

SERFF Tracking Number: SMM-125279408 State: Arkansas  
First Filing Company: State Auto Property and Casualty Insurance Company, ... State Tracking Number: AR-PC-07-025980  
Company Tracking Number: SAC-ML-2007-870  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability Sub-TOI: 05.0000 CMP Sub-TOI Combinations  
Product Name: Comm'l Multi-Line 09/01/2007  
Project Name/Number: Comm'l Multi-Line 09/01/2007/SAC-ML-2007-870

## Filing at a Glance

Companies: State Auto Property and Casualty Insurance Company, State Automobile Mutual Insurance Company  
Product Name: Comm'l Multi-Line 09/01/2007 SERFF Tr Num: SMM-125279408 State: Arkansas  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: AR-PC-07-025980  
Sub-TOI: 05.0000 CMP Sub-TOI Combinations Co Tr Num: SAC-ML-2007-870 State Status:  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding  
Authors: Kathy Hartwell, Matthew Rowland Disposition Date: 09/06/2007  
Date Submitted: 08/31/2007 Disposition Status: Approved  
Effective Date Requested (New): 09/01/2007 Effective Date (New): 09/01/2007  
Effective Date Requested (Renewal): 10/26/2007 Effective Date (Renewal): 10/26/2007

## General Information

Project Name: Comm'l Multi-Line 09/01/2007 Status of Filing in Domicile:  
Project Number: SAC-ML-2007-870 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 09/06/2007  
State Status Changed: 08/31/2007 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
Commercial Multiple Lines – New and Revised Endorsements

With this filing State Auto is implementing changes to our policy forms. Please see Exhibit I.

### Plus Endorsements

We are enhancing proprietary endorsements referred to as "Plus" forms. These are endorsements that package



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## Company and Contact

### Filing Contact Information

Kathy Hartwell, Supervisor, State Filings kathy.hartwell@stateauto.com  
 State Auto Insurance Companies (800) 695-9436 [Phone]  
 Columbus, OH 43215 (614) 719-0299[FAX]

### Filing Company Information

State Auto Property and Casualty Insurance CoCode: 25127 State of Domicile: Iowa  
 Company  
 1300 Woodland Avenue Group Code: 175 Company Type: Property and  
 Casualty

P. O. Box 66150  
 West Des Moines, IA 50265-0150 Group Name: State ID Number:  
 (614) 464-5000 ext. [Phone] FEIN Number: 57-6010814  
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State Automobile Mutual Insurance Company CoCode: 25135 State of Domicile: Ohio  
 518 East Broad Street Group Code: 175 Company Type: Property and  
 Casualty

P. O. Box 182822  
 Columbus, OH 43215 Group Name: State ID Number:  
 (614) 464-5000 ext. [Phone] FEIN Number: 31-4316080  
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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Auto Property and Casualty Insurance	\$0.00	08/31/2007	

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Company  
State Automobile Mutual Insurance Company \$50.00 08/31/2007 15385743



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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	09/06/2007	09/06/2007

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Filing Description	Note To Reviewer	Matthew Rowland	08/31/2007	08/31/2007

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## Disposition

Disposition Date: 09/06/2007  
Effective Date (New): 09/01/2007  
Effective Date (Renewal): 10/26/2007  
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	Exhibit I	Approved	Yes
Form	Preferred Business Policy Plus Endorsement	Approved	Yes
Form	Restaurant Supplement Endorsement	Approved	Yes
Form	Manufacturer Supplement Endorsement	Approved	Yes
Form	Church Supplement Endorsement	Approved	Yes
Form	Fuel Supplement Endorsement	Approved	Yes
Form	Auto Service Supplement	Approved	Yes
Form	Conditional Terrorism Exclusion	Approved	Yes
Form	Policyholder Disclosure - Notice Of Terrorism Insurance Coverage	Approved	Yes
Form	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage (Pursuant To Terrorism Risk Insurance Act)	Approved	Yes



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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Preferred Business Policy Plus Endorsement	SI 10 01	06 07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 SI 10 01 01 06 Previous Filing #:		SI 10 01 06 07 PBP Plus Final Version.pdf
Approved	Restaurant Supplement Endorsement	SI 10 02	06 07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 SI 10 02 01 06 Previous Filing #:		SI 10 02 06 07 Restaurant Supplement.pdf
Approved	Manufacturer Supplement Endorsement	SI 10 03	06 07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 SI 10 03 12 02 Previous Filing #:		SI 10 03 06 07 Manufacture r Supplement.pdf
Approved	Church Supplement Endorsement	SI 10 04	06 07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 SI 10 04 01 06 Previous Filing #:		SI 10 04 06 07 Church Supplement.pdf
Approved	Fuel Supplement Endorsement	SI 10 05	06 07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 SI 10 05 12 02 Previous Filing #:		SI 10 05 06 07 Fuel Supplement.pdf
Approved	Auto Service Supplement	SI 10 15	06 07	Endorsement/Amendment/Conditions New		0.00	SI 10 15 06 07 Auto Service Supplement.pdf
Approved	Conditional Terrorism Exclusion	CL 16 30	06 06	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 CL 16 30 06 04 Previous Filing #:		CL 16 30 06 06 Conditional

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Terrorism  
 Exclusion.pdf

Approved	Policyholder Disclosure - Notice Of Terrorism Insurance Coverage	PN 00 83 01 07	Disclosure/ Notice	Replaced	Replaced Form #:0.00 PN 00 83 08 03 Previous Filing #:	PN 00 83 01 07 TRIA Disclosure - New Renewal.pdf
Approved	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage (Pursuant To Terrorism Risk Insurance Act)	IL 09 99 01 07	Endorseme nt/Amendm ent/Condi tions	Replaced	Replaced Form #:0.00 IL 09 99 05 04 Previous Filing #:	IL 09 99 01 07 Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage.pdf



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## Preferred Business Policy Plus Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:

1. Paragraph A.1.a.(4)(a) is revised to read, "Fire detection and extinguishing equipment".
2. The provision relating to "within 100 feet of the described premises" contained in sections A.1.a.(5)(b), A.1.b., A.1.c.(2), and the first paragraph of A.5. are revised to read "within 500 feet of the described premises."
3. "Signs (other than signs attached to buildings)" is deleted from Property Not Covered, section A.2.q.(2).
4. The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended as shown:

Section	Coverage Description	The most we will pay provision is increased to
A.4.a.(4)	Limits of Insurance – Debris Removal	\$50,000
A.4.c.	Fire Department Service Charge	\$ 3,000
A.4.f.(4)	Electronic Data	\$5,000
A.5.a.(1)	Newly Acquired or Constructed Property – Building	\$1,000,000
A.5.a.(2)	Newly Acquired or Constructed Property – Your Business Personal Property	\$ 500,000
A.5.a.(3)(b)	"30 days" is replaced by "90 days"	
A.5.b.	Personal Effects and Property of Others	\$25,000
A.5.c. (4)	Valuable Papers and Records (Other Than Electronic Data)	\$15,000
A.5.d.	Property Off Premises	
A.5.d.(1)	Your Covered Property is amended to include property in the care of salespersons	
A.5.d.(2)	This paragraph is deleted.	
A.5.d.(3)	This limit is increased to:	\$25,000
A.5.e.	Paragraph A.5.e. is deleted; For coverage on Outside Signs (A.5.j) and Outdoor Property (A.6.g) see the referenced paragraphs in this endorsement.	
E.7.b.	Valuation – This provision is changed to read "\$5,000 or less"	

5. The following coverages are added to Additional Coverages under section A.4.:

- g. Arson and Theft Information. We will pay the expenses to provide a reward for information leading to:
  - (1) An arson conviction in connection with a covered fire; or
  - (2) A conviction in connection with theft of Your Business Personal Property.Costs incurred in advertising the reward are included. The most we will pay under this provision is \$5,000. This limit applies per occurrence regardless of the number of persons providing information. No deductible applies to this additional coverage.
- h. Brands and Labels. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

- (1)** Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2)** Remove the brands and labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity prescribed in h.(1) or h.(2) above. But the total we pay for these costs and the value of the damage property will not exceed the applicable Limit of Insurance on such property.

