

Filing at a Glance

Company: Austin Mutual Insurance Company
Product Name: Supermarket/Grocers Program SERFF Tr Num: MEDJ-125241168 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: AR-PC-07-025577
Sub-TOI: 01.0001 Commerical Property (Fire and Allied Lines) Co Tr Num: AMJ-AR-2007-CPF01 State Status:
Filing Type: Form Co Status: Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding
Authors: Melanie French, John Spain, Terrel Madsen Disposition Date: 08-01-2007
Date Submitted: 07-25-2007 Disposition Status: Approved
Effective Date Requested (New): On Approval Effective Date (New): 08-01-2007
Effective Date Requested (Renewal): Effective Date (Renewal):

General Information

Project Name: Status of Filing in Domicile: Not Filed
Project Number: Domicile Status Comments: Minnesota is not in the trade area of this Supermarket/Grocery Store Program at this time. Filing is for AR, IL, KS, MO & OK.
Reference Organization: ISO Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 08-01-2007
State Status Changed: 07-26-2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

Austin Mutual Insurance Company is entering the supermarket/grocers insurance market in several Midwestern states to aid retailers in securing property and liability coverages for their operations. Beginning in March of 2007, another insurer that wrote a significant block of business for grocery retailers began non-renewing its entire block of retail grocery/supermarket business coverage. In the absence of that insurer, only a few specialty carriers remain.

Austin Mutual is partnering with a Kansas City-area based general agency (Med James, Inc. MJI) to underwrite and service this business. MJI has employed several insurance professionals previously associated with the carrier that non-renewed its book of business. Accordingly, significant knowledge of coverage, underwriting and service can be replicated for Austin Mutual.

This submission represents the initial filing of Austin Mutual for this business segment. The coverage is designed to closely recreate a product which the retailers desire and have purchased historically

Commercial Property forms and manuals are ISO-based. This filing contains the exceptions.

Company and Contact

Filing Contact Information

John Spain, spainj@medjames.com
8595 College Blvd, Ste. 200 (913) 663-5500 [Phone]
Overland Park, KS 66210 (913) 663-2014[FAX]

Filing Company Information

Austin Mutual Insurance Company	CoCode: 13412	State of Domicile: Minnesota
10 Second Street NE, Suite 300	Group Code:	Company Type: Property/Casualty
Minneapolis, MN 55413-2282	Group Name:	State ID Number:
(612) 378-8600 ext. [Phone]	FEIN Number: 41-0134100	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50 for each filing

Make check payable to "The State Insurance Department Trust Fund".

Per Company:	No
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CHECK NUMBER	CHECK AMOUNT	CHECK DATE
28528	\$50.00	07-25-2007

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08-01-2007	08-01-2007

Disposition

Disposition Date: 08-01-2007

Effective Date (New): 08-01-2007

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Authority Letter	Approved	Yes
Form	COMMON POLICY DECLARATIONS	Approved	Yes
Form	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS	Approved	Yes
Form	COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS PAGE	Approved	Yes
Form	COMMERCIAL PROPERTY PLUS ENDORSEMENT	Approved	Yes
Form	SPOILAGE COVERAGE	Approved	Yes
Form	LOSS OF BUSINESS INCOME - HEPTATITUS A	Approved	Yes
Form	BUSINESS INCOME - ACTUAL LOSS SYSTAINED	Approved	Yes
Form	EQUIPMENT BREAKDOWN COVERAGE	Approved	Yes
Form	EQUIPMENT BREAKDOWN COVERAGE SCHEDULE	Approved	Yes

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	COMMON POLICY DECLARATIONS	MJI IL DS 00	07 02	Declaration News/Schedule		0.00	MJI IL DS 00 07 02.pdf
Approved	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS	CP DS 00	10 00	Declaration News/Schedule		0.00	CP DS 00 10 00.pdf
Approved	COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS PAGE	CP DS 01	10 00	Declaration News/Schedule		0.00	CP DS 01 10 00.pdf
Approved	COMMERCIAL PROPERTY PLUS ENDORSEMENT	MJI-CP-PLUS-END	07/2007	Endorseme Newnt/Amendment/Conditions		0.00	MJICPLUS END (07-2007).pdf
Approved	SPOILAGE COVERAGE	MJI-CP-SPOIL-END	05/2007	Endorseme Newnt/Amendment/Conditions		0.00	MJI-CP-SPOIL-END (05-2007).pdf
Approved	LOSS OF BUSINESS INCOME - HEPTATITUS A	MJI-BIHEPA-END	05/2007	Endorseme Newnt/Amendment/Conditions		0.00	MJI-CP-BIHEPA-END (05-2007).pdf
Approved	BUSINESS INCOME - ACTUAL LOSS SYSTAINED	MJI-CP-BIALS-END	05/2007	Endorseme Newnt/Amendment/Conditions		0.00	MJI-CP-BIALS-END (05-2007).pdf
Approved	EQUIPMENT BREAKDOWN COVERAGE	MJI-CP-EB-END	07/2007	Endorseme Newnt/Amendment/Conditions		0.00	MJI-CP-EB-END (07-2007).pdf
Approved	EQUIPMENT BREAKDOWN COVERAGE SCHEDULE	MJI-CP-EB-SCHED	07/2007	Declaration News/Schedule		0.00	MJI-CP-EB-SCHED (07-2007).pdf

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):

Countersigned:	By:
(Date)	(Authorized Representative)

Austin Mutual Insurance Company has caused this policy to be signed by its authorized officers, but it is not valid unless also signed by a duly authorized representative of Austin Mutual Insurance Company.

