

SERFF Tracking Number: UNFG-125267268 State: Arkansas
First Filing Company: Lafayette Insurance Company, ... State Tracking Number: AR-PC-07-025896
Company Tracking Number:
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Commercial Inland Marine
Project Name/Number: CM7045 & CM7046 0807/IM-AR-UFC/LAF-01012008-XX-XX-F

Filing at a Glance

Companies: Lafayette Insurance Company, United Fire & Casualty Company

Product Name: Commercial Inland Marine SERFF Tr Num: UNFG-125267268 State: Arkansas
TOI: 09.0 Inland Marine SERFF Status: Closed State Tr Num: AR-PC-07-025896
Sub-TOI: 09.0000 Inland Marine Sub-TOI Co Tr Num: State Status:
Combinations
Filing Type: Form Co Status: Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding
Author: Stella Bradke Disposition Date: 08/27/2007
Date Submitted: 08/27/2007 Disposition Status: Approved
Effective Date Requested (New): 01/01/2008 Effective Date (New): 01/01/2008
Effective Date Requested (Renewal): 01/01/2008 Effective Date (Renewal):
01/01/2008

General Information

Project Name: CM7045 & CM7046 0807 Status of Filing in Domicile: Pending
Project Number: IM-AR-UFC/LAF-01012008-XX-XX-F Domicile Status Comments: Being filed
simultaneously
Reference Organization: AAIS Reference Number: NA
Reference Title: NA Advisory Org. Circular: NA
Filing Status Changed: 08/27/2007
State Status Changed: 08/27/2007 Deemer Date:
Corresponding Filing Tracking Number: IM-AR-UFC/LAF-01012008-XX-XX-F

Filing Description:

The following details the changes made to the 08-07 form editions:

BROADENINGS OF COVERAGE - CM 70 45

Insuring Agreement for Installation Coverage (Coverage A)

Property Covered

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1. Coverage and 2. Coverage Limitations

Un-named storage locations added without a sub-limit.

Rigging is now a defined term

Supplemental Coverages for Coverage A

4. Storage Locations (not described on the schedule) was limited to \$5,000– Removed. Coverage is now found in Property Covered without a sub-limit.

Supplemental Coverages for Coverage B

1. Equipment Leased or Rented From Others

b. Limit- changed from \$25,000 to \$25,000 when Equipment is scheduled at the time of a covered loss but is reduced to \$5,000 if no Contractors Equipment is scheduled at the time of loss. This allows for a small account that has no CEF to have a minimum amount of coverage built in for rental coverage, should they not exercise coverage from a renter of equipment.

CLARIFICATION OF COVERAGE - CM 70 45

Supplemental Coverages for Coverage B

1. Equipment Leased or Rented From Others

c. Deductible Applicable to Leased or Rented Equipment – NEW - [we now state that No deductible will apply]. This in not a change but a clarification

How Much We Pay

7. Coinsurancedoes not apply to small tools [we now state this position in the policy]

Definitions

11. Rigging is now added and defined the same as AAIS has defined it in other forms

NARROWING OF COVERAGE - CM 70 45

Property Not Covered

Property Not Covered Installation (Coverage A) 8. Underground Property

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Property Not Covered, Contractors Equipment (Coverage B) 7. Underground Property
 Property Not Covered, Small Tools Coverage (Coverage C) 5. Underground Property

Underground Property is added to state that we do not cover property that is underground, in caissons or underwater (this coverage is normally negotiated and added by endorsement)

ADDITIONAL COVERAGE ON CM 70 46 08 07 SCHEDULE

We can now Schedule a higher limit than \$5,000 for Rented Equipment above the amount that is in the form when no Contractors Equipment has been scheduled.

The state mandatory amendatory forms will continue to apply.

Company and Contact

Filing Contact Information

Stella Bradke, General Clerk sbradke@unitedfiregroup.com
 118 2nd Ave SE (319) 399-5228 [Phone]
 Cedar Rapids, IA 52407-3909 (319) 286-2570[FAX]

Filing Company Information

Lafayette Insurance Company	CoCode: 18295	State of Domicile: Louisiana
118 2nd Ave SE	Group Code: 248	Company Type: Property Casualty
PO Box 73909		
Cedar Rapids, IA 52407-3909	Group Name: United Fire Group	State ID Number:
(319) 399-5700 ext. [Phone]	FEIN Number: 72-0232830	

United Fire & Casualty Company	CoCode: 13021	State of Domicile: Iowa
118 2nd Ave SE	Group Code: 248	Company Type: Property Casualty
PO Box 73909		
Cedar Rapids, IA 52407-3909	Group Name: United Fire Group	State ID Number:
(319) 399-5700 ext. [Phone]	FEIN Number: 42-0644327	

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50 per submission
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United Fire & Casualty Company	\$50.00	08/27/2007	15297973
Lafayette Insurance Company	\$0.00	08/27/2007	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/27/2007	08/27/2007

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Disposition

Disposition Date: 08/27/2007
Effective Date (New): 01/01/2008
Effective Date (Renewal): 01/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Form Filing Schedule	Approved	Yes
Form	Contractors Installation, Equipment Floater and Small Tools Coverage	Approved	Yes
Form	Schedule of Coverage Limit Amendments to the Contractors Installation, Equipment Floater and Small Tools Coverage Combination Coverage Form	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type	Action	Action Specific Data	Readability	Attachment
Approved	Contractors Installation, Equipment Floater and Small Tools Coverage	CM 70 45	08 07	Policy/Cove	Replaced	Replaced Form #:0.00 CM 70 45 03 06 Previous Filing #:		CM7045 0807.pdf CM7045 0306.pdf
Approved	Schedule of Coverage Limit Amendments to the Contractors Installation, Equipment Floater and Small Tools Coverage Combination Coverage Form	CM 70 46	08 07	Other	Replaced	Replaced Form #:0.00 CM 70 46 03 06 Previous Filing #:		CM7046 0807.pdf CM7046 0306.pdf

This Inland Marine Coverage is subject to the **terms** shown below.
The Inland Marine General Terms also apply.

