE PART - EXCESS COVERAGE

Coverage provided under this coverage part is also subject to the "terms" and conditions in the Difference In Conditions - Property Coverage Part - Excess Coverage under the sections titled Agreement, Property Not Covered, Perils Covered, Perils Excluded, Additional Property Not Covered Or Subject To Limitations, What Must Be Done In Case Of Loss, How Much We Pay, Loss Payment, Other Conditions, and Definitions.

ADDITIONAL DEFINITIONS

1. "Business" means usual "business" operations occurring at "covered locations" including the tenantability of "covered locations" when the selected coverage option includes "rents".
2. "Restoration period" means:
 - a. The time it should reasonably take to resume "your" "business" to a similar level of service starting from the date of a physical loss of or damage to covered property at a "covered location" that is caused by a covered peril and ending on the date:
 - 1) the property should be rebuilt, repaired, or replaced; or
 - 2) "business" is resumed at a new permanent location.

This is not limited by the expiration date of the policy.

- b. The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:
 - 1) regulates the construction, use, or repair of any property; or

- 2) requires the demolition of any property, in part or in whole, not damaged by a covered peril.

The ordinance, law, or decree must be in force at the time of loss.

"Restoration period" does not mean the increased time required to comply with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

3. "Rents" means "your" actual loss of:
 - a. rental income from "covered locations", as furnished or equipped, less any expenses that do not continue;
 - b. the rental value of any part of a "covered location" that "you" occupy less any expenses that do not continue; and
 - c. other charges for which a tenant is legally obligated and which "you" would otherwise be obligated.

COVERAGE OPTIONS

Coverage is provided for one of the Coverage Options when an option is indicated on the "schedule of coverages."

1. Earnings, "rents", and extra expense.
2. Earnings and extra expense.

Earnings includes "rents" when option 1. is selected.

COVERAGES

1. Covered Property --

- a. **Covered Location** -- "We" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted by direct physical loss of or damage to building property or business personal property as a result of a covered peril. This coverage applies only when the loss to building property or business personal property is at a "covered location".
- b. **Covered Location And Air Conditioning System** -- "We" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted as a result of direct physical loss of or damage to:
 - 1) a "covered location" that prevents "you" from using covered property;
 - 2) the air conditioning or electrical systems which are necessary for the operation of covered property and results in a reduction or suspension of "your" "business".
- c. **If You Lease Your Premises** -- If "you" lease, rent, or do not own the premises "you" occupy, for the purposes of determining an Income Coverage loss, "your" location is the space that "you" lease, rent, or occupy including, but not limited to, all passageways to "your" location within the building.

2. Coverages --

- a. **Earnings** -- If coverage for Earnings is indicated on the "schedule of coverages", "we" cover "your" actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense.

- b. **Extra Expense** -- If coverage for Extra Expense is indicated on the "schedule of coverages", "we" cover only the extra expenses that are necessary during the "restoration period" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril.

- 1) **Expenses To Reduce Interruption** -- "We" cover any extra expense to avoid or reduce the interruption of "your" "business" and continue operating at a "covered location", replacement location, or a temporary location. This includes expenses to relocate and costs to outfit and operate a replacement or temporary location.

"We" will also cover any extra expense to reduce the interruption of "business" if it is not possible for "you" to continue operating during the "restoration period".

- 2) **Expenses To Repair/Restore Property And Information** -- To the extent that they reduce a loss otherwise payable under this Coverage Part, "we" will cover any extra expenses to:

- a) repair, replace, or restore any property; and
- b) research, replace, or restore information on damaged documents, manuscripts, or records that are inscribed, printed, or written or exist on electronic or magnetic media.

EXCLUSIONS AND LIMITATIONS

1. **Finished Stock** -- "We" do not cover loss of earnings caused by loss to stock manufactured by "you" which is ready to pack, ship, or sell. This does not apply to stock manufactured for retail outlets that "you" own.

2. **Fire Extinguishment** -- "We" do not cover expenses to put out a fire.
3. **Leases, Licenses, Contracts, Or Orders** -- "We" do not cover any increase in loss due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.

However, "we" do cover loss during the "restoration period" if the suspension, lapse, or cancellation results directly from the interruption of "your" "business".

"We" do not cover any extra expense caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders beyond the "restoration period".
4. **Strikes, Protests, And Other Interference** -- "We" do not cover any increase in loss due to interference by strikers or other persons at "covered locations". This applies to interference with rebuilding, repairing, or replacing the property or with resuming "your" "business".
5. **Unnecessary Expenses** -- "We" do not cover any expenses that are not necessary during the "restoration period".
6. **Utility Failure** -- "We" do not pay for loss caused by or resulting from the failure of a utility to supply electrical power or other utility service to a "covered location", if the failure takes place away from the "covered location".
"We" do not pay for loss caused by or resulting from the failure of a utility to supply service regardless of the cause of failure.
7. **Interruption Of Web Site** -- "We" do not pay for loss caused by or resulting from the interruption of "your" Web site. "We" do not pay for loss caused by or resulting from the interruption of "your" Web site regardless of the cause of the interruption.