- i.** Business Personal Property Limit – Seasonal Automatic Increase. The limit of insurance for Your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Your Business Personal Property in the declarations is at least 100% of your average monthly values during the lesser of:
    - (1)** The 12 months immediately preceding the date the loss or damage occurs; or
    - (2)** The period of time you have been in business as of the date the loss or damage occurs.
  - j.** Outside Signs. You may extend the insurance provided by this Coverage Form to apply to your outside signs, whether or not such signs are attached to buildings. Outside signs are insured against all causes of loss as defined in the Cause of Loss – Special Form.

The provisions related to outdoor signs attached to buildings in item C. Limits of Insurance do not apply.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.
  - k.** Fire Extinguisher Recharge. We will pay for your expense to recharge portable fire extinguishers used to fight a fire at the premises described in the Declarations or at immediately adjacent premises that expose your property to loss. The most we will pay under this provision is \$5,000. No deductible applies to this additional coverage.
  - l.** Inflation Guard. The Limits of Insurance for Buildings and Your Business Personal Property under the policy to which this endorsement is attached will automatically increase by an annual percentage of 4%. The amount of increase will be:
    - (1)** The Limit of insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
    - (2)** 4%, times
    - (3)** The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.
- 6.** The following are added to the Coverage Extensions under Section A.5.
- g.** Outdoor Property. You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants resulting from any of the "specified causes of loss" as defined in the Causes of Loss – Special Form. The most we will pay for loss or damage under this Additional Coverage is \$10,000, but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.
  - h.** Accounts Receivable. You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:
    - (1)** All amounts due you from your customers that you are unable to collect;
    - (2)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
    - (3)** Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
    - (4)** Other reasonable expenses that you incur to reestablish the records of your accounts receivable that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable. This insurance applies to accounts receivable while:
      - (a)** On premises scheduled in the Declarations of this policy;
      - (b)** While being conveyed outside the premises; or
      - (c)** While temporarily at other premises.

We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions; or
  - (2) Faulty installation or maintenance of data processing equipment or component parts,
- But we will pay for direct loss or damage caused by lightning.

The most we will pay under this Extension is \$25,000 at each described premises.

- i. Back Up of Sewers or Drains. You may extend the insurance that applies to property covered by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to your property caused by water that:

- (1) Backs up through sewers or drains; or
- (2) Enters into and overflows from within a:
  - (a) Sump pump;
  - (b) Sump pump well; or
  - (c) Other type system;designed to remove subsurface water from the foundation area.

The most we will pay for loss or damage under this Extension in any one occurrence is \$10,000 at each location shown in the Declarations. The most we will pay for such loss or damage in any one occurrence at all locations shown in the Declarations is \$50,000.

- j. Business Income and Extra Expense. We will pay for the actual loss of Business Income, including "rental value" you sustain and Extra Expense you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at the premises described in the Declarations. The loss or damage must be caused by or result from a Covered cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 500 feet of the site at which the described premises are located. If you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
  - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (1) The most we will pay for loss or damage under this Extension in one occurrence is \$50,000.
  - (2) Business Income means the:
    - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
    - (b) Continuing normal operating expenses incurred, including payroll.For manufacturing risks, Net Income includes the net sales value of production.
  - (3) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
- (b) Minimize the "suspension" of business if you cannot continue "operations".

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

- (4) "Operations" means:
  - (a) Your business activities occurring at the described premises; and
  - (b) The tenantability of the described premises.
- (5) "Rental value" means Business Income that consists of:
  - (a) Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and

equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- (b)** Continuing normal operating expenses incurred in connection with that premises, including:
  - (i)** Payroll; and
  - (ii)** The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

**(6)** "Period of restoration" means the period of time that:

- (a)** Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b)** Ends on the earlier of:
  - (i)** The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (ii)** The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (i)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

**(7)** "Suspension" means:

- (a)** The slowdown or cessation of your business activities; or
- (b)** That a part of all of the described premises is rendered untenable

**k.** Claim Data Expense. You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of the loss.

The most we will pay for preparation of claim data under this Extension is \$5,000. We will not pay for any expenses billed by and payable to insurance adjusters or attorneys or any costs as provided in the Loss Condition Appraisal.

**l.** Consequential Damage. You may extend the insurance that applies to Your Business Personal Property to apply to the consequential loss of your undamaged product part or parts. Consequential damage means a part or parts of your product are physically lost or damaged by a covered cause of loss causing the part or parts that are undamaged to be unmarketable as a complete product. The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.

**m.** Credit Card Slips. You may extend the insurance that applies to Your Business Personal Property to apply to amounts you are unable to collect due to loss of or damage to credit card slips while located at the described premises as a result of a Covered Cause of Loss.

It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

- (1)** If you have been in business for more than twelve months at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.
- (2)** If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.
- (3)** The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

The most we will pay as a result of loss or damage to credit card slips under this Extension is \$5,000. No deductible applies to this Extension.

**n.** Difference In Value – Leased Equipment. You may extend the insurance that applies to Your Business Personal Property to cover the difference between the amount due under a lease

agreement on covered personal property on the described premises and the replacement cost or actual cash value of that leased personal property.

The most we will pay under this Extension is the greater of the:

- (1)** Amount due under the terms of the lease to which your business personal property is subject, but not to include:
    - (a)** Overdue lease payments;
    - (b)** Financial penalties imposed under the lease due to excessive use or abnormal wear and tear; or
    - (c)** Security deposits not refunded by the lessor; or
  - (2)** Replacement cost if that is shown in the declarations as applying to Your Business Personal Property; or
  - (3)** Actual cash value if that is shown in the declarations as applying to Your Business Personal Property.
- o.** Employee Theft. You may extend the insurance that applies to Your Business Personal Property to apply to loss of and or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.
- (1)** We will not pay for loss as specified below:
    - (a)** Item B.1.h., Exclusions, in the CAUSES OF LOSS – SPECIAL FORM, is replaced by the following: Loss resulting from “theft” or any other dishonest act committed by:
      - (i)** You; or
      - (ii)** Any of your partners or members;  
whether acting alone or in collusion with other persons.
    - (b)** Loss caused by any “employee” of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation; or
    - (c)** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon
      - (i)** An inventory computation; or
      - (ii)** A profit and loss computation.However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
    - (d)** Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
    - (e)** Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
    - (f)** Loss that is an indirect result of any act or “occurrence” covered by this insurance.
    - (g)** Expenses related to any legal action.
    - (h)** Loss caused by any “employee” immediately upon discovery by:
      - (i)** You; or
      - (ii)** Any of your partners, members, managers, officers, directors or trustees not in collusion with the “employee”;  
of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.
  - (2)** “Employee”
    - (a)** Means any natural person:
      - (i)** While in your service or for 30 days after termination of service;
      - (ii)** Who you compensate directly by salary, wages or commissions; and
      - (iii)** Who you have the right to direct and control while performing services for you;
    - (b)** Any natural person who is furnished temporarily to you:

(i) To substitute for a permanent "employee" as defined in (a) above, who is on leave; or

(ii) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

(c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as define in Paragraph (b) above;

(d) Any natural person who is a former "employee", director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

(e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.