PLEASE READ THIS CAREFULLY.

CONTRACTORS INSTALLATION, EQUIPMENT FLOATER AND SMALL TOOLS COVERAGE

Coverage Premiums, Limits of Insurance for Coverage A, B and C, applicable deductibles for all coverages, and Scheduled Equipment for Coverage B are shown on the Declarations page(s) or an accompanying Supplemental Declarations Page.

Coverage is only provided where limits of insurance, deductible amounts, and premium charges are specifically stated.

Insuring Agreement for Installation Coverage (Coverage A), If Coverage is Indicated on the Declarations Page

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Installation Coverage. 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" or supplemental declarations.

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

Property Covered

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

1. Coverage - "We" cover direct physical loss caused by a covered peril, including while in transit and while at storage locations not otherwise described on the "schedule of coverages", to materials, supplies, machinery, fixtures, and equipment that "you" are installing, constructing or "rigging" as part of "your" installation or construction project.

2. Coverage Limitations - "We" only cover:

- a. materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" completed installation or construction project; and
- b. an installation or construction project at "your" "jobsite".

However, if Scheduled Locations Coverage is indicated on the "schedule of coverages", "we" only cover an installation or construction project at a "jobsite" that is described on the "schedule of coverages", except as provided above for transit coverage and for storage locations not otherwise described in the "schedule of coverages".

3. Materials, Supplies, Machinery, Fixtures, And Equipment Means - Materials, supplies, machinery, fixtures, and equipment means:

- a. "your" materials, supplies, machinery, fixtures, and equipment; and
- b. similar property of others that is in "your" care, custody, or control

4. When Coverage Ceases - Coverage ends when one of the following first occurs:

- a. this policy expires or is canceled;
- b. the covered installation or construction project is accepted by the purchaser;
- c. "your" insurable interest in the covered property ceases;
- d. "you" abandon the installation or construction project with no intent to complete it;
- e. the installation or construction project has been completed for more than 30 days; or
- f. the covered property has been put to its intended use. However, this does not apply to roofs or walls.

However, "we" do cover property that is part of "your" installation or construction project and is in connection with any building or structure.

- 3. **Contraband** - "We" do not cover contraband or property in the course of illegal transportation or trade.
- 4. **Machinery, Tools, Equipment** - "We" do not cover machinery, tools, equipment, or similar property that will not become a permanent part of "your" installation or construction project.
- 5. **Money And Securities** - "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
- 6. **Trees, Shrubs, Or Plants** - "We" do not cover trees, shrubs, plants, or lawns.
- 7. **Waterborne Property** - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.
- 8. **Underground Property** - "We" do not cover property that is underground, in caissons or underwater.

Property Not Covered Installation Coverage Agreement (Coverage A)

- 1. **Airborne Property** - "We" do not cover property while airborne except while in transit on a regularly scheduled airline flight.
- 2. **Buildings, Structures, And Land** - "We" do not cover buildings, structures, or land.

Insuring Agreement For Contractors' Equipment (Coverage B), If Coverage is Indicated on the Declarations Page

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. 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" or supplemental declarations.

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

Property Covered

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

1. Scheduled Equipment -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to:

1) "your" "contractors' equipment"; and

2) "contractors' equipment" of others in "your" care, custody, or control.

- b. **Coverage Limitation** - "We" only cover (1) "your" "contractors' equipment" (2) "contractors' equipment" of others:

- 1) that is described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".
- 3) when "contractors' equipment" of others is not scheduled, subject to a \$25,000 maximum limit unless that "contractors equipment" is scheduled.

2. Schedule On File -

a. **Coverage** - "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and
- 2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** - "We" only cover (1) "your" "contractors' equipment" (2) "contractors' equipment" of others:

- 1) that is described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".
- 3) when "contractors' equipment" of others is not scheduled, subject to a \$25,000 maximum limit unless that "contractors equipment" is scheduled.

Property Not Covered Contractors' Equipment Coverage, (Coverage B)

1. **Aircraft Or Watercraft** - "We" do not cover aircraft or watercraft, including barges.
2. **Contraband** - "We" do not cover contraband or property in the course of illegal transportation or trade.
3. **Leased Or Rented Property** - "We" do not cover property that "you" lease or rent to others.
4. **Underground Mining Operations** - "We" do not cover property while stored or operated underground in connection with any mining operations.
5. **Vehicles** - "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
 - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
6. **Waterborne Property** - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.
7. **Underground Property** - "We" do not cover property that is underground, in caissons or underwater.

Insuring Agreement For "Small Tools" Coverage (Coverage C), If Coverage is Indicated on the Declarations Page

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the "Small Tools" Coverage. 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" or supplemental declarations.

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

Property Covered

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

1. **Your "Small Tools"** - "We" cover direct physical loss caused by a covered peril to your "small tools".
2. **Employee Tools** -
 - a. **Coverage** - "We" cover direct physical loss caused by a covered peril to "small tools" owned by "your" employees.
 - b. **Coverage Limitation** - "We" only cover "small tools" owned by "your" employees while at a:
 - 1) premises that "you" own or operate; or
 - 2) "jobsite".
 - c. **Limit** - The most "we" pay in any one occurrence for loss to employee tools is \$5,000.
3. **"Small Tools" Leased or Rented from Others**
 - a. **Coverage** - "We" cover direct physical loss caused by a covered peril to "small tools" that "you" have leased or rented from others, but not including your employees.
 - b. **Coverage Limitation** - "We" only cover "small tools" that "you" have leased or rented from others up to a limit of \$5,000.

The most we will pay for all covered property in the event of a loss is stated on the Declarations Page or Supplemental Declaration(s) page. The most we will pay for any one item in the event of loss on or off the described premises is stated on the Declarations or Supplemental Declaration(s) Page. No coverage is provided on any one item with an actual cash value in excess of this amount.