Jeffrey B. Kusch, President and CEO

Robert K. Long, Sr. Vice President and Secretary

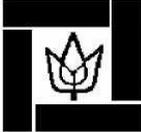
This policy is produced through and administered by Med James, Inc.

Questions regarding the policy should be directed to:

Med James, Inc.
PO Box 2014
Shawnee Mission, KS 66201

Local: 913-663-5500
Toll Free: 1-800-255-6503
Fax: 913-663-2014

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE



AUSTIN MUTUAL INS. CO.
10 Second St., N.E. Suite 300, Minneapolis MN 55413-2282
P.O. Box 401, Minneapolis MN 55440-0401

POLICY NO. _____ EFFECTIVE DATE ___ / ___ / ___ "X" If Supplemental
Declarations Is Attached

NAMED INSURED _____

DESCRIPTION OF PREMISES _____

Prem. Bldg. Location, Construction And Occupancy
No. No.

COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which
A Limit Of Insurance Is Shown

Prem. Bldg. Coverage Limit Covered Coinsurance* Rates
No. No. Of Insurance Causes Of Loss

*If Extra Expense Coverage, Limits On Loss Payment

OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Expiration Date	Cov.	Amount	Building	Pers. Prop.	Including "Stock"

Inflation Guard (%) *Monthly Limit Of Maximum Period *Extended Period
Bldg. Pers. Prop. Indemnity (Fraction) Of Indemnity (X) Of Indemnity (Days)

*Applies to Business Income Only

MORTGAGEHOLDERS _____

Prem. Bldg. Mortgageholder Name And Mailing Address
No. No.

DEDUCTIBLE _____

\$500. Exceptions:

FORMS APPLICABLE

To All Coverages:

To Specific Premises/Coverages:

Prem. No.	Bldg. No.	Coverages	Form Number
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COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NO.



AUSTIN MUTUAL INS. CO.
10 Second St., N.E. Suite 300, Minneapolis MN 55413-2282
P.O. Box 401, Minneapolis MN 55440-0401

NAMED INSURED

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Construction And Occupancy
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COVERAGES PROVIDED

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*	Rates
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*If Extra Expense Coverage, Limits On Loss Payment

OPTIONAL COVERAGES

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Expiration Date	Cov.	Amount	Building	Pers. Prop.	Including "Stock"

	Inflation Guard (%)	*Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	*Extended Period Of Indemnity (Days)
	Bldg. Pers. Prop.			

*Applies To Business Income Only

MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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FORMS APPLICABLE TO SPECIFIC PREMISES/COVERAGES

Prem. No.	Bldg. No.	Coverages	Form Number
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY PLUS ENDORSEMENT

SUMMARY OF COVERAGE LIMITS AND INDEX

This is a summary of the Limits of Insurance and Coverages provided by this endorsement. No coverage is provided by this summary. Only the provisions of Section A, B and C determine the scope of your insurance protection.

COVERAGE	LIMIT
Commercial Property Coverage Form Changes	
Accounts Receivable.....	\$50,000
Arson Reward	\$30,000
Back-up of Sewer and Drains	\$50,000
Brands and Labels	Included
Computer Equipment	\$50,000
Consequential Loss to Stock	Included
Debris Removal.....	\$50,000
Exhibitions.....	\$75,000
Extra Expense.....	\$50,000
Fire Department Service Charge	Included
Foundations of Machines.....	Included
Inflation Guard (Based on Consumer Price Index)	CPI up to 8%
Money and Counterfeit Paper Currency	\$15,000
Newly Acquired Property – Buildings (180 days).....	\$1,000,000
Newly Acquired Property – Personal Property at Acquired Premises (180 days)	\$500,000
Ordinance or Law – Loss to Undamaged Portion	Included
Ordinance or Law – Demolition Cost and Increased Cost of Construction	\$125,000
Product Adulteration and Contamination	\$75,000
Product Recall Expense.....	\$35,000
Property at Other Premises	\$125,000
Property in Transit.....	\$50,000
Property Rented To Others.....	\$35,000
Refrigeration Breakdown Expenses on Vehicles You Own	\$35,000
Restocking Costs	\$35,000
Trees, Shrubs and Plants	\$50,000
Underground Water Seepage.....	\$35,000
Valuable Papers including Computer Data.....	\$50,000
Business Income Coverage Changes	

The following enhancements apply only to coverages provided under the Business Income Coverage Form, if a part of this policy.