WHAT MUST BE DONE IN CASE OF LOSS

Other "terms" relating to What Must Be Done In Case Of Loss may also apply. These are shown in the Difference In Conditions -- Property Coverage Part.

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. **Intent To Continue Business** -- If "you" intend to continue "your" "business", "you" must resume all or part of "your" "business" as soon as possible.

VALUATION

1. **Earnings** --
 - a. **Determining An Earnings Loss** -- In determining an earnings loss, "we" consider:
 - 1) the experience of "your" "business" before the loss and the probable experience during the time of interruption had no loss occurred;
 - 2) "your" continuing operating expenses normally incurred by "your" "business", including, but not limited to, payroll expense necessary to resume "business" to a similar level of service that existed before the occurrence of direct physical loss or damage; and
 - 3) pertinent sources of information and reports including:
 - a) "your" accounting procedures and financial records;

- b) bills, invoices, and other vouchers;
 - c) contracts, deeds, and liens;
 - d) reports on feasibility and status; and
 - e) records documenting "your" budget and marketing objectives and results.
- b. **Conditions For Non-Payment Of Increased Loss** -- "We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" "business". This includes making use of other locations and property to reduce the loss.
- c. **Loss Payment If You Do Not Resume Your Business** -- If "your" "business" is not resumed as soon as possible, or if it is not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" "business" as soon as possible.
2. **Extra Expense** -- In determining extra expenses that "you" have incurred, "we" consider the salvage value of any property bought for temporary use during the "restoration period" and it will be deducted from the amount of loss determined for extra expense.

HOW MUCH WE PAY

Other "terms" relating to How Much We Pay may also apply. These are shown in the Difference In Conditions -- Property Coverage Part.

Income Coverage Limit -- "We" pay no more than the Income Coverage "limit" indicated on the "schedule of coverages" for any one loss. Payment for earnings and extra expense combined does not exceed the "limit".

OTHER CONDITIONS

The following condition applies as it relates to this Coverage Part. Other "terms" may also apply, these are shown in Difference In Conditions -- Property Coverage Part.

Appraisal -- If "you" and "we" do not agree on the amount of net income (net profit or loss before income taxes), payroll expense, and operating expenses, these amounts may be determined by appraisal in accordance with the provisions described in the Difference In Conditions - Property Coverage Part under Other Conditions, Appraisal.

IM 7814 04 07

MORTGAGEHOLDERS ENDORSEMENT

ADDITIONAL CONDITIONS

Mortgage Provisions -- If a mortgagee (mortgage holder) is named in this policy, loss to building property will be paid to the mortgagee and "you" as their interest appears.

1. **More Than One Mortgagee** -- If more than one mortgagee is named, they will be paid in order of precedence.
2. **Insurance For Mortgagee Continues In Effect** -- The insurance for the mortgagee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms".
3. **Insurance For Mortgagee Does Not Continue In Effect** -- The insurance for the mortgagee does not continue in effect if the mortgagee is aware of changes in ownership or substantial increase in risk and does not notify "us".
4. **Notification To The Mortgagee If We Cancel This Policy** -- If "we" cancel this policy, "we" will notify the mortgagee at least:
 - a. ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium.

- b. thirty days before the effective date of cancellation if "we" cancel for any other reason.

5. **Request Premium Payment From The Mortgagee** -- "We" may request payment of the premium from the mortgagee, if "you" fail to pay the premium.

6. **Payment To Mortgagee If Insurance Is Void** -- If "we" pay the mortgagee for a loss where "your" insurance may be void, the mortgagee's right to collect that portion of the mortgage debt from "you" then belongs to "us". This does not affect the mortgagee's right to collect the remainder of the mortgage debt from "you".

As an alternative, "we" may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.

7. **Notification To The Mortgagee If We Non-Renew The Policy** -- If "we" choose not to renew this policy, "we" will give written notice to the mortgagee at least ten days before the expiration date of this policy.

IM 7815 04 07

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Filing Company: *American Association of Insurance Services* *State Tracking Number:* *AR-PC-07-025860*
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Project Name/Number: *CW IMG DIC New Forms, Endt's & Schedules AAIS-2007-61/AAIS-2007-61*

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Supporting Document Schedules

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Bypassed -Name: Uniform Transmittal Document-
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AR DIC Forms Filing Memo 04 07.PDF

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE (TRADITIONAL NON-FILED INLAND MARINE)
FORMS AND ENDORSEMENTS FILING MEMORANDUM**

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing new coverage forms, schedules and endorsements for the Commercial Inland Marine classes that are traditionally considered "non-filed". The new forms, endorsements and schedules constitute the new **Difference In Conditions** class of coverage.