Property Not Covered, Small Tools Coverage, (Coverage C)

1. **Contraband** - "We" do not cover contraband or property in the course of illegal transportation or trade.
2. **Leased Or Rented Property** - "We" do not cover property that "you" loan, lease or rent to others.
3. **Underground Mining Operations** - "We" do not cover property while stored or operated underground in connection with any mining operations.
4. **Waterborne Property** - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.
5. **Underground Property** - "We" do not cover property that is underground, in caissons or underwater.

Perils Covered, Applicable to Coverages A, B and C

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

Supplemental Coverages for Coverage A

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, 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, 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. Contract Penalty -

- a. **Coverage** - "We" pay for the cost of contractual penalties for non-completion that "you" are assessed or are required to pay because "you" are unable to complete work on a covered installation or construction project in accordance with the terms or conditions of the installation or construction contract.
- b. **Coverage Limitation** - "Your" inability to complete "your" installation or construction project on time must be as a direct result of a loss by a covered peril to a covered installation or construction project.
- c. **Limit** - The most "we" pay in any one occurrence for all contractual penalties is \$5,000.

2. 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 which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** - The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

3. Sewer Backup Coverage -

- a. **Coverage** - "We" cover direct physical loss to a covered installation or construction project caused by:
 - 1) water that backs up through a sewer or drain; or
 - 2) water below the surface of the ground including water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.

b. **Limit** - The most "we" pay in any one occurrence for loss caused by sewer backup and water below the surface is \$5,000.

Testing includes start-up, performance, stress, pressure, or overload testing of materials, supplies, machinery, fixtures, and equipment that will become a permanent part of a covered installation or construction project.

4. Testing -

a. **Coverage** - "We" cover direct physical loss to covered property caused by a covered peril that results from testing.

b. **Limit** - The most "we" pay in any one occurrence for loss resulting from testing is \$5,000

Supplemental Coverages for Coverage B

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, 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, 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. Equipment Leased Or Rented From Others -

a. **Coverage** - "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.

b. **Limit** - The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000 when "Contractors' Equipment" is scheduled under Coverage B at the time of a covered loss, however, the most "we" will pay in any one occurrence for such rented or leased equipment is reduced to \$5,000 if no "Contractors' Equipment" is scheduled at the time of a covered loss.

- c. **Deductible applicable to Leased or Rented Equipment** - No deductible applies for this supplemental coverage extension.

2. Newly Purchased Property -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** - The most that "we" pay for any loss under this supplemental coverage is the least of the:
- 1) actual cash value of the covered property; or
 - 2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 25% of the Coverage B limits applies, subject to a maximum limit of \$75,000.
- c. **Time Limitation** - "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

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

- 1) this policy expires;
 - 2) 60 days after "you" obtain the additional "contractors' equipment"; or
 - 3) "you" report the additional "contractors' equipment" to "us".
- d. **Additional Premium** - "You" must pay any additional premium due from the date "you" purchase the additional "contractors' equipment".

3. 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 which 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.

4. Rental Reimbursement -

- a. **Coverage** - In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

- b. **Waiting Period** - "We" will not reimburse "you" for the rental of equipment until after the first 72-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.

- c. **Incurred Rental Expenses** - After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.

- d. **Coverage After Expiration Date** - "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.

- e. **Coverage Limitations** - "We" will not reimburse "you":

- 1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or
 - 2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.
- f. **Limit** - The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.

5. Spare Parts And Fuel -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to:
- 1) spare parts and accessories for "contractors' equipment"; and
 - 2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil, and hydraulic fluid.
- b. **Limit** - The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

Coverage Extensions for Coverages A, B and C

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, 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 "specified peril" other than fire or lightning; or
 - b) "flood" (if the 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 installation or construction projects 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 locations, buildings or structures, or projects 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 "specified 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** - Limited Fungus Limit is the most that "we" pay with respect to a specific occurrence of a loss which 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** - 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.

Perils Excluded for All Coverages Or As Noted

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 Or Volcanic Eruption (Coverage A Only) - "We" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either "earth movement" or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to covered property while in transit.

c. Flood (Coverage A Only) - "We" do not pay for loss caused by "flood". "We" do cover direct loss by fire, explosion, or sprinkler leakage resulting from "flood".

This exclusion does not apply to covered property while in transit.

d. Fungus (Coverage A Only) - 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".

But if "fungus" results in a "specified peril", we cover loss or damage caused by that "specified peril".

This exclusion does not apply to:

- 1) loss that results from fire or lightning; or
- 2) 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 (Coverage A Only) - "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. Penalties (Coverage A Only) - Except as provided under Supplemental Coverages - Contract Penalty, "we" do not pay for loss caused by penalties for non-completion or non-compliance with any contract terms or conditions.

h. Sewer Backup And Water Below The Surface (Coverage A Only) - Except as provided under Supplemental Coverages - Sewer Backup Coverage, "we" do not pay for loss caused by:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.

"We" do cover direct loss by fire, explosion, or theft resulting from either water that backs up through a sewer or drain or water below the surface of the ground.

This exclusion does not apply to covered property while in transit.

i. 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. 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.

b. 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 ventures, 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.

c. Defects, Errors, And Omissions (Coverage A Only) - "We" do not pay for loss caused by:

- 1) an act, defect, error, or omission (negligent or not) relating to:
 - a) design or specifications;
 - b) workmanship or construction; or
 - c) repair, renovation, or remodeling; or

- 2) a defect, weakness, inadequacy, fault, or unsoundness in materials.

But if a defect, error, or omission as described above results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- d. Electrical Currents (Coverage A Only)** - "We" do not pay for loss caused by arcing or by electrical currents other than lightning.

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

However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

- e. Explosion, Rupture, Or Bursting (Coverage A Only)** - "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.

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

- g. 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.

However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

- h. 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.

- i. 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 "specified peril"; or

2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- j. 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.

- k. 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.

- l. 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.

Deductibles Applicable to Coverage A, B and C, as Shown on the Declarations Page

The Coverage Deductible shown on the Declarations Page will apply to each loss after all other adjustments have been made. If a given loss involves more than one coverage part, only the highest deductible applies.