Extended Business Income	180 days
Newly Acquired Locations.....	\$275,000
Ordinance or Law Increased Period of Restoration.....	Included
Property in Transit.....	\$125,000

Higher Limits: Higher Limits of Insurance may be separately purchased for Exhibition, Newly Acquired Property, Property at Other Premises, Property in Transit, and Off-Premises Utilities, as shown on the Commercial Property – Schedule of Coverage Form.

Excess Coverage: This Endorsement is part of the Commercial Property Coverage Part. Coverages provided by this Endorsement are in excess of any other specific coverages that are provided in other Coverage Parts or other Policies.

A. The following modifies insurance provided under
COMMERCIAL PROPERTY COVERAGE FORM

1. Accounts Receivable

The following Coverage Extension is added:

- a. You may extend the insurance that applies to Personal Property to apply to the following that result from covered loss or damage to your records of Accounts Receivable:
 - (1) All amounts due from your customers that you are unable to collect;
 - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your Records of Accounts Receivable;
- b. The most we will pay for loss or damage under this Extension is \$50,000 at each described premises. This is additional insurance. The Coinsurance Additional Condition does not apply to this Extension.

2. Arson Reward

The following Additional Coverage is added.

In the event that a covered fire loss was the result of an act of arson, we will pay up to \$30,000 in rewards for information leading to the convictions for that act of arson.

This is additional insurance. The Coinsurance Additional Condition and Deductible do not apply to these payments.

3. Backup of Sewer and Drains

We will pay up to \$50,000 at each described premises shown in the declarations, for loss of or damage to covered property caused solely by water that backs up from a sewer or drain located inside the building. This coverage extension does not provide coverage for loss or damage due to water emanating from a sump pump well or similar device designed to prevent overflow, seepage or leakage of subsurface water.

Paragraph B.1.g.(3) of the CAUSES OF LOSS – SPECIAL FORM does not apply to this coverage extension.

4. Brands and Labels

The following Additional Coverage is added:

- a. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss we may take all or part of the property at an agreed or appraised value. If so, you may, at our expense:
 - (1) Stamp 'salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
- b. We will also pay for the difference between the salvage value of the damaged merchandise if the brand or label is removed.
- c. Payment of these expenses is included within the applicable Limit of Insurance.

5. Computer Equipment

The following Coverage Extension is added:

- a. You may extend the insurance that applies to Personal Property to apply to:
 - (1) Computer equipment and related component parts that are:
 - (a) Your property; or
 - (b) The property of others that is in your care, custody or control
 - (2) Your instructional material and prepackaged software programs purchased for use with your computer system.
 - (3) Your blank electronic or magnetic media.
- b. The most we will pay for loss or damage under this Extension is \$50,000 at each described premises.

This is additional insurance. The Coinsurance Additional Condition does not apply to this Extension.

6. Consequential Loss to "Stock"

The following Additional Coverage is added:

If a Covered Cause of Loss occurs to covered "stock", we will pay any reduction in value of the remaining undamaged parts of covered "stock".

7. Debris Removal

In paragraph a.(4) of Additional Coverages,

the additional amount we will pay for Debris Removal Additional Coverage is increased to \$50,000.

8. Exhibitions

The following Additional Coverage is added:

You may extend the insurance that applies to Personal Property to apply to Personal Property on Exhibition:

- a. While temporarily on display to the public at premises you do not regularly occupy; or
- b. In transit to or from such display. The most we will pay for this type of property is \$75,000.

9. Extra Expense

The following Coverage Extension is added:

- a. We will pay for the actual and necessary **extra expense** you sustain due to direct physical loss of or damage to property at the described premises, caused by or resulting from any Covered Cause of Loss.

As used in this Extension:

- (1) **Extra expense** means necessary expenses you incur during the **period of restoration** that you would not have incurred if there had been no direct physical loss or damage to property.
 - (a) To avoid or minimize the suspension of business and to continue **operations**;
 - (b) To minimize the suspension of business if you cannot continue **operations**; or
 - (c) To repair or replace any property to the extent it reduces the amount of loss that otherwise would have been payable under this Extension
- (2) **Operations** means your business activities occurring at the described premises.
- (3) **Period of restoration** means the period of time it takes to repair, rebuild or replace described premises with reasonable speed and similar quality. **Period of restoration** does not include any increased period required due to the enforcement of any ordinance or law that:
 - (a) Regulates the construction, use

or repair, or requires the tearing down of any property; or

- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the **Period of restoration**.

- b. This Extension does not extend to cover any deficiencies in insuring real or personal property.
- c. This Extension does not apply to any expense related to any recall of products you manufacture, handle or distribute.
- d. The most we will pay for loss under this Extension is \$50,000 at each described premises.

This is additional insurance. The Coinsurance Additional Condition does not apply to this Extension.

10. Fire Department Service Charge

In the Fire Department Service Charge Additional Coverage, "the most we will pay" is deleted. Instead this Additional Coverage is provided without payment limitation.

This Fire Department Service Charge does not apply to coverage provided within the states of Arizona and Texas.

