

Filing at a Glance

Companies: America First Insurance Company, Peerless Insurance Company, Peerless Indemnity Insurance Company, The Netherlands Insurance Company

Product Name: AR EARTHQUAKE SUB-LIMIT SERFF Tr Num: LBRM-125259632 State: Arkansas
FORM

TOI: 01.0 Property

SERFF Status: Closed

State Tr Num: AR-PC-07-025776

Sub-TOI: 01.0001 Commercial Property (Fire
and Allied Lines)

Co Tr Num: 2007-01093

State Status:

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding

Author: Amy LaCroix

Disposition Date: 08-13-2007

Date Submitted: 08-13-2007

Disposition Status: Approved

Effective Date Requested (New): 02-01-2008

Effective Date (New): 02-01-2008

Effective Date Requested (Renewal): 03-15-2008

Effective Date (Renewal): 03-15-
2008

General Information

Project Name: AR EARTHQUAKE SUB-LIMIT FORM

Status of Filing in Domicile:

Project Number: 2007-01093

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 08-13-2007

State Status Changed: 08-13-2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Effective February 1, 2008 for New Business and March 15, 2008 for Renewal Business, we wish to file form 21-102(04/07) Earthquake and Volcanic Eruption Endorsement (Sub-Limit Form) as well as form 21-103 (04/07) Dollar Deductible Schedule to be used with our Commercial Property Program.

The rules associated with these forms have been filed under separate cover letter 2007-01094.

Company and Contact

Filing Contact Information

Amy LaCroix, State Filings Technician
62 Maple Ave

amy.lacroix@LibertyMutual.com
(800) 826-6189 [Phone]

Keene, NH 03431

(603) 352-9252[FAX]

Filing Company Information

America First Insurance Company

62 Maple Ave.

Keene, NH 03431

(800) 826-6189 ext. [Phone]

CoCode: 12696

Group Code: 111

Group Name:

FEIN Number: 58-0953149

State of Domicile: New Hampshire

Company Type: P & C

State ID Number:

Peerless Insurance Company

62 Maple Avenue

Keene, NH 03431

(800) 826-6189 ext. [Phone]

CoCode: 24198

Group Code: 111

Group Name:

FEIN Number: 02-0177030

State of Domicile: New Hampshire

Company Type: Property &

Casualty

State ID Number:

Peerless Indemnity Insurance Company

62 Maple Ave.

Keene, NH 03431

(800) 826-6189 ext. [Phone]

CoCode: 18333

Group Code: 111

Group Name:

FEIN Number: 13-2919779

State of Domicile: Illinois

Company Type: Property &

Casualty

State ID Number:

The Netherlands Insurance Company

62 Maple Avenue

Keene, NH 03431

(800) 826-6189 ext. [Phone]

CoCode: 24171

Group Code: 111

Group Name:

FEIN Number: 02-0342937

State of Domicile: New Hampshire

Company Type: Property &

Casualty

State ID Number:

Filing Fees

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

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
60667617	\$50.00	08-08-2007

State Specific

Check_No: 60667617
Check_Amt: 50.00
Check_Rec: 08-08-2007

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08-13-2007	08-13-2007

Disposition

Disposition Date: 08-13-2007

Effective Date (New): 02-01-2008

Effective Date (Renewal): 03-15-2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

Created by SERFF on 08-13-2007 11:12 AM

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	COVER LETTER	Approved	Yes
Form	EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT	Approved	Yes
Form	EARTHQUAKE VOLCANIC ERUPTION COVERAGE SCHEDULE	Approved	Yes

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT	21-102	04-2007	Endorseme New nt/Amendm ent/Condi ti ons		0.00	21-102 0407.pdf
Approved	EARTHQUAKE VOLCANIC ERUPTION COVERAGE SCHEDULE	21-103	04-2007	Declaration New s/Schedule		0.00	21-103 0407.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which an Earthquake – Volcanic Eruption Limit of Insurance is shown in the Earthquake – Volcanic Eruption Coverage Schedule.

C. Additional Covered Causes Of Loss

1. The following are added to the Covered Causes of Loss:

- a.** Earthquake.
- b.** Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

2. If the Earthquake – Volcanic Eruption Coverage Schedule indicates that this endorsement covers Earthquake-Sprinkler Leakage Only, then the Covered Causes of Loss in Paragraph **C.1.** of this endorsement do not apply, and the following apply instead:

- a.** Sprinkler Leakage resulting from Earthquake.
- b.** Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

D. Exclusions, Limitations And Related Provisions

- 1. The Exclusions and Limitation(s) sections of the Causes of Loss Form (and the Exclusions section of the Mortgageholders Errors and Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement, except as provided in **D.2.** and **D.3.** below.
- 2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
- 3. The exclusion of collapse, in the Causes of Loss-Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.
- 4. The Additional Coverage – Collapse, in the Causes of Loss – Broad Form, Causes of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
- 5. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.