What Must Be Done In Case of A 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.
 - 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.
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 which 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;
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 Cost To Repair, Replace, Or Rebuild (Coverage A) -**
 - a. **The Value Will Be Based On -** The value of covered property will be based on the lesser of the following amounts:
 - 1) The actual cost to repair, replace, or rebuild the covered property with materials of like kind and quality. The actual cost may include material, labor, reasonable overhead and profit, and delivery charges.
 - 2) The amount "you" actually spend to repair, replace, or rebuild the covered property.
 - b. **Payment Limitation -** In no event will "we" pay more than the "limit" indicated on the "schedule of coverages".
2. **Pair Or Set (Coverage A, B and C) -** The value of a lost or damaged article that 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.
3. **Loss To Parts (Coverage A, B and C) -** 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. **Actual Cash Value (Coverage B and C) -** The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
 - a. **Replacement Cost Limitation (Coverage B and C) -** The replacement cost, when applicable, 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 (Coverage B and C) -** Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
 - c. **Time Limitation For (Coverage B and C) -** "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.

How Much We Pay

1. **Insurable Interest -** "We" do not pay for more than "your" insurable interest in any property.
2. **Deductible -** "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Flat Deductible (Coverage B) -** "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
4. **Percentage Deductible (Coverage B) -** When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
 - a. **Determining The Deductible Amount -** The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.

b. Two Or More Items - If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.

c. Minimum and Maximum Deductible - The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".

5. Earthquake Period - All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single loss. This 168-hour period is not limited by the policy expiration.

6. Loss Settlement Terms - Subject to paragraphs 1., 2., 3., 4., 5., 7., 8., and 9. under How Much We Pay, "we" pay the lesser of:

- a. the amount determined under Valuation;
- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".

7. Coinsurance

a. When Coinsurance Applies - "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages". Coinsurance does not apply to Coverage C. "Small Tools".

b. How We Determine Our Part Of The Loss - "Our" part of the loss is determined using the following steps:

- 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
- 2) divide the "limit" for covered property by the result determined in b.1) above;

3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

c. If There Is More Than One Limit - If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".

d. If There Is Only One Limit - If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

e. When Coinsurance Does Not Apply - Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

8. 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.

9. Insurance Under More Than One Policy -

a. Proportional Share - "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

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

10. Discovery Period for Loss - We will pay only for covered loss discovered no later than one year from the end of the policy period.

Loss Payment Options

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 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, a loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** - If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** - No one may bring a legal action against "us" under this coverage unless:
 - a. all of the "terms" of this coverage have been complied with; and
 - b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** - "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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 actual cash value of the covered property.

Definitions

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects. "Small tools" as defined in this endorsement, will not be considered "contractors equipment".

"Contractors' equipment" also means:
 - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
4. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.
5. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
6. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
7. "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.
8. "Jobsite" means any location, project, or work site where "you" are involved in an installation or construction project. For Coverage B "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
9. "Limit" means the amount of coverage that applies.
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. "Rigging" means rigging and includes moving, erecting, hoisting or lowering.
12. "Schedule of coverages" means:
 - a. all pages labeled schedule of coverages or schedules that pertain to this coverage; and

b. declarations or supplemental declarations that pertain to this coverage.

13. "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.

14. "Small Tools" means hand operated, including hand held tools, of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects. This includes their containers, spare parts and accessories. "Contractors equipment", as defined in this endorsement, will not be considered "small tools".

15. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

16. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

17. "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.

This Inland Marine Coverage is subject to the **terms** shown below.
The Inland Marine General Terms also apply.

PLEASE READ THIS CAREFULLY.

CONTRACTORS INSTALLATION, EQUIPMENT FLOATER AND SMALL TOOLS COVERAGE

Coverage Premiums, Limits of Insurance for Coverage A, B and C, applicable deductibles for all coverages, and Scheduled Equipment for Coverage B are shown on the Declarations page(s) or an accompanying Supplemental Declarations Page.

Coverage is only provided where limits of insurance, deductible amounts, and premium charges are specifically stated.

Insuring Agreement for Installation Coverage (Coverage A), If Coverage is Indicated on the Declarations Page

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Installation Coverage. 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" or supplemental declarations.

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

Property Covered

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

- 1. Coverage** - "We" cover direct physical loss caused by a covered peril, including while in transit, to materials, supplies, machinery, fixtures, and equipment that "you" are installing, constructing, or rigging as part of "your" installation or construction project.
- 2. Coverage Limitations** - "We" only cover:
 - a.** materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" completed installation or construction project; and
 - b.** an installation or construction project at "your" "jobsite".

However, if Scheduled Locations Coverage is indicated on the "schedule of coverages", "we" only cover an installation or construction project at a "jobsite" that is described on the "schedule of coverages".

- 3. Materials, Supplies, Machinery, Fixtures, And Equipment Means** - Materials, supplies, machinery, fixtures, and equipment means:
 - a.** "your" materials, supplies, machinery, fixtures, and equipment; and
 - b.** similar property of others that is in "your" care, custody, or control.
- 4. When Coverage Ceases** - Coverage ends when one of the following first occurs:
 - a.** this policy expires or is canceled;
 - b.** the covered installation or construction project is accepted by the purchaser;
 - c.** "your" insurable interest in the covered property ceases;
 - d.** "you" abandon the installation or construction project with no intent to complete it;
 - e.** the installation or construction project has been completed for more than 30 days; or

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- f. the covered property has been put to its intended use. However, this does not apply to roofs or walls.

Property Not Covered Installation Coverage Agreement (Coverage A)

- 1. **Airborne Property** - "We" do not cover property while airborne except while in transit on a regularly scheduled airline flight.
- 2. **Buildings, Structures, And Land** - "We" do not cover buildings, structures, or land.

However, "we" do cover property that is part of "your" installation or construction project and is in connection with any building or structure.
- 3. **Contraband** - "We" do not cover contraband or property in the course of illegal transportation or trade.