11. Foundations of Machines and Underground Pipes

The following are added as covered Building property:

- a. Foundations of machinery if their foundations are below:
 - (1) The lowest basement floor, or
 - (2) The surface of the ground, if there is no basement;
- b. Underground pipes, tanks and connections. Payment for loss or damage to this property is included within the applicable Limit of Insurance.

12. Inflation Guard

The Inflation Guard Optional Coverage is replaced by the following and made applicable to this policy:

The Limits of Insurance that apply to Buildings and Personal Property will automatically increase by a factor based on the accumulated U.S. Government Consumer Price Index (CPI) for the months from the inception of this insurance until the date of loss. But in no event will we pay more than an additional 8% over the applicable Limit of Insurance.

13. Money Orders and Counterfeit Paper

Currency

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, money or services, during the regular course of business:

- a. Money orders issued by any U.S. or Canadian post office, express company or bank that are not paid upon presentation; or
- b. Counterfeit United States or Canadian paper currency.

The most we will pay for any loss under this Additional Coverage is \$15,000.

14. Newly Acquired or Constructed Property Buildings

In the Newly Acquired or Constructed Property Coverage Extension, the most we will pay is increased to \$1,000,000, unless a higher limit is shown on the Commercial Property — Schedule of Coverages form.

Personal Property at Acquired Premises

In the Newly Acquired or Constructed Property Coverage Extension, the most we will pay is increased to \$500,000, unless a higher limit is shown on the Commercial Property — Schedule of Coverages form.

Period of Coverage (b) 30 days is replaced by 180 days.

15. Ordinance or Law Coverages

The following Additional Coverage is added:

- a. If a Covered Cause of Loss occurs to covered Building property at described premises:

⁽¹⁾ Loss to the Undamaged Portion of the Building

We will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that.

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

- (c) Is in force at the time of loss.

This loss to the Undamaged Portion of the Building Coverage is included within the Limit of Insurance applicable to the covered Building property. This is not additional insurance. Payment of the undamaged portion of the building will be on the same valuation basis applicable to the damaged portion of the building.

(2) Demolition Cost and Increased Cost of Construction

We will pay up to \$125,000 for:

- (a) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of any building, zoning or land use ordinance or law.
- (b) The increased cost to repair, rebuild or construct the damaged property caused by enforcement of building, zoning or land use law. The repaired or rebuilt property must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.

We will not pay for the increased construction costs until the property is actually repaired or replaced, at the same or another premises, or if Actual Cash Value applies.

This is additional insurance. The Coinsurance Additional Condition does not apply to this Coverage.

- b. We will not pay under these Ordinance or Law Coverages for the costs associated with the enforcement of any ordinance or law which requires:
 - (1) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot or bacteria; or
 - (2) Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- c. The terms of these Coverages apply separately to each building.

16. Product Adulteration or Contamination

The following Coverage Extension is added:

- a. You may extend this insurance to apply to direct physical loss of your "stock", including "stock" you have sold but not delivered, if you cannot sell it or use it because the "stock" contains a contaminant introduced during the processing or manufacturing operation at premises you operate. The **contaminant** must be introduced during the policy period. The presence or suspected presence of a **contaminant** must be discovered or revealed within 180 days of the date this coverage ends.

As used in this Extension, adulteration or contamination means any food product containing any poisonous or harmful substance which may render it injurious to health and thus "unfit for human consumption" as defined by the FDA, USDA or other regulatory organization.

Contaminants may include drugs, organisms or bacteria found in amounts that exceed maximum permissible levels ("safe levels") established by law or by state or federal agencies. The discovery of unsafe levels must be based on tests conducted when this coverage is effective.

- b. Notification
You must see to it that we are notified as soon as possible after you learn of the presence of a contaminant in your "stock" or after you learn of the discovery of unsafe levels.
- c. Expenses to Remove and Dispose of Contaminated Stock
We will pay expenses you incur, as a result of a documented contamination, to remove and dispose of the "stock".
- d. Exclusions
- (1) We will not pay for any loss you sustain that is consequential to the direct physical loss that is covered by this Extension, unless indicated herein. For example, extra expenses, loss of income or loss of market.
- (2) We will not pay for loss of your

"stock":

- (a) If "stock" is not used or sold before any use-by date.
- (b) If "safe levels" were exceeded:
- (1) Because of the introduction of enzymes or other catalysts designed to facilitate the production or growth of any bacteria or other organism.
- (2) Before this coverage became effective.
- (c) If caused by, resulting from or aggravated by:
- (1) Any illness, disease, germ, virus, bacteria or other organism attributed to any of your employees;
- (2) Your failure to monitor the levels of or test for contaminants, bacteria or other substances in your "stock" in accordance with industry or governmental agency standards, practices or regulations.

- e. The most we will pay under this Extension is \$75,000 at each described premises.

The Coinsurance Additional Condition does not apply to this Extension.

17. Product Recall Expense

The following additional Coverage is added:

- a. We will pay up to \$35,000 for necessary **product recall expense** you incur to recall **your product** resulting from a **covered incident**.

All product recall expenses resulting from the same omission, introduction, error or alteration will be considered as arising out of one **covered incident**.