6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
7. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.

This limitation, **D.8.**, does not apply if:

 - a. The Earthquake – Volcanic Eruption Coverage Schedule indicates that the “Including Masonry Veneer” option applies; or
 - b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).
9. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

E. No Coinsurance

The Coinsurance Condition in this policy, if any, does not apply to the coverage provided under this endorsement.

Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. The coinsurance requirement for such Coverage Extensions is eliminated with respect to coverage provided under this endorsement.

F. Limit Of Insurance

1. General Information

The term Limit of Insurance means the Limit of Insurance applicable to Earthquake – Volcanic Eruption for the Covered Property or Coverage under which loss or damage is sustained.

The Earthquake – Volcanic Eruption Coverage Schedule provides information on the Limit of Insurance applicable to Covered Property and Coverages for Earthquake – Volcanic Eruption.

2. Annual Aggregate Limit

The Limit of Insurance for Earthquake – Volcanic Eruption is an annual aggregate limit and as such is the most we will pay for the total of all loss or damage that is caused by Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one Earthquake or Volcanic Eruption during that period of time. Thus, if the first Earthquake or Volcanic Eruption does not exhaust the Limit of Insurance, then the balance of that Limit is available for a subsequent Earthquake(s) or Volcanic Eruption(s).

If a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will **not** apply to such Earthquake or Volcanic Eruption.

3. Increased Annual Aggregate Limit Option

If the Earthquake – Volcanic Eruption Coverage Schedule indicates that the Increased Annual Aggregate Limit Option applies, then the following applies instead of Paragraph **F.2.** above:

The Limit of Insurance for Earthquake – Volcanic Eruption is the most we will pay in a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) for loss or damage caused by the Earthquake or Volcanic Eruption. If there is more than one Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Earthquake or Volcanic Eruption is two times the Limit of Insurance.

If a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will **not** apply to such Earthquake or Volcanic Eruption.

4. Additional Coverages And Coverage Extensions

Amounts payable under an Additional Coverage or Coverage Extension, as set forth in the applicable Coverage Form, do not increase the Limit of Insurance for Earthquake – Volcanic Eruption.

5. Limitation

For property or coverage that is subject to a Blanket Limit on Earthquake – Volcanic Eruption (as shown in the Earthquake – Volcanic Eruption Coverage Schedule), we will not pay more than we would pay in the absence of such Blanket Limit. Therefore, the maximum amount payable for any such item of property or coverage is the Limit of Insurance or stated value (as shown in a Statement of Values on file with us) specific to that item of property or coverage for Covered Causes of Loss other than Earthquake – Volcanic Eruption.

6. Ensuing Loss

If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, in the Causes of Loss Form, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by the Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will **not** pay the sum of the two Limits.

EXAMPLES – ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss – Basic Form (which covers fire) and this Earthquake – Volcanic Eruption Endorsement. A building is damaged by Earthquake, and by Fire which is caused by the Earthquake. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Earthquake – Volcanic Eruption is \$400,000. The Earthquake Deductible amount is \$50,000.

Example #1

The damage due to Earthquake is \$500,000.

The damage due to Fire is \$500,000.

Payment for Earthquake damage is \$400,000 (\$500,000 damage minus \$50,000 Earthquake deductible = \$450,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Earthquake Limit)

Total Loss Payment is \$800,000.

Example #2

The damage due to Earthquake is \$800,000.

The damage due to Fire is \$100,000.

Payment for Earthquake damage is \$400,000 (\$800,000 damage minus \$50,000 Earthquake deductible = \$750,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

G. Property Damage Deductible

1. The provisions of Section **G.2.** of this endorsement are applicable to all Coverage Forms except:
 - a. Business Income (And Extra Expense) Coverage Form;
 - b. Business Income (Without Extra Expense) Coverage Form;
 - c. Extra Expense Coverage Form.
2. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:
 - a. **All Policies**
 - (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.

- (2) Separate Deductibles apply to each building, personal property at each building and personal property in the open. Deductibles are separately applied even if:
 - (a) Two or more buildings sustain loss or damage;
 - (b) Personal property at two or more buildings sustains loss or damage; and/or
 - (c) A building and the personal property in that building sustain loss or damage.
- (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
- (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property, deductibles will apply as in (2) above.
- (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

H. Business Income And Extra Expense Period Of Restoration

This Section, **H.**, is applicable only to the Coverage Forms specified below:

1. Business Income (And Extra Expense) Coverage Form;
2. Business Income (Without Extra Expense) Coverage Form;
3. Extra Expense Coverage Form.