- 4. **Machinery, Tools, Equipment** - "We" do not cover machinery, tools, equipment, or similar property that will not become a permanent part of "your" installation or construction project.
- 5. **Money And Securities** - "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
- 6. **Trees, Shrubs, Or Plants** - "We" do not cover trees, shrubs, plants, or lawns.
- 7. **Waterborne Property** - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

Insuring Agreement for Contractors' Equipment (Coverage B), If Coverage is Indicated on the Declarations Page

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. 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" or supplemental declarations.

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

Property Covered

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

1. Scheduled Equipment -

a. Coverage - "We" cover direct physical loss caused by a covered peril to:

- (1) "your" "contractors' equipment"; and
- (2) "contractors' equipment" of others in "your" care, custody, or control.

b. Coverage Limitation - "We" only cover (1) "your" "contractors' equipment" (2) "contractors' equipment" of others:

- (1) that is described on the "equipment schedule"; and
- (2) when Scheduled Equipment is indicated on the "schedule of coverages".
- (3) when "contractors' equipment" of others is not scheduled, subject to a \$25,000 maximum limit unless that "contractors equipment" is scheduled.

2. Schedule On File -

a. Coverage - "We" cover direct physical loss caused by a covered peril to:

- (1) "your" "contractors' equipment"; and
- (2) "contractors' equipment" of others in "your" care, custody, or control.

b. Coverage Limitation - "We" only cover (1) "your" "contractors' equipment" (2) "contractors' equipment" of others:

- (1) that is described on the "equipment schedule"; and
- (2) when Scheduled Equipment is indicated on the "schedule of coverages".
- (3) when "contractors' equipment" of others is not scheduled, subject to a \$25,000 maximum limit unless that "contractors equipment" is scheduled.

Property Not Covered Contractors' Equipment Coverage, (Coverage B)

1. Aircraft Or Watercraft - "We" do not cover aircraft or watercraft, including barges.

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

3. Leased Or Rented Property - "We" do not cover property that "you" lease or rent to others.

4. Underground Mining Operations - "We" do not cover property while stored or operated underground in connection with any mining operations.

5. Vehicles - "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:

- a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
- b. vehicles designed for highway use that are unlicensed and not operated on public roads.

6. Waterborne Property - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

Insuring Agreement for "Small Tools" Coverage (Coverage C), If Coverage is Indicated on the Declarations Page

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the "Small Tools" Coverage. 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" or supplemental declarations.

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

Property Covered

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

1. Your "Small Tools" - "We" cover direct physical loss caused by a covered peril to your "small tools".

2. Employee Tools -

a. Coverage - "We" cover direct physical loss caused by a covered peril to "small tools" owned by "your" employees.

b. Coverage Limitation - "We" only cover "small tools" owned by "your" employees while at a:

- (1) premises that "you" own or operate; or
- (2) "jobsite".

c. **Limit** - The most "we" pay in any one occurrence for loss to employee tools is \$5,000.

3. "Small Tools" Leased or Rented from Others -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to "small tools" that "you" have leased or rented from others, but not including your employees.
- b. **Coverage Limitation** - "We" only cover "small tools" that "you" have leased or rented from others up to a limit of \$5,000.

The most we will pay for all covered property in the event of a loss is stated on the Declarations Page or Supplemental Declaration(s) page. The most we will pay for any one item in the event of loss on or off the described premises is stated on the Declarations or

Supplemental Declaration(s) Page. No coverage is provided on any one item with an actual cash value in excess of this amount.

Property Not Covered, Small Tools Coverage, (Coverage C)

- 1. **Contraband** - "We" do not cover contraband or property in the course of illegal transportation or trade.
- 2. **Leased Or Rented Property** - "We" do not cover property that "you" loan, lease or rent to others.
- 3. **Underground Mining Operations** - "We" do not cover property while stored or operated underground in connection with any mining operations.
- 4. **Waterborne Property** - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

Perils Covered, Applicable to Coverages A, B and C

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

Supplemental Coverages for Coverage A

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, 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, 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.

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

1. Contract Penalty -

- a. **Coverage** - "We" pay for the cost of contractual penalties for non-completion that "you" are assessed or are required to pay because "you" are unable to complete work on a covered installation or construction project in accordance with the terms or conditions of the installation or construction contract.
- b. **Coverage Limitation** - "Your" inability to complete "your" installation or construction project on time must be as a direct result of a loss by a covered peril to a covered installation or construction project.
- c. **Limit** - The most "we" pay in any one occurrence for all contractual penalties is \$5,000.

2. 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 which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** - The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

3. Sewer Backup Coverage -

- a. **Coverage** - "We" cover direct physical loss to a covered installation or construction project caused by:
 - (1) water that backs up through a sewer or drain; or
 - (2) water below the surface of the ground including water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.
- b. **Limit** - The most "we" pay in any one occurrence for loss caused by sewer backup and water below the surface is \$5,000.

4. Storage Locations -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" installation or construction project while they are at a storage location that is not described on the "schedule of coverages".
- b. **Limit** - The most "we" pay in any one occurrence for loss to property at a storage location is \$5,000.

5. Testing -

- a. **Coverage** - "We" cover direct physical loss to covered property caused by a covered peril that results from testing.

Testing includes start-up, performance, stress, pressure, or overload testing of materials, supplies, machinery, fixtures, and equipment that will become a permanent part of a covered installation or construction project.

- b. **Limit** - The most "we" pay in any one occurrence for loss resulting from testing is \$5,000.

Supplemental Coverages for Coverage B

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, 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, 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. Equipment Leased Or Rented From Others -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.
- b. **Limit** - The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000.

2. Newly Purchased Property -

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** - The most that "we" pay for any loss under this supplemental coverage is the least of the:

- (1) actual cash value of the covered property; or
- (2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 25% of the Coverage B limit applies, subject to a maximum limit of \$75,000.

- c. **Time Limitation** - "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

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

- (1) this policy expires;
- (2) 60 days after "you" obtain the additional "contractors' equipment"; or
- (3) "you" report the additional "contractors' equipment" to "us".

- d. **Additional Premium** - "You" must pay any additional premium due from the date "you" purchased the additional "contractors' equipment".