We will pay only for expenses to recall **your product** from within the United States of America (including its territories and possessions), Puerto Rico and Canada, and within the Policy Period shown in the Declarations.

As used in this Coverage:

- (1) A **covered incident** means:

Any of the following which renders your product unfit or dangerous or conveys that impression to the public:

- (a) The accidental omission of a substance in the manufacture or processing of **your product**;
- (b) The accidental introduction or

substitution of a substance in the manufacture of **your product**;

(c) An error in the manufacture, design, blending, mixing, labeling or storage of **your product**; or

(d) The actual or alleged intentional, malicious and wrongful alteration or contamination of **your product**.

(2) A **covered incident** must:

(a) Be based on a determination by you or a governmental regulatory entity that the use or consumption of **your product** has caused or may cause bodily injury, sickness, disease or death, making it necessary to recover possession or control of **your product** from any distributor, purchaser or user, or to destroy such products.

(b) Be announced to the general public, your distributors or to your employees (not directly involved in making the recall decision) your intention to conduct a recall.

(3) **Product recall expense** means only the reasonable and necessary costs devoted exclusively to the recalling of **your product** for:

(a) Communications by media, including radio, television and printed advertisements;

(b) Shipping of contaminated products to the location designated by you;

(c) Hiring additional employees or paying overtime to existing staff;

(d) Transportation, accommodation and meal expenses of employees while on authorized travel;

(e) Rental of additional storage space;

(f) Disposal of the recalled product and packaging materials that cannot be reused;

(g) Costs to replace the product items you recalled.

(4) **Your product** means:

(a) Any goods or products manufactured or processed by you or others trading under your name; and

(b) Containers (other than vehicles) furnished in connection with such goods or products.

Your product does not include vending machines or other property

rented to or located for the use of others but not sold.

b. Exclusions

This coverage does not apply:

(1) If you (including your employees or executive officers) had prior knowledge of any pre-existing condition or situation which could cause recall of **your product**;

(2) If the natural condition of **your product** causes it to deteriorate, decompose or its chemical structure to transform or otherwise become damaged;

(3) To expenses for the withdrawal of similar products or batches that are not defective, when a defect in another product has been found;

(4) If you continue to use materials that have been banned or declared unsafe by any authorized governmental agency;

(5) To loss of customer faith or approval or any costs incurred to regain customer approval except as provided under the extension of coverage provision;

(6) To contamination of **your product** caused by any act of war or nuclear radiation;

(7) To a decrease in sales due to changes in population, customer tastes, economic conditions, seasonal sales variations, competitive environment or removal of **your product** for reasons unrelated to a product defect;

(8) To a recall resulting from exceeding the designated shelf life of **your product**;

(9) To any legal expenses and fees.

c. Stop Distribution Duty Condition

In the event a product recall is announced, you must not make any further distribution of the involved product until it has been determined that all such products are free from further defects.

d. Advertising to Regain Customers Extension

We will pay up to \$2,000 for advertising expenses you incur to regain customer faith and approval following a **covered incident**. This does not include the type of expenses payable **as product recall expenses**.

18. Property at Other Premises

In the Personal Property at Other Premises Coverage, the most we will pay is increased to \$125,000 unless a higher limit is shown on the Commercial Property — Schedule of Coverages form.

19. Property in Transit

In the Personal Property in Transit Coverage, the most we will pay is increased to \$50,000, unless a higher Limit is shown on the Commercial Property — Schedule of Coverages form.

20. Property Rented to Others

The following Coverage Extension is added:

- a. You may extend the insurance that applies to Personal Property to apply while that property is leased or rented to others and is in their care, custody and control, including while in transit.
- b. The most we will pay under this Exclusion is \$35,000 in any one occurrence.

This is additional insurance. The Coinsurance Additional Condition does not apply to this Extension.

21. Refrigeration Breakdown Expense — Vehicles You Own or Lease

The following Additional Coverage is added:

- a. We will pay for the necessary expenses you incur to avoid the imminent spoilage of your refrigerated product due to the sudden and accidental breakdown of refrigeration equipment on transporting conveyances you own or lease, including:
 - (1) Expenses to dispatch a replacement vehicle, including the additional wages of the driver of the replacement vehicle;
 - (2) Wages for laborers to unload the disabled vehicle and reload the replacement vehicle; and
 - (3) Expenses for temporary storage in cold storage facilities while awaiting disposition of the product.
- b. The most we will pay for loss under this Additional Coverage is \$35,000 in any one occurrence.

This is additional insurance. The Coinsurance Additional Condition does not

apply to this Additional Coverage.

22. Restocking Costs

The following Additional Coverage is added:

If the sum of the direct physical loss or damage and the cost of restocking shelves, freezers, refrigeration cases or other display fixtures exceed the Limit of Insurance for Personal Property Coverage, we will pay up to an additional \$35,000 to cover restocking costs at each described premises.

23. Trees, Shrubs and Plants

In the Trees, Shrubs and Plants Coverage Extension, the most we will pay is increased to \$50,000, but we will not pay more for loss or damage to any one item than \$1,000.