(f) "Employee" does not mean:

(i) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(ii) Any manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee."

(3) "Money" means:

(a) Currency, coins and bank notes in current use and having a face value; and

(b) Travelers checks, register checks and money orders held for sale to the public.

(4) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

(5) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

(a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

(6) "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

The most we will pay for loss or damage under this Extension is \$5,000 in any one occurrence.

No deductible applies to this Extension.

"Occurrence" means all loss caused by, or involving, one or more "employees," whether the result of a single act or a series of acts.

p. Fine arts. You may extend coverage that applies to Your Business Personal Property to cover loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or rarity, having historical values or artistic merit. This Extension is subject to the following:

(1) Loss or damage was caused by a Covered Cause of Loss;

(2) The most we will pay for loss or damage under this Extension is \$25,000 at each described premises;

(3) Item 2.b. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, pertaining to breakage, does not apply to this coverage; and

(4) The following is added as item f. to paragraph 7, Valuation, of Section E. Loss Conditions, in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: Fine Arts at market value at the time of loss or damage.

q. Forgery or Alteration. You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from "forgery" or alteration of, any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

Or that are purported to have been so made or drawn.

If you are sued for refusing to pay any instrument covered in the paragraph above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.

“Forgery” means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.

“Money” means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$5,000.

- r. **Lock Replacement.** You may extend the insurance that applies to Covered Property to pay for expenses incurred to replace door locks or tumblers of your described premises due to theft of your door keys. Item 1.e. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, shall not apply to this coverage. The most we will pay under this Extension is \$1,000 in any one occurrence. A \$100 deductible applies to this Extension.
- s. **Money and Securities.** You may extend the insurance that applies to Your Business Personal Property to apply to loss of “money”, “securities”, stamps or lottery tickets held for sale, and “other property”. The most we will pay for loss resulting directly from “theft”, disappearance or destruction under this Extension is:
  - (1) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale while located at the described premises; or
  - (2) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale, and “other property” while being conveyed outside the described premises by you, your officers, your partners or your employees. However, coverage for “other property” is limited to loss or damage resulting from an actual or attempted “robbery”.
  - (3) “Money” means:
    - (a) Currency, coins and bank notes in current use and having a face value; and
    - (b) Travelers checks, register checks and money orders held for sale to the public.

“Other property” means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property excluded under this insurance.

“Robbery” means the unlawful taking of property from the care and custody of a person by one who has:

- (a) Caused or threatened to cause that person bodily harm; or
- (b) Committed an obviously unlawful act witnessed by that person.

“Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.

“Theft” means the unlawful taking of “money”, “securities”, or “other property” to the deprivation of the insured.

- t. **Money Orders and Counterfeit Paper Currency.** You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from your having accepted in good faith, in exchange for merchandise, “money” or services:
  - (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (2) “Counterfeit” paper currency that is acquired during the regular course of business.“Money” means:
  - (a) Currency, coins and bank notes in current use and having a face value; and
  - (b) Travelers checks, register checks and money orders held for sale to the public.

“Counterfeit” means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

The most we will pay for any loss under this Extension is \$2,000.

- u. Ordinance or Law. You may extend the insurance that applies to Your Building only if both (1) and (2) below are satisfied and are then subject to the qualifications set forth in (3) as follows:

(1) The ordinance or law:

- (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (b) Is in force at the time of loss.

But this coverage extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage extension.

(2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

(b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

(c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

(3) In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this coverage extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage extension.

(4) We will not pay under this coverage extension:

(a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants” or due to the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria; or

(b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”, “fungus”, wet or dry rot or bacteria.

(5) With respect to the building that has sustained covered direct physical damage, we will pay:

(a) The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

(b) The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;

(c) The increased cost to:

(i) Repair or reconstruct damaged portions of that building; and/or

(ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

(i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (ii)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

When a building is damaged or destroyed and this additional coverage applies to that building in accordance with (c) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (c) above:

- a.** The cost of excavations, grading, backfilling and filling;
- b.** Foundation of the building;
- c.** Pilings; and
- d.** Underground pipes, flues and drains.

These four items are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

The most we will pay in any one occurrence for loss described in paragraph (5)(a) above is the Limit of Insurance shown in this policy's Declarations applicable to the building sustaining the loss. The coverage in paragraph (5)(a) above does not increase the Limit of Insurance.

The most we will pay in any one occurrence for loss described in paragraphs (5)(b) and (5)(c) above is \$50,000.

The Coinsurance Additional Condition does not apply to (5)(b) or (5)(c) above.

The terms of this Extension shall apply separately to each building to which the Extension applies.

This Extension is subject to the deductible in the Commercial Property Coverage Declarations.

- v.** Tenant Glass. You may extend the insurance that applies to Your Business Personal Property to apply to Building glass, including lettering and ornamentation, for which you are responsible under a lease of premises. The most we will pay under this Extension in any one occurrence is \$5,000. This Extension is subject to these provisions:

- (1)** Your responsibility for Building glass must be contained in a written lease for premises rented to you at a location shown in the Declarations

- (2)** The loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is

- (a)** Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM

- (b)** Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

Building glass losses under this Extension are subject to a \$250 deductible, regardless of the property deductible shown in the Declarations of this policy.

- 7.** The following is added to Section D. Deductible:

The deductible shown in the Declarations is amended to read \$250 when an occurrence involves covered loss or damage only to exterior Building glass. In the event other Building property is also damaged in the same occurrence, the deductible shown in the Declarations will be the only deductible applied to all covered loss within that occurrence.

**B. CAUSES OF LOSS – SPECIAL FORM** is amended as shown:

- F.** Additional Coverage Extensions, items 1.a. and 1.c. of Property In Transit, are replaced by the following:

- a.** You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property while in the care, custody or control of your salespersons or in transit more than 500 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

- b.** Loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is

- (1)** Excluded in Section B., Exclusions of the CAUSE OF LOSS – SPECIAL FORM

- (2)** Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

- c.** The most we will pay for loss or damage under this Extension is \$25,000.