3. 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 which 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.

4. Rental Reimbursement -

a. Coverage - In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

b. Waiting Period - "We" will not reimburse "you" for the rental of equipment until after the first 72 hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.

c. Incurred Rental Expenses - After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.

d. Coverage After Expiration Date - "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.

e. Coverage Limitations - "We" will not reimburse "you":

(1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or

(2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.

f. Limit - The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.

5. Spare Parts And Fuel -

a. Coverage - "We" cover direct physical loss caused by a covered peril to:

(1) spare parts and accessories for "contractors' equipment"; and

(2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil and hydraulic fluid.

b. Limit - The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

Coverage Extensions for Coverage A, B and C

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, 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.

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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 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 "specified peril" other than fire or lightning; or
 - (b) "flood" (if the 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 installation or construction projects 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 locations, buildings or structures, or projects 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 "specified 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** - Limited Fungus Limit is the most that "we" pay with respect to a specific occurrence of a loss which 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** - 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.

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Perils Excluded for All Coverages Or As Noted

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 Or Volcanic Eruption (Coverage A Only) - "We" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either "earth movement" or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to covered property while in transit.

c. Flood (Coverage A Only) - "We" do not pay for loss caused by "flood".

"We" do cover direct loss by fire, explosion, or sprinkler leakage resulting from "flood".

This exclusion does not apply to covered property while in transit.

d. Fungus (Coverage A Only) - 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".

But if "fungus" results in a "specified peril", we cover loss or damage caused by that "specified peril".

This exclusion does not apply to:

- (1) loss that results from fire or lightning; or
- (2) 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 (Coverage A Only) - "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. Penalties (Coverage A Only) - Except as provided under Supplemental Coverages - Contract Penalty, "we" do not pay for loss caused by penalties for non-completion or non-compliance with any contract terms or conditions.

h. Sewer Backup And Water Below The Surface (Coverage A Only) - Except as provided under Supplemental Coverages - Sewer Backup Coverage, "we" do not pay for loss caused by:

- (1) water that backs up through a sewer or drain; or
- (2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.

"We" do cover direct loss by fire, explosion, or theft resulting from either water that backs up through a sewer or drain or water below the surface of the ground.

This exclusion does not apply to covered property while in transit.

i. 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. 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.

b. 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.

c. Defects, Errors, And Omissions (Coverage A Only) - "We" do not pay for loss caused by:

- (1) an act, defect, error, or omission (negligent or not) relating to:
 - (a) design or specifications;
 - (b) workmanship or construction; or
 - (c) repair, renovation, or remodeling; or

(2) a defect, weakness, inadequacy, fault, or unsoundness in materials.

But if a defect, error, or omission as described above results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

d. Electrical Currents (Coverage A Only) - "We" do not pay for loss caused by arcing or by electrical currents other than lightning.

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

However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

e. Explosion, Rupture, Or Bursting (Coverage A Only) - "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.

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

g. 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.

However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

h. 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.

i. 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 "specified peril"; or

(2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

j. 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.

k. 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.

l. 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.

Deductibles Applicable to Coverage A, B and C, as Shown on the Declarations Page

The Coverage Deductible shown on the Declarations Page will apply to each loss after all other adjustments have been made. If a given loss involves more than one coverage part, only the highest deductible applies.

What Must Be Done In Case of A 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 which 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 Cost To Repair, Replace, Or Rebuild (Coverage A)** -
 - a. **The Value Will Be Based On** - The value of covered property will be based on the lesser of the following amounts:
 - (1) The actual cost to repair, replace, or rebuild the covered property with materials of like kind and quality. The actual cost may include material, labor, reasonable overhead and profit, and delivery charges.
 - (2) The amount "you" actually spend to repair, replace, or rebuild the covered property.
 - b. **Payment Limitation** - In no event will "we" pay more than the "limit" indicated on the "schedule of coverages".
2. **Pair Or Set (Coverage A, B and C)** - The value of a lost or damaged article that 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.
3. **Loss To Parts (Coverage A, B and C)** - 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. **Actual Cash Value (Coverage B and C)** - The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
 - a. **Replacement Cost Limitation (Coverage B and C)** - The replacement cost, when applicable, 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 (Coverage B and C)** - Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
 - c. **Time Limitation For (Coverage B and C)** - "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.

How Much We Pay

1. **Insurable Interest** - "We" do not pay for more than "your" insurable interest in any property.
2. **Deductible** - "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Flat Deductible (Coverage B)** - "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
4. **Percentage Deductible (Coverage B)** - When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
 - a. **Determining The Deductible Amount** - The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.
 - b. **Two Or More Items** - If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.

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c. Minimum and Maximum Deductible - The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".

5. Earthquake Period - All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single loss. This 168-hour period is not limited by the policy expiration.

6. Loss Settlement Terms - Subject to paragraphs 1., 2., 3., 4., 5., 7., 8., and 9. under How Much We Pay, "we" pay the lesser of:

- a. the amount determined under Valuation;
- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".

7. Coinsurance

a. When Coinsurance Applies - "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".

b. How We Determine Our Part Of The Loss - "Our" part of the loss is determined using the following steps:

- (1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
- (2) divide the "limit" for covered property by the result determined in b.(1) above;
- (3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.(2) above.

The most "we" pay is the amount determined in b.(3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

c. If There Is More Than One Limit - If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".

d. If There Is Only One Limit - If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

e. When Coinsurance Does Not Apply - Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

8. 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.

9. Insurance Under More Than One Policy

a. Proportional Share - "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

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

10. Discovery Period for Loss - We will pay only for covered loss discovered no later than one year from the end of the policy period.

Loss Payment Options

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 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:
- "you" must notify "us" promptly if "you" recover property or receive payment;
 - "we" must notify "you" promptly if "we" recover property or receive payment;
 - any recovery expenses incurred by either are reimbursed first;
 - "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
 - 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, 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:
- all of the "terms" of this coverage have been complied with; and
 - the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** - "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.
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 actual cash value of the covered property.