24. Underground Water Seepage

The following Coverage Extension is added:

- a. You may extend the insurance that applies to Covered Property to apply to direct physical damage caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings.
- b. The most we will pay for loss or damage under this Extension is \$35,000.

The Coinsurance Additional Condition does not apply to this Extension.

25. Valuable Papers and Computer Data

The Valuable Papers and Records — Cost of Research Coverage Extension is replaced by the following:

- a. You may extend the insurance that applies to Personal Property to apply to your costs to research, replace or restore lost information that results from covered loss or damage to inscribed, printed, written or electronic records used in your business, and for which duplicates do not exist, that:
 - (1) You own; or
 - (2) The property of others that is in your care, custody or control.

- b. The most we will pay for loss or damage under this Extension is \$50,000 at each described premises.

This is additional insurance. The Coinsurance Additional Condition does not apply to this Extension.

B. Business Interruption Coverage Changes

The following apply only to coverages provided under the Business Income Coverage Form, CP 0030, if a part of this policy.

1. Extended Business Income Time Period

In paragraph (1)(b) of the Extended Business Income Additional Coverage, the time period referred to is increased to 180 days.

2. Newly Acquired Locations

In the Newly Acquired Locations Coverage Extension, the most we will pay is increased to \$275,000, and the time period referred to is increased to 180 days.

3. Ordinance or Law Increased Period of Restoration

The following Additional Coverage is added:

- a. If a Covered Cause of Loss occurs to property at described premises, we will pay the amount of actual and necessary loss you sustain during the increased period of suspension of "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - (1) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises;
 - (2) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss; and
 - (3) Is in force at the time of loss. However, this does not include any loss caused by or resulting from the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- b. Payments under this Extension are included within the Business Income Limit of Insurance that applies to the described premises.

4. Property in Transit

The following Coverage Extension is added:

- a. You may extend your Business Income and Extra Expense coverages that apply to your policy, to apply to covered loss you sustain due to direct physical loss of or damage to covered property in transit caused by or resulting from a Covered Cause of Loss.
- b. The most that we will pay for loss under this Extension is \$125,000

This is additional insurance. The Coinsurance Additional Condition does not apply to this Extension.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

SCHEDULE

Loc. No.	Bldg. No.	Desc. of Property	Limit of Insurance	Deductible	Refrigeration Maintenance Agreement	Causes of Loss:		
						Breakdown or Contamination	Power Outage	Selling Price

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to coverage provided by this endorsement.

For the purposes of this Spoilage Coverage only:

A. Paragraph A.1. **COVERED PROPERTY** is replaced by the following:

1. Covered Property

Covered Property means perishable stock at the described premises owned by you or by others that is in your care, custody or control.

B. The following is added to Paragraph A.2. **PROPERTY NOT COVERED:**

q. Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

C. Paragraph A.3. **COVERED CAUSES OF LOSS** is replaced by the following:

3. Covered Causes of Loss

Covered Causes of Loss means the following only if indicated by an "X" in the Schedule.

a. Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
- (2) Contamination by the refrigerant.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power on the described premises due to conditions beyond your control.

D. **SELLING PRICE**

If Selling Price is indicated by an "X" in the Schedule, the following is added to the VALUATION Loss Condition:

We will determine the value of finished "perishable stock" in the event of loss or damages at:

The selling price, as if no loss or damage had occurred;

Less discounts and expenses you would have otherwise had.

E. Paragraph A.5. **COVERAGE EXTENSIONS** does not apply.

- F. Paragraph B. **EXCLUSIONS** is replaced by the following:
- B. EXCLUSIONS**
1. Only the following **EXCLUSIONS** contained in paragraph B.1. of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:
 - a. EARTH MOVEMENT;
 - b. GOVERNMENTAL ACTION;
 - c. NUCLEAR HAZARD;
 - d. WAR AND MILITARY ACTION; and
 - e. WATER.
 2. The following **EXCLUSIONS** are added:

We will not pay for loss or damage caused by or resulting from:

 - a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
 - b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
 - c. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
 - d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
 - e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- G. Paragraph D. **DEDUCTIBLE** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.
- H. Paragraph F. **ADDITIONAL CONDITIONS** is replaced by the following:

ADDITIONAL CONDITION

The following applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

REFRIGERATION MAINTENANCE AGREEMENTS

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable as indicated by an "X" in the Schedule, the following condition applies:

You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this endorsement will automatically suspend at the involved location.
- I. Paragraph H. **OPTIONAL COVERAGES** does not apply.
- J. The following is added to the **DEFINITIONS**:

"Perishable Stock" means personal property:

 - a. Maintained under controlled conditions for its preservation; and
 - b. Susceptible to loss or damage if the controlled conditions change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS OF BUSINESS INCOME – HEPATITIS A

This endorsement modifies insurance provided under the following:

SPECIAL INCOME AND EXPENSE COVERAGE FORM

A. COVERAGE

We will pay for the actual loss of Business Income and Extra Expense you sustain due to the necessary suspension of your “operations” during the “period of suspension”. The suspension must be caused directly by the official announcement by “public health authorities” of an episode of Hepatitis A at the insured premises.