**C. COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended as follows:**

- 1.** Exclusion 2.a. of Coverage A is replaced by the following:
  - a.** "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.
- 2.** Paragraph 2.g.(2)(a), in Section I Coverages – Coverage A Bodily Injury And Property Damage Liability, pertaining to non-owned watercraft, is changed as shown:
  - (a)** Less than 51 feet long; and
- 3.** The paragraph immediately following Exclusion 2.j.(6) in Section I Coverages – Coverage A Bodily Injury And Property Damage Liability, is amended as follows:

Paragraph (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion or water) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.
- 4.** The last paragraph under item 2. Exclusions in Section I Coverages – Coverage A Bodily Injury And Property Damage Liability, is amended as follows:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion or water to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III --Limits Of Insurance.
- 5.** Paragraph 9.a. under Section V – Definitions is amended to read:
  - a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, or water to premises, while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".
- 6.** Paragraphs b.and d. of the Supplementary Payments – Coverages A and B section are changed as shown:
  - b.** Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$500 a day because of time off from work.
- 7.** Section III – Limits Of Insurance is amended as follows:
  - b.** Paragraph 6. is deleted and replaced with the following:
    - 6.** Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion or water, while rented to you or temporarily occupied by you, with permission of the owner.

Subject to all the terms of SECTION III-LIMITS OF INSURANCE, the Damage to Premises Rented To You Limit is the greater of:

      - a.** \$500,000; or
      - b.** The amount shown in the Declarations for Damage to Premises Rented To You Limit.

**8.** Section II – Who Is An Insured is amended to include as an additional insured any person or organization from whom you lease a building or premises when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part due to your occupancy, maintenance or use of that part of the premises leased to you and subject to the following additional exclusions: This insurance does not apply to:

- a.** Any "occurrence" which takes place after you cease to be a tenant in that premises.
- b.** Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization from which you lease a building or premises.

**9.** Section II – Who Is An Insured is amended to include as an additional insured any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

**10.** Paragraph 3. of Section II – Who Is An Insured is deleted and replaced with the following:

- 3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a.** Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b.** Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c.** Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization. No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**11.** Section IV – Commercial General Liability Conditions is amended as follows:

Items e. and f. are added to 2. Duties In the Event of Occurrence, Offense, Claim Or Suit, as shown:

- e.** The requirement in Condition 2.a. applies only when the "occurrence" or offense is known to:
  - (1)** You, if you are an individual;
  - (2)** A partner, if you are a partnership; or
  - (3)** An "executive officer" or insurance manager, if you are a corporation.
  - (4)** A member or manager if the named insured is a limited liability company.
- f.** The requirement in Condition 2.b. will not be breached unless the breach occurs after such claim or "suit" is known to:
  - (1)** You, if you are an individual;
  - (2)** A partner, if you are a partnership; or
  - (3)** An "executive officer" or insurance manager, if you are a corporation.
  - (4)** A member or manager if the named insured is a limited liability company.

**12.** Section IV – Condition 8. Transfer Of Rights Of Recovery Against Others To Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization which, before the loss, you have agreed in writing to waive your right of recovery.

**13.** The following is added to Section IV – Condition 4. Other Insurance:

If the coverage provided by any provision within this endorsement, any other endorsement, form, or policy issued to you by us or any company affiliated with us apply to the same "occurrence", the maximum applicable per occurrence and aggregate limits of insurance available under all the endorsements, forms or policies shall not exceed the highest applicable per occurrence and aggregate limits of insurance under any one endorsement, form, or policy.

This condition does not apply to any coverage or policy issued by us or an affiliated company to apply specifically as excess insurance over the applicable coverage.

**D.** The following is added to the COMMERCIAL GENERAL LIABILITY COVERAGE FORM:

**1.** Electronic Data Liability.

**a.** The following paragraph is added to Section III – Limits of Insurance

Subject to 5. above, we will pay up to \$25,000 under Coverage A for "property damage" because of all loss of "electronic data" arising out of any one "occurrence". The limit does not increase the "occurrence" limit stated in the Declarations.

**b.** Exclusion 2. p. of Coverage A – Bodily Injury And Property Damage Liability in Section I – Coverages is replaced by the following:

This insurance does not apply to damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

**c.** The following definition is added to the Definitions Section:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**d.** For the purposes of the coverage provided by this endorsement, the definition "Property Damage" in the Definitions Section is replaced by the following:

"Property damage" means:

- (1)** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.
- (2)** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- (3)** Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data" resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the Purpose of this insurance, "electronic data" is not tangible property.

**E.** If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following provisions apply:

- 1.** The provision related to "within 100 feet of the site at which the described premises are located" in Sections A.1. and A.5.b.(3) are revised to read "within 500 feet of the site at which the described premises are located:
- 2.** The provision relating to "30 consecutive days" in section A.5.c.(1)(b)(ii) is revised to read "60 consecutive days".

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

## Restaurant Supplement Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:

**1.** The following are added to the Coverage Extensions under Section **A.5.**:

**w.** Food Spoilage.

**(1)** You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to “perishable stock” caused by:

**(a)** Breakdown or Contamination, meaning

**(i)** A change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

**(ii)** Contamination by the refrigerant.

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

If the “perishable stock” is maintained under refrigerated conditions, you must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate the agreement and do not notify us, the insurance provided by this paragraph of this endorsement will be automatically suspended at the involved location.

**(2)** This Extension does not apply to property that is located:

**(a)** On a building;

**(b)** In the open; or

**(c)** In vehicles

**(3)** We will determine the value of finished “perishable stock” in the event of loss or damage at:

**(a)** The selling price, as if no loss or damaged had occurred:

**(b)** Less discounts and expenses you otherwise would have had.

**(4)** Only the following EXCLUSIONS contained in Paragraph B.1. of the CAUSES OF LOSS – SPECIAL FORM apply to this Coverage Extension for food spoilage:

**(a)** Earth Movement;

**(b)** Governmental Action;

**(c)** Nuclear Hazard:

**(d)** War and Military Action: and

**(e)** Water

**(5)** The following Exclusions are added:

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

- (a)** The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- (b)** The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- (c)** The inability of an electrical company or other power source to provide sufficient power due to:
  - (i)** Lack of fuel; or
  - (ii)** Governmental Order
- (d)** The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
- (e)** Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

**(6)** For the purposes of this Coverage Extension, the following definition is added:

- (a)** "Perishable stock" means personal property:
  - (i)** Maintained under the controlled conditions for its preservation and
  - (ii)** Susceptible to loss or damage if the controlled conditions change.

The most we will pay under this extension in any one occurrence is \$15,000 at each location shown in the Declarations. The most we will pay for such loss or damage in any one occurrence at all locations shown in the Declarations is \$30,000.

- x.** Customers' Outerwear. You may extend the insurance that applies to Your Business Personal Property to apply to your customers' outerwear in your care, custody, or control. The most we will pay in each occurrence for loss or damage under this Extension is \$2,000 at each described premises. Our payment for loss of or damage to customers' outerwear will only be for the account of the owner of the property. Each covered loss under this Extension is subject to a \$100 deductible, regardless of the deductible shown in the Declarations.

**B.** COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended as follows:

**14.** The following is added to Paragraph 1. a. COVERAGE C – MEDICAL PAYMENTS – OF SECTION I – COVERAGES:

- a.** Paragraph 1. a. Insuring Agreement is modified to include the following:

We will pay medical expenses as described in the policy for "bodily injury" arising out of "your product" as included in the "products-completed operations hazard."
- b.** Paragraph 2. f. Exclusions does not apply.