Definitions

- The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
 - The words "we", "us", and "our" mean the company providing this coverage.
 - "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects. "Small tools" as defined in this endorsement, will not be considered "contractors equipment".
- "Contractors' equipment" also means:
- self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - vehicles designed for highway use that are unlicensed and not operated on public roads.
- "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.

5. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
6. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
7. "Fungus" means:
- a fungus, including but not limited to mildew and mold;
 - a protist, including but not limited to algae and slime mold;
 - wet rot and dry rot;
 - a bacterium; or
 - 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.
8. "Jobsite" means any location, project, or work site where "you" are involved in an installation or construction project. For Coverage B "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
9. "Limit" means the amount of coverage that applies.
10. "Pollutant" means:
- 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
 - electrical or magnetic emissions, whether visible or invisible, and sound emissions.
11. "Schedule of coverages" means:
- all pages labeled schedule of coverages or schedules that pertain to this coverage; and
 - declarations or supplemental declarations that 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. "Small Tools" means hand operated, including hand held tools, of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects. This includes their containers, spare parts and accessories. "Contractors equipment", as defined in this endorsement, will not be considered "small tools".
14. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.
- Falling objects does not include loss to:
- personal property in the open; or
 - the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.
- Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.
15. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
16. "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.

SCHEDULE OF COVERAGE LIMIT AMENDMENTS TO THE CONTRACTORS INSTALLATION, EQUIPMENT FLOATER AND SMALL TOOLS COVERAGE COMBINATION COVERAGE FORM

THIS ENDORSEMENT CHANGES YOUR COVERAGE, PLEASE READ IT CAREFULLY.

IF NO ADDITIONAL DOLLAR LIMIT IS SHOWN IN THE SPACES PROVIDED FOR SUPPLEMENTAL LIMIT AMENDMENTS, AS SHOWN BELOW; THE LIMIT PROVIDED IN THE COVERAGE FORM TO WHICH THIS SCHEDULE ATTACHES, WILL APPLY.

Supplemental Coverages – Coverage B - Contractors' Equipment

1. b. Equipment Leased or Rented From Others (Coverage B Supplemental Coverages) when Contractors' Equipment has been Scheduled

1. b. Limit - The most "we" pay in any one occurrence for equipment leased or rented from others is increased from \$25,000 to \$_____ under Contractors' Equipment (Coverage B) coverage section.

OR,

1. b. Equipment Leased or Rented From Others (Coverage B Supplemental Coverages) applicable when Contractors' Equipment has NOT been Scheduled under Coverage B.

1. b. Limit - The most "we" pay in any one occurrence for equipment leased or rented from others is increased from \$5,000 to \$_____ under Contractors' Equipment (Coverage B). This increase in coverage only applies when Contractors Equipment has **NOT** been Scheduled at the time of a covered loss.

Rental Reimbursement (Coverage B Supplemental Coverages)

4. f. Limit - The most "we" reimburse "you" in any one occurrence for rental expenses is increased from \$5,000 to \$_____

**SCHEDULE OF COVERAGE LIMIT AMENDMENTS TO THE
CONTRACTORS INSTALLATION, EQUIPMENT FLOATER AND
SMALL TOOLS COVERAGE COMBINATION COVERAGE FORM**

THIS ENDORSEMENT CHANGES YOUR COVERAGE, PLEASE READ THIS CAREFULLY.

IF NO ADDITIONAL DOLLAR LIMIT IS SHOWN IN THE SPACES PROVIDED FOR SUPPLEMENTAL LIMIT AMENDMENTS, AS SHOWN BELOW; THE LIMIT PROVIDED IN THE COVERAGE FORM TO WHICH THIS SCHEDULE ATTACHES, WILL APPLY.

Equipment Leased or Rented From Others (Coverage B Supplemental Coverages)

- 1.b. Limit** -- The most "we" pay in any one occurrence for equipment leased or rented from others is revised from \$25,000 to \$ ____* .

Rental Reimbursement (Coverage B Supplemental Coverages)

- 4.f. Limit** -- The most "we" reimburse "you" in any one occurrence for rental expenses is revised from \$5,000 to \$ ____* .

* If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.

SERFF Tracking Number: UNFG-125267268 *State:* Arkansas
First Filing Company: Lafayette Insurance Company, ... *State Tracking Number:* AR-PC-07-025896
Company Tracking Number:
TOI: 09.0 Inland Marine *Sub-TOI:* 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Commercial Inland Marine
Project Name/Number: CM7045 & CM7046 0807/IM-AR-UFC/LAF-01012008-XX-XX-F

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: UNFG-125267268 State: Arkansas
First Filing Company: Lafayette Insurance Company, ... State Tracking Number: AR-PC-07-025896
Company Tracking Number:
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Commercial Inland Marine
Project Name/Number: CM7045 & CM7046 0807/IM-AR-UFC/LAF-01012008-XX-XX-F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 08/27/2007

Comments:

Attachment:

IM AR Prop & Cas Trans Doc F777AR_021307[1].pdf

Satisfied -Name: Cover Letter **Review Status:** Approved 08/27/2007

Comments:

Attachment:

IM FILING EFF 1-08 COVER LETTERS FOR AR.pdf

Satisfied -Name: Form Filing Schedule **Review Status:** Approved 08/27/2007

Comments:

Attachment:

IM AR Form Filing Schedule F778AR.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:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

3. Group Name	Group NAIC #
UNITED FIRE GROUP	248

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
UNITED FIRE & CASUALTY COMPANY	IA	13021	42-0644327	NA
LAFAYETTE INSURANCE COMPANY	LA	18295	72-0232830	NA

5. Company Tracking Number	IM-AR-UFC/LAF-01012008-XX-XX-F
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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
	DAVID RUDE	Analyst	800-332-7977	3192862552	drude@unitedfiregroup.com
	118-2nd Ave SE Cedar Rapids, IA 52401				
7.	Signature of authorized filer				
8.	Please print name of authorized filer		David Rude		

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

9. Type of Insurance (TOI)	9.0000 Inland Marine
10. Sub-Type of Insurance (Sub-TOI)	9.0005 Inland Marine
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	09
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 01-01-2008 Renewal: 01-01-2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	NA

17. Reference Organization # & Title	NA
18. Company's Date of Filing	8-27-2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	IM-AR-UFC/LAF-01012008-XX-XX-F
--	--------------------------------

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

The following details the changes made to the 08-07 form editions:

BROADENINGS OF COVERAGE - CM 70 45

Insuring Agreement for Installation Coverage (Coverage A)

Property Covered

1. Coverage and 2. Coverage Limitations
Un-named storage locations added without a sub-limit.
Rigging is now a defined term

Supplemental Coverages for Coverage A

4. Storage Locations (not described on the schedule) was limited to \$5,000– Removed. Coverage is now found in Property Covered without a sub-limit.