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Section **C.** of this endorsement.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EARTHQUAKE – VOLCANIC ERUPTION
COVERAGE SCHEDULE** PAGE ___ OF ___

This endorsement provides supplementary information to be used with the following:

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

Description of Premises or Location(s) _____

"Including Masonry Veneer" Option Yes No

Property Damage Deductible _____ Deductible applies per loss per building, and per loss for business personal property per building, and per loss for business personal property in the open. See the endorsement for application of deductibles.

Earthquake – Sprinkler Leakage Only

Earthquake – Volcanic Eruption Limit(s) of Insurance The Limit(s) of Insurance shown in Section **A** and/or **B** of this Schedule is an annual aggregate limit(s). Refer to the Limit Of Insurance provisions in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) for an explanation.

A. Blanket Limit \$ _____
(The Blanket Limit applies to all Premises and Locations listed on this page of the Schedule. If a separate Blanket Limit(s) applies at other Premises or Locations, then a separate page(s) of this Schedule will be used to enter the Blanket Limit(s) for such Premises or Locations.)

Check applicable Covered Property/Coverage(s) for Blanket Limit:

- Bldg. BI (CP 00 32)
- BPP EE (CP 00 50)
- BI (CP 00 30) Other _____

The Blanket Limit does not apply separately to the Premises, Locations, Covered Property or Coverages listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Premises and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form).

B. Separate Limits (If a separate Limit of Insurance is entered in this section of the Schedule, B., for a particular Covered Property/Coverage, that Covered Property/Coverage should NOT be included under a Blanket Limit.)

<u>Premises #1</u>		<u>Premises #2</u>		<u>Premises #3</u>	
Bldg.	\$ _____	Bldg.	\$ _____	Bldg.	\$ _____
BPP	\$ _____	BPP	\$ _____	BPP	\$ _____
BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____
BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____
EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____
Other	\$ _____	Other	\$ _____	Other	\$ _____

Increased Annual Aggregate Limit Option: **Yes** **No**

Bldg. = Building; BPP = Business Personal Property; BI = Business Income Coverage Form; EE = Extra Expense Coverage Form

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Approved 08-13-2007

Comments:
Uniform Transmittal Document-Property & Casualty

Attachment:
P&C TRANSMITTAL.pdf

Satisfied -Name: COVER LETTER

Review Status: Approved 08-13-2007

Comments:
COVER LETTER

Attachment:
2007-01093ALL.pdf

20. This filing transmittal is part of Company Tracking #	2007-01093
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21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

Effective February 1, 2008 for New Business and March 15, 2008 for Renewal Business, we wish to file form 21-102(04/07) Earthquake and Volcanic Eruption Endorsement (Sub-Limit Form) as well as form 21-103 (04/07) Dollar Deductible Schedule to be used with our Commercial Property Program..

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

Check #: 60667617
Amount: \$50.00

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



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



**America First
Insurance.**

Member of Liberty Mutual Group

62 Maple Avenue
Keene, NH 03431
603-352-3221

August 8, 2007

Hon. Julie Benafield Bowman
Commissioner Of Insurance
Arkansas Insurance Department
1200 West Third St
Little Rock, AR 72201-1904

Attn: Mr. Bill Lacy, Director
Property and Casualty Division

Re: Division Five- Commercial Property
Form Filing
Peerless Insurance Company
NAIC#111-24198
The Netherlands Insurance Company
NAIC#111-24171
America First Insurance Company
NAIC#111-12696
Peerless Indemnity Insurance Company
NAIC#111-18333
Company Filing #2007-01093

Dear Mr. Lacy:

Effective February 1, 2008 for New Business and March 15, 2008 for Renewal Business, we wish to file form 21-102(04/07) **Earthquake and Volcanic Eruption Endorsement (Sub-Limit Form)** as well as form 21-103 (04/07) **Dollar Deductible Schedule** to be used with our Commercial Property Program.

Enclosed please find required filing forms.

The rules associated with these forms have been filed under separate cover letter 2007-01094.

Additionally, the filing fee will be mailed via UPS overnight mail.

Questions regarding the enclosed filing should be directed to me at 603-358-4149 or 800-826-6189 ext. 84149

Sincerely,

Amy LaCroix
State Filings Technician
email:amy.lacroix@libertymutual.com
Fax: (603) -352-9252