**C.** If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to the policy, the following additional provisions apply:

- 3.** The Causes of Loss applicable to the Business Income form attached to this policy shall also include the following:
  - a.** The "suspension" of your "operations" at the described premises due to the order of a civil authority; or adverse public communications or media reports, resulting from the actual or alleged:
    - (1)** Food or drink poisoning of a guest at the described premises; or
    - (2)** Exposure of the described premises to a contagious or infectious disease.
  - b.** The "period of restoration" for this Cause of Loss shall not exceed 30 consecutive calendar days from the date of the suspension of your "operations".

4. The following is added to item 5. Additional Coverages:

- a. **Business Income from Dependent Properties.** We will pay for the actual loss of Business Income you sustain due to the necessary “suspension” of your “operations” during the “period of restoration”. The “suspension” must be caused by direct physical loss of or damage to “dependent property” at premises not described in the Declarations caused by or resulting from a Covered Cause of Loss. However, coverage under this Additional Coverage does not apply when the only loss to “dependent property” is loss or damage to electronic data, including destruction or corruption of electronic data. If the “dependent property” sustains loss or damage to electronic data and other property, coverage under this paragraph will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage form to which this endorsement is attached.

We will not pay more than \$2,500 for each 24-hour “suspension” of “operations” due to loss arising from any one “dependent property”, up to a maximum of \$12,500 in any one loss from any one location.

5. The following is added to the Definitions Section:

- a. “Dependent property” as used in this endorsement means property in the coverage territory owned or operated by others who you depend on to furnish supplies of foodstuffs to your “operations”
- b. “Period of Restoration”, with respect to “dependent property”, means the period of time that:
  - (1) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the “dependent property”; and
  - (2) Ends on the date when the property at the premises of the “dependent property” should be repaired, rebuilt or replace with reasonable speed and similar quality.

“Period of restoration: does not include any increased period required due to the endorsement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treatm detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

The expiration of this policy will not cut short the “period of restoration”.

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

## Manufacturer Supplement Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

**A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:**

**1. The following coverages are added to the Additional Coverages under section A.4.:**

**a. Product Recall Expense.**

**(1)** We will pay your expenses incurred in a recall or withdrawal from the marketplace of “your goods.”

Such recall or withdrawal must be deemed necessary by you or a governmental body due to a determination that use of “your goods” will result in damage to persons or property arising from a known or suspected defect in “your goods.”

This Additional Coverage applies only to a product recall or withdrawal that was first deemed necessary by you or a governmental body within the policy term and in the coverage territory.

**(2)** This Additional Coverage does not apply to expenses incurred due to a recall or withdrawal of “your goods” for any reason other than your or a governmental body’s determination that use of “your goods” will result in damage to persons or property arising from a known or suspected defect in “your goods.” Examples include, but are not limited to:

**(a)** failure of “your goods” to accomplish intended purposes;

**(b)** loss of customer approval, or any costs incurred to regain customer approval;

**(c)** breach of warranties of fitness or quality; of

**(d)** redistribution, repair or replacement with like products or substitutes of “your goods” that were recalled or withdrawn.

**(3)** This Additional Coverage does not apply to a recall or withdrawal of “your goods” due to a pre-existing condition, if you had knowledge of the condition before the inception date of this coverage.

**(4)** For the purposes of this Additional Coverage, the following definition is added:

“Your goods” means goods or products manufactured, sold, handled, distributed or disposed of by you or others trading under your name or a person or organization whose business or assets you have acquired.

A \$1,000 deductible applies to this Additional Coverage. The most we will pay under this Additional Coverage is \$50,000 for the sum of all covered product recall or withdrawal expenses occurring during each separate 12-month period of this policy.

**2. The following coverage is added to the Coverage Extensions under Section A.5.:**

**a. Changes or Extremes in Temperature or Humidity.**

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to “perishable stock” caused by:

**(a)** Breakdown or Contamination, meaning:

(i) A change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

(ii) Contamination by the refrigerant.

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

- (2) If the “perishable stock” is maintained under refrigerated conditions, you must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate the agreement and do not notify us, the insurance provided by this endorsement will be automatically suspended at the involved location.
- (3) This Extension does not apply to property that is located:
  - (a) On a building;
  - (b) In the open; or
  - (c) In vehicles.
- (4) We will determine the value of finished “perishable stock” in the event of loss or damage at:
  - (a) The selling price, as if no loss or damage occurred;
  - (b) Less discounts and expenses you otherwise would have had.
- (5) Only the following EXCLUSIONS contained in Paragraph B.1. of the CAUSES OF LOSS – SPECIAL FORM apply to this Coverage Extension:
  - (a) Earth Movement;
  - (b) Governmental Action;
  - (c) Nuclear Hazard;
  - (d) War and Military Action; and
  - (e) Water.
- (6) We will not pay for loss or damage caused by or resulting from:
  - (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
  - (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
  - (c) The inability of an electrical utility company or other power source to provide sufficient power due to:
    - (i) Lack of fuel; or
    - (ii) Governmental order;
  - (d) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
  - (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- (7) For the purposes of this Coverage Extension, the following definition is added:
  - “Perishable stock” means personal property:
    - (a) Maintained under controlled conditions for its preservation; and
    - (b) Susceptible to loss or damage if the controlled conditions change.

The most we will pay for loss or damage under this Extension in any occurrence is \$50,000.

**3. Paragraph 7.c of Section E – LOSS CONDITIONS – is revised to read as follows:**

**c. “Stock” you manufacture, in the event of loss or damage, at:**

- (1) the selling price, as if no loss or damage occurred;
- (2) Less discounts and expenses you otherwise would have had.

**B. CAUSES OF LOSS – SPECIAL FORM is amended as shown:**

**1. Paragraph 3.c. of Section C. – LIMITATIONS – is revised to read:**

**c. \$100,000 for patterns, dies, molds and forms.**

**2. Paragraph 3.e. is added to Section C. – LIMITATIONS as follows:**

- e. Precious Metals. You may extend the insurance that applies to Your Business Personal Property to apply to gold, silver, platinum and other precious alloys or metals used in your manufacturing and located at your premises. The most we will pay for loss or damage under this Extension in any one occurrence is \$25,000. This extension does not increase the limit for Your Business Personal Property shown in the Declarations.

C. If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following additional provisions apply

3. The following is added to item 5. Additional Coverages:

- a. Business Income from Dependent Properties. We will pay for the actual loss of Business Income you sustain due the necessary "suspension" of your "operations" during the "period of restoration". The suspension" must be caused by direct physical loss of or damage to "dependent property" at premises not described in the Declarations caused by or resulting from any Covered Cause of Loss. However, coverage under this Additional Coverage does not apply when the only loss the "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this paragraph will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth in the Coverage form to which this endorsement is attached.

We will not pay more than \$25,000 under this Additional Coverage due to loss arising from any one "dependent property".

4. The following is added to the Definitions Section:

- a. "Dependent property" as used in this endorsement means property in the coverage territory owned or operated by others who you depend on to:

(1) Deliver materials or service to you, or to others for your account. But any property which delivers any of the following services is not a "dependent property" with respect to such services:

(a) Water supply services;

(b) Power supply services; or

(c) Communication supply services, including services related to internet access or access to any electronic network.