The new Difference In Conditions forms, schedules, and endorsements are designed to provide coverage for building property and business personal property for perils that are commonly excluded under a standard property policy. The new forms, schedules, and endorsements represent an addition to the Inland Marine Guide forms currently on file in your state.

Within this memorandum, a description is provided for each new Difference In Conditions form, schedule, and endorsement. Copies of the countrywide form, schedules, and endorsements being submitted for approval are enclosed with this filing. A state amendatory endorsement (if any) will be used to amend these forms to comply with legislative requirements.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE (TRADITIONAL NON-FILED INLAND MARINE)
FORMS AND ENDORSEMENTS FILING MEMORANDUM**

FORMS

IM 7800 04 07, Difference In Conditions Form - Property Coverage Part - This coverage form can be used to write stand alone Difference In Conditions coverage (DIC Coverage) and DIC coverage that is written in conjunction with a property policy (DIC Coverage Excluding Property Perils). Stand alone DIC coverage provides coverage for all perils except named perils and those perils specifically excluded under Perils Excluded. DIC Coverage Excluding Property Perils provides coverage for all perils except those covered under the property policy and those perils specifically excluded under Perils Excluded. Excess flood and earthquake coverage is available under DIC Coverage Excluding Property.

Coverage is available on a scheduled or blanket basis. Coverage is provided for building property as well as business personal property. Coverage Extensions include Debris Removal, Emergency Removal, and Limited Fungus Coverage. Supplemental Coverages include Foundations Of Buildings, Pilings, And Underground Pipes; Newly Acquired Buildings; Ordinance Or Law (Undamaged Parts Of A Building); Ordinance Or Law (Increased Cost To Repair And Cost To Demolish/Clear Site); Personal Property - Acquired Locations; Pollutant Cleanup And Removal; and Property In Transit.

IM 7801 04 07, Difference In Conditions Form - Property Coverage Part - Excess Coverage - This coverage form is used for Difference In Conditions written on an excess basis. Coverage is provided for building property as well as business personal property. The insured's participating layer applies to all covered perils.

SCHEDULES

IM 7805 07 07, Schedule of Coverages - Difference In Conditions - This schedule is used with the IM 7800, Difference In Conditions Form - Property Coverage Part, to indicate whether coverage is provided on a scheduled location basis or blanket basis and whether DIC Coverage or DIC Coverage Excluding Property Perils is provided. The schedule is also used to show limits, valuation basis, income coverage options, and applicable deductible amounts.

IM 7806 04 07, Locations Schedule - Difference In Conditions - This schedule can be used with the IM 7800, Difference In Conditions Form - Property Coverage Part to indicate the locations at which coverage applies and provide a description of the covered location.

IM 7808 04 07, Schedule Of Coverages - Difference In Conditions - Excess Coverage - This schedule is used with the IM 7801, Difference In Conditions Form - Property Coverage Part - Excess Coverage, to show the participation in excess layer, income coverage options, and valuation basis.

IM 7813 04 07, Excess Coverage Schedule - This schedule can be used with the IM 7801, Difference In Conditions Form - Property Coverage Part - Excess Coverage to provide the name of the insurer and corresponding limits for the primary policy and the participants in any excess layers.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
INLAND MARINE GUIDE (TRADITIONAL NON-FILED INLAND MARINE)
FORMS AND ENDORSEMENTS FILING MEMORANDUM**

ENDORSEMENTS

IM 7810 07 07, Difference In Conditions - Income Coverage Part - This endorsement can be used with the IM 7800, Difference In Conditions Form - Property Coverage Part, to provide coverage for loss of income as a result of a loss to covered property at a covered location. Coverage includes options for earnings/rents/extra expense or earnings/extra expense.

IM 7814 04 07, Difference In Conditions - Income Coverage Part - Excess Coverage - This endorsement can be used with the IM 7801, Difference In Conditions Form - Property Coverage Part - Excess Coverage, to provide coverage for loss of income as a result of a loss to covered property at a covered location. Coverage includes options for earnings/rents/extra expense or earnings/extra expense.

IM 7815 06 07, Mortgageholders Endorsement - This state specific endorsement can be used with the IM 7800, Difference In Conditions Form - Property Coverage Part and the IM 7801, Difference In Conditions Form - Property Coverage Part - Excess Coverage. It includes mortgage provisions if a mortgagee is named in the policy. It provides the number of days notice for cancellation or nonrenewal of the policy as well as information on premium payment and payment for a loss.