Supplemental Coverages for Coverage B

1. Equipment Leased or Rented From Others
 - b. Limit- changed from \$25,000 to \$25,000 when Equipment is scheduled at the time of a covered loss but is reduced to \$5,000 if no Contractors Equipment is scheduled at the time of loss. This allows for a small account that has no CEF to have a minimum amount of coverage built in for rental coverage, should they not exercise coverage from a renter of equipment.

CLARIFICATION OF COVERAGE - CM 70 45

Supplemental Coverages for Coverage B

1. Equipment Leased or Rented From Others
 - c. Deductible Applicable to Leased or Rented Equipment – NEW - [we now state that No deductible will apply]. This in not a change but a clarification

How Much We Pay

7. Coinsurancedoes not apply to small tools [we now state this position in the policy]

Definitions

11. Rigging is now added and defined the same as AAIS has defined it in other forms

NARROWING OF COVERAGE - CM 70 45

Property Not Covered

Property Not Covered Installation (Coverage A) 8. Underground Property
Property Not Covered, Contractors Equipment (Coverage B) 7. Underground Property
Property Not Covered, Small Tools Coverage (Coverage C) 5. Underground Property

Underground Property is added to state that we do not cover property that is underground, in caissons or underwater (this coverage is normally negotiated and added by endorsement)

ADDITIONAL COVERAGE ON CM 70 46 08 07 SCHEDULE

We can now Schedule a higher limit than \$5,000 for Rented Equipment above the amount that is in the form when no Contractors Equipment has been scheduled.

The state mandatory amendatory forms will continue to apply.

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 #: EFT
Amount: \$50.00

\$50 PER SUBMISSION

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.)**

August 27, 2007

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

**RE: NAIC GROUP #248 – UNITED FIRE GROUP
NAIC COMPANY #13021 – UNITED FIRE & CASUALTY COMPANY
NAIC COMPANY #18295 – LAFAYETTE INSURANCE COMPANY
COMMERCIAL INLAND MARINE - OPTIONAL CONTRACTORS INSTALLATION FORM
COMBINED WITH EQUIPMENT FLOATER AND SMALL TOOL COVERAGE
CM 70 45 08 07 TO REPLACE THE 03 06 EDITION
CM 70 46 08 07 SCHEDULE FOR CM 70 45 - REPLACES THE 03 06 EDITION**

EFFECTIVE: 1-1-2008

The following details the changes made to the 08-07 form editions:

BROADENINGS OF COVERAGE - CM 70 45

Insuring Agreement for Installation Coverage (Coverage A)

Property Covered

1. Coverage and 2. Coverage Limitations
Un-named storage locations added without a sub-limit.
Rigging is now a defined term

Supplemental Coverages for Coverage A

4. Storage Locations (not described on the schedule) was limited to \$5,000– Removed. Coverage is now found in Property Covered without a sub-limit.

Supplemental Coverages for Coverage B

1. Equipment Leased or Rented From Others
 - b. Limit- changed from \$25,000 to \$25,000 when Equipment is scheduled at the time of a covered loss but is reduced to \$5,000 if no Contractors Equipment is scheduled at the time of loss. This allows for a small account that has no CEF to have a minimum amount of coverage built in for rental coverage, should they not exercise coverage from a renter of equipment.

CLARIFICATION OF COVERAGE - CM 70 45

Supplemental Coverages for Coverage B

1. Equipment Leased or Rented From Others
 - c. Deductible Applicable to Leased or Rented Equipment – NEW - [we now state that No deductible will apply]. This in not a change but a clarification

How Much We Pay

7. Coinsurancedoes not apply to small tools [we now state this position in the policy]

Definitions

11. Rigging is now added and defined the same as AAIS has defined it in other forms

NARROWING OF COVERAGE - CM 70 45

Property Not Covered

Property Not Covered Installation (Coverage A) 8. Underground Property
Property Not Covered, Contractors Equipment (Coverage B) 7. Underground Property
Property Not Covered, Small Tools Coverage (Coverage C) 5. Underground Property

Underground Property is added to state that we do not cover property that is underground, in caissons or underwater (this coverage is normally negotiated and added by endorsement)

ADDITIONAL COVERAGE ON CM 70 46 08 07 SCHEDULE

We can now Schedule a higher limit than \$5,000 for Rented Equipment above the amount that is in the form when no Contractors Equipment has been scheduled.

The state mandatory amendatory forms will continue to apply.

Thank you.

UNITED FIRE & CASUALTY COMPANY
and
LAFAYETTE INSURANCE COMPANY

DAVID RUDE, ANALYST
CORPORATE UNDERWRITING DEPT

DR/sb/enc

IM-AR-UFC-01012008-XX-XX-F-CM7045 & CM7046 0807
IM-AR-LAF-01012008-XX-XX-F-CM7045 & CM7046 0807

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 #	IM-AR-UFC/LAF-01012008-XX-XX-F			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	NA			
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	Contractors Installation, Equipment Floater and Small Tools Coverage	CM 70 45 08 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CM 70 45 03 06	
02	Schedule of Coverage Limit Amendments to the Contractors Installation, Equipment Floater and Small Tools Coverage Combination Coverage Form	CM 70 46 08 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CM 70 46 03 06	
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		