(2) Accept your products or service;

(3) Manufacture products for delivery to your customers under contract of sale; or

(4) Attract customers to your business.

- b. "Period of Restoration", with respect to "dependent property", means the period of time that:

(1) Begins immediately after the time of direct physical loss or damaged caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property" and

(2) Ends on the date when the property at the premises of the "dependent property" should be repair, rebuilt, or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

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

The expiration date of this policy will not cut short the "period of restoration".

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

## Church Supplement Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS – SPECIAL FORM

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as shown:

1. Paragraphs 1.a.(1) through 1.a.(4) of Section A – COVERAGE – are deleted and replaced as follows:
  - a. Building, meaning the building or structure described in the Declarations, including:
    - (1) Completed additions;
    - (2) Permanently installed:
      - (a) Fixtures;
      - (b) Machinery; and
      - (c) Equipment, including seats, pews, railings, altars, lecterns, clocks, bells, organs, fire curtains and stained glass windows;
    - (3) Outdoor fixtures;
    - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
      - (a) Fire detection and extinguishing equipment;
      - (b) Outdoor furniture;
      - (c) Floor coverings; appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
      - (d) Electronic sound and communication equipment;

2. The following coverage is added to the Additional Coverages under section A.4.:

Church Theft. We will pay for loss of, and loss from damage to accounts, bills, currency, deeds, evidences of debt, money, notes or securities owned by you or in your care, custody and control caused by theft or attempted theft:

- a. At the described premises;
- b. From a night depository safe provided by a bank or trust company on its premises for the use of its customers;
- c. While in the care and custody of an armored motor vehicle company if you cannot recover the loss from that company or its insurance company; or
- d. While the property is in the care or custody of any other person to whom you, your employees or clergy have entrusted the property.

The most we will pay for loss or damage under this Additional Coverage is \$10,000. The limit of insurance for Church Theft shall be doubled from Palm Sunday through two days after Easter Sunday; from two days preceding Thanksgiving through two days after the following Sunday; from the Sunday preceding Christmas through two days after New Year's Day; and from two days preceding through two days following any Church Festival.

The insurance provided under this Additional Coverage includes loss resulting from dishonest or criminal acts committed by employees or members whether acting alone or in collusion with others.

3. The following coverages are added to the Coverage Extensions under section A.5.:

- a. Other Structures. You may extend the insurance that applies to Building to apply to unattached structures located at the described premises and used solely as:
  - (1) Maintenance and utility buildings for the service of the premises;
  - (2) A private garage;
  - (3) The contents, excluding self-propelled vehicles that are designed for road use, of structures described in A.3.a.(1) and A.3.a.(2) above; and
  - (4) Outdoor statuary and lawn ornaments made of brick, concrete, metal or stone.

The most we will pay for loss or damage under this extension is 10% of the Limit of Insurance for the Building shown in the Declarations, but not more than \$25000 at each described premises.

b. Personal Property of Clergy.

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to personal property typically used in the clergy profession, including, but not limited to, robes, stoles, music, manuscripts, Bibles, and books, owned by "your ordained clergy". The loss or damage must occur in or on the building described in the Declarations. The loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is:
  - (a) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM; or
  - (b) Limited in the Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM.
- (2) The following is added to the Definitions section of the policy to which this endorsement is attached:
  - (a) "Your ordained clergy" means those persons employed by, or serving, you as professional clergy who have been invested with ministerial authority by an organized religious body.
- (3) The most we will pay in any one occurrence under this Extension is \$15,000. Our payment for loss or damage under this Extension will only be for the account of the owner of the lost or damaged property.
- (4) Losses under this Extension are subject to a \$250 deductible, regardless of the deductible shown on the Declarations of this policy.

c. Changes or Extremes in Temperature or Humidity.

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to "perishable stock" caused by:
  - (a) Breakdown or Contamination, meaning:
    - (i) A change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
    - (ii) Contamination by the refrigerant.
  - (b) Power Outage, meaning change in temperature or humidity, resulting from complete or partial interruption of electrical power either on or off the described premises, due to conditions beyond your control.
- (2) If the "perishable stock" is maintained under refrigerated conditions, you must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate the agreement and do not notify us, the insurance provided by this endorsement will be automatically suspended at the involved location.
- (3) This Extension does not apply to property that is located:
  - (a) On a building;
  - (b) In the open; or
  - (c) In vehicles.
- (4) We will determine the value of finished "perishable stock" in the event of loss or damage at:
  - (a) The selling price, as if no loss or damage occurred;
  - (b) Less discounts and expenses you otherwise would have had.
- (5) Only the following EXCLUSIONS contained in Paragraph B.1. of the CAUSES OF LOSS – SPECIAL FORM apply to this Coverage Extension:
  - (a) Earth Movement;
  - (b) Governmental Action;
  - (c) Nuclear Hazard;
  - (d) War and Military Action; and
  - (e) Water.
- (6) We will not pay for loss or damage caused by or resulting from:
  - (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

- (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
  - (c) The inability of an electrical utility company or other power source to provide sufficient power due to:
    - (i) Lack of fuel; or
    - (ii) Governmental order;
  - (d) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
  - (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- (7) For the purposes of this Coverage Extension, the following definition is added:  
"Perishable stock" means personal property:
- (a) Maintained under controlled conditions for its preservation; and
  - (b) Susceptible to loss or damage if the controlled conditions change.
- The most we will pay for loss or damage under this Extension is \$25,000.

**B. COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended as follows:**

1. Exclusion a. of Paragraph 2. of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY – of SECTION I – COVERAGES – is replaced by the following:

This insurance does not apply to:

- a. "Bodily Injury" or "Property Damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from:

- (1) The use of reasonable force to protect persons or property; or
- (2) Corporal punishment to your student administered by or at the direction of any insured.

2. The following is added to Paragraph 1. a. COVERAGE C – MEDICAL PAYMENTS – OF SECTION I – COVERAGES:

- a. Paragraph 1. a. Insuring Agreement is modified to include:

- (1) We will pay medical expenses as described in the policy for "bodily injury" arising out of "your product" as included in the "products-completed operations hazard."

- b. Paragraph 2. f. Exclusion does not apply.

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

## Fuel Supplement Endorsement

This endorsement modifies insurance provided under the following:

### BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. Paragraph 1.a.(6) is added to Section A – COVERAGE – as follows:

(6) Above-ground and below-ground gasoline, diesel or kerosene fuel tanks and pumps.

B. Paragraph 1.b.(8) is added to Section A – COVERAGE – as follows:

(8) Gasoline, diesel and kerosene fuel in above-ground and below-ground gasoline, diesel or kerosene fuel tanks and pumps.

C. Paragraph 2.m. of Section A – COVERAGE – is deleted.

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

## Auto Service Supplement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended to as shown:

**1.** The following is added to the Coverage Extensions under Section A.5.

- w. Automobile Damage to Leased Real Property.** You may extend the insurance provided by this policy to apply to loss or damage to real property you occupy (but do not own), or are contractually responsible for, at the premises described in the Declarations caused by the physical contact of an auto (meaning a land motor vehicle, trailer, or semitrailer) during the conduct of your business.