We will also pay for the actual loss of “business income” you incur beginning on the date that “operations” resume and ending on the earlier of the date “operations” are fully restored or 180 consecutive days after the date of the announcement which is the cause of the loss.

We will also pay for actual costs to the insured of having inoculations against Hepatitis A administered to customers exposed to the insured premises during the period of “viral activity”.

B. LIMITS OF INSURANCE

The most we will pay for any loss to which this endorsement applies in any annual period is **\$100,000**. Payment for expenses to reduce loss does not increase the applicable limit of insurance.

C. LOSS CONDITIONS

Additional conditions applicable to this endorsement:

1. You must give us prompt notice of the official announcement that is the cause of loss.
2. The amount of business income loss will be determined based on:
 - a. The net income of the business before the announcement was made;
 - b. The likely net income of the business if the announcement had not occurred;
 - c. The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the announcement was made; and
 - 1) Your financial records and accounting procedures;
 - 2) Bills, invoices and other vouchers; and
 - 3) Deeds, liens or contracts.
3. If there is a breach of these additional conditions and a loss occurs, coverage for that loss does not apply unless you show that the loss was not caused by or contributed to by such breach of conditions.
4. You warrant that at all times during the policy term you will comply fully with all regulatory requirements, state or otherwise, having to do with the health and hygiene at the premises insured.

D. DEFINITIONS

Additional definitions applicable to this endorsement:

“Period of Suspension” means the period of time that begins with the date of the announcement which is the cause of the loss and ends on the date when “operations” could be resumed. The expiration of the policy will not cut short the “period of suspension”.

“Viral Activity” means that period of time occurring prior to the announcement by the “public health authorities” during which customers being served at the premises were or may have been exposed to Hepatitis A virus.

“Public Health Authorities” means the governmental authority or authorities having jurisdiction over your “operations” relative to the health and hygiene standards necessary for the protection of the public.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME – ACTUAL LOSS SUSTAINED

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Section B. **LIMITS OF INSURANCE** is deleted.

Section D. **ADDITIONAL CONDITION**, Coinsurance is deleted.

Section E. **OPTIONAL COVERAGES** is amended as follows:

The following optional coverages are deleted:

1. Maximum Period of Indemnity
2. Monthly Limit of Indemnity
3. Business Income Agreed Value

Additional Conditions

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

AUSTIN MUTUAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART

- A. The following is added as an Additional Coverage to the Causes of Loss—Special Form.

Additional Coverage-- Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.
 - a. **Expediting Expenses**
With respect to your damaged Covered Property, we will pay up to \$50,000 unless otherwise shown in a Schedule, the reasonable extra cost to:
 - (1) make temporary repairs; and
 - (2) expedite permanent repairs or permanent replacement.
 - b. **Hazardous Substances**
We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.
As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary

Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a Schedule.

- c. **Computer Equipment**
We will pay for loss, damage or expense caused by or resulting from an “accident” to “computer equipment.”
The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a Schedule. Computers used primarily to control or operate “covered equipment” are not subject to this limit.
- d. **Data Restoration**
We will pay for your reasonable and necessary cost to research, replace and restore lost “data.”
The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a Schedule.
- e. **Service Interruption**
 - (1) Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by an “accident” to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
 - (2) Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident.”
 - (3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income or Extra Expense, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.
- g. **Business Income and Extra Expense**
Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule.

3. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

- a. The exclusions are modified as follows:
 - (1) The following is added to Exclusion B.1.g.:
However, if electrical “covered equipment” requires drying out because of Water as described in g.(1) through g.(3) above,

- we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.
- (2) As respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following: But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "accident," we will pay for the loss, damage or expense caused by that "accident."
- b. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
 - (1) any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense;
 - (2) any of the following tests:
 - a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment;
 - (3) change in temperature or humidity, whether or not resulting from an "accident"; or
 - (4) contamination by a refrigerant resulting from an "accident."
 - c. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
 - d. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
 - e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins.
 - f. We will not pay under this endorsement for any loss or damage to animals.

4. DEFINITIONS

The following definitions are added:

- a. "Boilers and vessels" means:
 - (1) Any boiler, including attached steam, condensate and feedwater piping; and
 - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

- b. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.
- c. "Covered equipment"
 - (1) "Covered equipment" means, unless otherwise specified in a Schedule, Covered Property:
 - (a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
 - (2) None of the following is "covered equipment":
 - (a) structure, foundation, cabinet, compartment or air supported structure or building;
 - (b) insulating or refractory material;
 - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) "vehicle" or any equipment mounted on a "vehicle";
 - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (g) dragline, excavation or construction equipment; or
 - (h) equipment manufactured by you for sale.
- d. "Data" means information or instructions stored in digital code capable of being processed by machinery.
- e. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- f. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- g. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- h. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.
This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- i. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

B. The Building and Personal Property Coverage Form is modified as follows.

The definitions stated above also apply to section B. of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D.