The most we will pay for loss or damage under this Extension is \$100,000 for all losses during the policy period.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500 up to the limit of insurance.

The insurance provided by this Extension is additional insurance.

- x. Employee Tools.** You may extend the insurance that applies to Your Business Personal Property to apply to loss of or damage to tools owned by your employees which are actively used in the conduct of your auto service or garage operations. Loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is:

**(1)** Excluded in Section B., Exclusions of the CAUSE OF LOSS – SPECIAL FORM; or

**(2)** Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM.

The most we will pay for loss or damage under this coverage for all losses during the policy period is:

**(1)** \$5,000 per employee; and

**(2)** \$25,000 for all employees.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500 up to the limit of insurance.

The insurance provided by this Extension is additional insurance.

**C. The COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended as follows:

**1.** Section II – Who Is An Insured is amended to include as an insured any person(s) or organization(s) that grants licenses to you when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be named as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to their liability as grantor of licenses to you. A person(s) or organization(s) status as an additional insured under this endorsement ends when:

**a.** The license granted to you by such person(s) or organization(s) expires; or

**b.** Your license is terminated or revoked by such person(s) or organization(s) prior to expiration of the license as stipulated by the contract or agreement.

**2.** Paragraph 2. k. , Section I – Coverages is replaced by the following:

**k. Damage To Your Product:**

“Property damage” to “your product” arising out of it or any part of it. However, this exclusion does not apply to products included as “your garage product”.

With respect to the coverage provided by this endorsement, our obligation to pay damages for “property damage” to “your garage product” applies only to that amount which exceeds \$500 in any one “occurrence”.

The following is added to Section IV – Definitions:

**(23)** “Your garage product” means:

- (a)** The products you fabricated or sold in your garage business to repair, service, or otherwise maintain the functionality or appearance of an “auto” which becomes a part of that “auto”; and
- (b)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products;
- (c)** The providing or or failure to provide warnings or instructions.

“Your garage product does not include “your work”, other than the fabrication of “Your Garage Product”.

**F. COORDINATING COVERAGE**

If the coverage provided by any provision within this endorsement, any other endorsement, form, or policy issued to you by us or any company affiliated with us apply to the same loss, the maximum applicable limits of insurance available under all the endorsements, forms or policies shall not exceed the highest applicable per limit of insurance under any one endorsement, form, or policy.

This condition does not apply to any coverage or policy issued by us or an affiliated company to apply specifically as excess insurance over the applicable coverage.

## CONDITIONAL TERRORISM EXCLUSION

### NOTICE

**The Terrorism Risk Insurance Program (the Program), as established under federal law, is scheduled to terminate while your policy is in effect.**

**The Terrorism Exclusion found in this endorsement will apply only if the federal government does not renew, extend, or otherwise replace the Program or if the conditions, definitions, or requirements of the Program are changed by the federal government and federal law no longer requires that we make Terrorism Coverage available to you.**

1. The Terrorism Exclusion set forth by this endorsement becomes effective on the earliest of the following:
  - a. the date that the federal Terrorism Risk Insurance Program (the Program) established by the Terrorism Risk Insurance Act has terminated with respect to the type of insurance provided by the Coverage Part to which this endorsement applies; or
  - b. the effective date of a renewal, extension, or continuation of the Program, if federal law no longer requires that "we" make terrorism coverage available to "you" and the Program has been renewed, extended, or replaced subject to changes that:
    - 1) redefine terrorism; or
    - 2) increase "our" financial exposure under the Program; or
    - 3) impose requirements on insurance coverage for terrorism that differ from the terms, amounts, or other limitations that otherwise govern coverage for loss or damage under the "terms" of the Coverage Part to which this endorsement applies.
- If a condition described above under items 1.a. and 1.b. occurs prior to the effective date of the policy period to which this endorsement applies, the Terrorism Exclusion set forth by this endorsement applies as of the effective date of that policy period.
2. If the Terrorism Exclusion set forth by this endorsement becomes effective, this Terrorism Exclusion:
  - a. supersedes any other endorsements that address "certified acts of terrorism", "certified terrorism loss", "non-certified acts of terrorism", and or "non-certified terrorism loss" that also apply to the Coverage Part to which this endorsement applies, but only with respect to loss or damage caused by one or more incidents of terrorism that occur on or after the effective date of this Terrorism Exclusion; and
  - b. remains in effect unless "we" notify "you" of changes to this Terrorism Exclusion.

3. If none of the conditions described above under items 1.a. and 1.b. occur, any other endorsements that address "certified acts of terrorism", "certified terrorism loss", "non-certified acts of terrorism", and or "non-certified terrorism loss" that also apply to the Coverage Part to which this endorsement applies continue to apply until "we" notify "you" of changes to such other endorsements.

4. The word terrorism, when shown in this endorsement in quotation marks, has the following meaning:

"Terrorism" means activities against persons, organizations, or property of any nature:

- a. that involve the following or preparation for the following:
  - 1) use or threat of force or violence; or
  - 2) commission or threat of a dangerous act; or
  - 3) commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. when one or both of the following applies:
  - 1) the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - 2) it appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social, or economic objectives, or to express (or express opposition to) a philosophy or ideology.

5. The following exclusion is added:

#### **TERRORISM EXCLUSION**

"We" will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

- a. the "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; or
- b. radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. the "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

- e. the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico, and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, "we" will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

Item 5.e. above describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Terrorism Exclusion will apply to that incident. When this Terrorism Exclusion applies to an incident of "terrorism", there is no coverage under the Coverage Part to which this endorsement applies.

6. When the Terrorism Exclusion set forth by this endorsement applies due to an incident of "terrorism" described above under items 5.a. or 5.b., that Terrorism Exclusion supersedes the Nuclear Hazard Exclusion in the Coverage Part to which this endorsement applies.
7. The following provisions are added.
- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to the Coverage Part to which this endorsement applies provide coverage for any loss or damage that would otherwise be excluded by that Coverage Part under:
- 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion.
- b. The absence of any other terrorism endorsement does not imply coverage for any loss or damage that would otherwise be excluded by the Coverage Part to which this endorsement applies under:
- 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion.

## **Policyholder Disclosure – Notice Of Terrorism Insurance Coverage**

You are hereby notified that under the Terrorism Risk Insurance Act (Act), as extended on December 22, 2005, you have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% (adjusted to 85% in 2007) of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided on the policy Declarations page and does not include any charges for the portion of loss covered by the federal government under the act.

### **LIMITATION ON PAYMENT OF TERRORISM LOSSES**

The provisions of the Terrorism Risk Insurance Act can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

### **Selection of terrorism insurance coverage**

The portion of your annual policy premium that is attributable to coverage for certified acts of terrorism is shown on the declarations page. *If you wish to reject this coverage, please read and complete the form below.*

### **Rejection of terrorism insurance coverage**

You may elect to decline coverage for certified acts of terrorism. However, if your policy covers property located in a state with a fire following statutory requirement, the terrorism exclusion makes an exception for fire losses to such covered property resulting from certified acts of terrorism. If you choose to decline coverage for certified

acts of terrorism, that rejection is not applicable to fire losses to property in those states resulting from certified acts of terrorism, unless excepted by statute or other regulatory means. A separate premium is displayed on the declarations page for coverage for fire losses that result from certified acts of terrorism.