DEDUCTIBLE is deleted and replaced with the following:

- a. Deductibles for Each Coverage
 - (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
 - (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
 - (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.
- b. Direct and Indirect Coverages
 - (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
 - (2) Unless more specifically indicated in the Schedule:
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.
- c. Application of Deductibles
 - (1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
 - (2) Time Deductible

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.
 - (3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:
The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be

made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration.

The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form and the Common Policy Conditions.

a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

(1) your last known address; or

(2) the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

AUSTIN MUTUAL INSURANCE COMPANY

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits

Equipment Breakdown Limit	\$
Business Income	\$
Extra Expense	\$
Expediting Expenses	\$
Hazardous Substances	\$
Computer Equipment	\$
Data Restoration	\$
Service Interruption	\$

Deductibles

Combined, All Coverages	\$
Direct Coverages	\$
Indirect Coverages	\$
	or _____ hrs.
	or _____ times ADV

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Approved 08-01-2007

Comments:

Attachment:

industry_rates_pc_trans CP (2).pdf

Satisfied -Name: Authority Letter

Review Status: Approved 08-01-2007

Comments:

Attachment:

AR Filing Letter.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
n/a	0000

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Austin Mutual Insurance Company	MN	13412	41-0134100	

5. Company Tracking Number	AMJ-2007-CPF01 & AMJ-2007-CPR01
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	John V. Spain c/o Med James, Inc. 8595 College Blvd. Overland Park, KS 66210		800-255-6503 x638	913-663-2014	spainj@medjames.com

7. Signature of authorized filer	
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8. Please print name of authorized filer	John V. Spain
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Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	01.0 Property
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Supermarket/Grocers Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input checked="" type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 8/1/2007 or ASAP Renewal: n/a – new program
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	ISO
17. Reference Organization # & Title	Most Recent ISO IL Forms and Manuals – per manual page
18. Company's Date of Filing	7/24/2007
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # AMJ-2007-CPF01 & AMJ-2007-CPR01

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

Austin Mutual Insurance Company is entering the supermarket/grocers insurance market in several Midwestern states to aid retailers in securing property and liability coverages for their operations. Beginning in March of 2007, another insurer that wrote a significant block of business for grocery retailers began non-renewing its entire block of retail grocery/supermarket business coverage. In the absence of that insurer, only a few specialty carriers remain.

Austin Mutual is partnering with a Kansas City-area based general agency (Med James, Inc. – MJI) to underwrite and service this business. MJI has employed several insurance professionals previously associated with the carrier that non-renewed its book of business. Accordingly, significant knowledge of coverage, underwriting and service can be replicated for Austin Mutual.

This submission represents the initial filing of Austin Mutual for this business segment. The coverage is designed to closely recreate a product which the retailers desire and have purchased historically

Commercial Property forms and manuals are ISO-based. This filing contains the exceptions.

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

Check #:
Amount:

Filing Fees are not applicable in Kansas

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

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

FORM FILING SCHEDULE

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

1.	This filing transmittal is part of Company Tracking #	AMJ-2007-CPF01
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2.	This filing corresponds to rate/rule filing number <small>(Company tracking number of rate/rule filing, if applicable)</small>	AMJ-2007-CPR01
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Common Policy Declarations	MJI IL DS 00 07 02	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Commercial Property Coverage Part Declarations	CP DS 01 10 00	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Commercial Property Coverage Part Supplemental Declarations	CP DS 01 10 00	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Commercial Property PLUS Endorsement	MJI-CP-PLUS-END (07/2007)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Spoilage Coverage Endorsement	MJI-CP-SPOIL-END (05/2007)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Loss of Business Income Hepatitis A Endorsement	MJI-CP-BIHEPA-END (05/2007)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Business Income – Actual Loss Sustained Endorsement	MJI-CP-BIALS-END (05/2007)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Kansas Changes (KANSAS ONLY)	MJI-CP-KS-INSPSURV -END (07/2007)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	AMJ-2007-CPR01
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	AMJ-2007-CPF01
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

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

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

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

6.	Overall percentage of last rate revision	n/a - new
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7.	Effective Date of last rate revision	n/a - new
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	n/a - new
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	AMJ-CP-LCM	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	AMJ-CP-EX1 (all pages)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	



AUSTIN MUTUAL INSURANCE COMPANY

Street Address: 10 Second Street NE, Suite 300, Minneapolis, MN 55413-2282

Mailing Address: PO Box 401, Minneapolis, MN 55440-0401

612-378-8600 Fax: 612-378-8653

May 14, 2007

HONORABLE JULIE BENAFIELD BOWMAN
COMMISSIONER OF INSURANCE
ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK AR 72201-1904

Re: Filing Authority
Grocer's Program

With this letter, Austin Mutual Insurance Company authorizes Med James, Inc. to prepare and submit on its behalf rate, rule and form filings for use with its Grocer's Program.

This authorization remains in effect until amended or terminated.

Please contact me should you have any questions at 612-378-8613 or
tmadsen@autinmutual.com.

Thank you.

Sincerely,

Terrel Madsen, CPCU, ARe
VP – Compliance and Product Development