If you purchase this coverage on an umbrella policy, you must also purchase this coverage for any underlying liability and/or commercial auto liability policies.

In the context of a newly issued policy or renewal offer, this form becomes part of the application for this coverage.

*To reject coverage, you must 'X' the box below, sign your name, print your name, date this form and return it to the company within 30 days. If you choose not to reject this coverage, you do not need to return this form.*

ق	I hereby elect to exclude losses arising from certified acts of terrorism. I understand that if I exclude certified acts of terrorism coverage, coverage will not be available until my next renewal.
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\_\_\_\_\_  
Policyholder/Applicant's Signature

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Policy Number

\_\_\_\_\_  
Date

<State Code> - <Agency Code>  
<Agency Name>  
<Address>  
<City, State Zip>  
<Phone Number>

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

## DISCLOSURE OF PREMIUM AND ESTIMATED PREMIUM FOR CERTIFIED ACTS OF TERRORISM COVERAGE (PURSUANT TO TERRORISM RISK INSURANCE ACT)

### SCHEDULE

#### SCHEDULE – PART I

Terrorism Premium (Certified Acts)

(A) Premium through end of year (12/31/07) \$ See Below

(B) Estimated Premium beyond the date specified above \$ See Below  
(Refer to Paragraph C. in this endorsement.)

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

The Terrorism premiums displayed on the declaration pages of this policy represent the charge for Terrorism Coverage for the entire policy term. If the Terrorism Risk insurance Act is not continued or extended upon the 12/31/2007 expiration of the Act, A return premium may be due. The return premium will be the prorated portion from 12/31/2007 to the expiration of your policy term.

Additional information, if any, concerning the terrorism premium:

#### SCHEDULE – PART II

Federal share of terrorism losses: 90% Year 2006

(Refer to Paragraph **B.** in this endorsement.)

Federal share of terrorism losses: 85% Year 2007

:

(Refer to Paragraph **B.** in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### **A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. For losses occurring in 2006, the federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. For losses occurring in 2007, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. If the federal program is extended beyond 2007, the applicable percentage is shown in Part II of the Schedule of this endorsement or in the policy Declarations.

#### **C. Possibility Of Additional Or Return Premium**

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate at the end of the year specified in Part I of the Schedule of this endorsement, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown in **(B)** in Part I of the Schedule may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for certified acts of terrorism, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for certified acts of terrorism will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium shown in **(B)** in Part I of the Schedule and will charge additional premium or refund excess premium, if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.



SERFF Tracking Number: SMM-125279408 State: Arkansas  
First Filing Company: State Auto Property and Casualty Insurance State Tracking Number: AR-PC-07-025980  
Company, ...  
Company Tracking Number: SAC-ML-2007-870  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0000 CMP Sub-TOI Combinations  
Liability  
Product Name: Comm'l Multi-Line 09/01/2007  
Project Name/Number: Comm'l Multi-Line 09/01/2007/SAC-ML-2007-870

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 09/06/2007

**Comments:**

**Attachment:**  
PCTrans.pdf

**Satisfied -Name:** Exhibit I **Review Status:** Approved 09/06/2007

**Comments:**

**Attachment:**  
Exhibit I.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>
State Auto Insurance Companies	175

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
State Automobile Mutual Insurance Co.	OH	25135	31-4316080	
State Auto Property & Casualty Insurance Co.	IA	25127	57-6010814	

<b>5. Company Tracking Number</b>	SAC-ML-2007-870
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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
	Kathy Hartwell 518 East Broad Street Columbus, Ohio 43215	Supervisor, State Filings	800-695-9436	614-719-0299	<a href="mailto:kathy.hartwell@stateauto.com">kathy.hartwell@stateauto.com</a>

7. Signature of authorized filer	
8. Please print name of authorized filer	Kathy Hartwell

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

9. Type of Insurance (TOI)	05.0 Commercial Multi-Peril –Liability & Non-Liability
10. Sub-Type of Insurance (Sub-TOI)	05.0000 CMP Sub-TOI Combinations
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Commercial Multiple Lines
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: 09/01/2007      Renewal: 10/26/2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	08/31/2007
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—

<b>20. This filing transmittal is part of Company Tracking #</b>	SAC-ML-2007-870
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Re: STATE AUTO INSURANCE COMPANIES, OUR GROUP FILING ID# SAC-ML-2007-870  
- State Automobile Mutual Insurance Company, NAIC# 25135, FEIN# 31-4316080  
- State Auto Property & Casualty Insurance Company, NAIC# 25127, FEIN# 57-6010814

Commercial Multiple Lines —New and Revised Endorsements

With this filing State Auto is implementing changes to our policy forms. Please see Exhibit I.

#### Plus Endorsements

We are enhancing proprietary endorsements referred to as "Plus" forms. These are endorsements that package together several enhancements. This revision will add additional coverages and increase the limits on others. In addition we offer Supplement endorsements that enhance the coverage already provided by the Plus endorsement. The Supplement enhancements are coverages for specific classes of business.

- SI 10 01 06 07, PBP Plus Coverage, replaces SI 10 01 01 06 (broadens coverage).
- SI 10 02 06 07, Restaurant Supplement Endorsement, replaces SI 10 02 01 06 (broadens coverage).
- SI 10 03 06 07, Manufacturer Supplement Endorsement, replaces SI 10 03 12 02 (broadens coverage).
- SI 10 04 06 07, Church Supplement Endorsement, replaces SI 10 04 01 06 (broadens coverage).

#### Clarified Endorsement

We will also make available a proprietary endorsement currently titled Garage Supplement Endorsement. After reviewing the coverage provided by this endorsement, we feel a more applicable title would be Fuel Supplement. No coverage change is made with this endorsement, title change only. The manual wording has been revised to note the title change and to broaden the eligibility. There is no premium change.

- SI 10 05 06 07, Auto Services, New (broadens coverage).

#### New Supplement Endorsement

We will also make available a new proprietary Supplement endorsement. This enhancement will be available to auto service operations to provide additional coverages. This endorsement will be offered at a small additional charge.

- SI 10 15 06 07, Auto Service, New (broadens coverage).

#### Terrorism

We are also filing endorsements to address the change from the original Terrorism Risk Insurance Act of 2002 (TRIA) to the changes introduced by the extension referred to as Terrorism Risk Insurance Extension Act of 2005 (TRIEA) and the possible sunset of coverage on December 31, 2007. This change addresses language amendments. Please see the forms list attached.

<b>22. Filing Fees</b> (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]
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**Check #: N/A - EFT**  
**Amount: \$50.00**

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

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

PC TD-1 pg 2 of 2

## FORM FILING SCHEDULE

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	SAC-ML-2007-870
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<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	N/A
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<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Preferred Business Policy Plus Endorsement	SI 10 01 06 07	[ ] New [X] Replacement [ ] Withdrawn	SI 10 01 01 06	
02	Restaurant Supplement Endorsement	SI 10 02 06 07	[ ] New [X] Replacement [ ] Withdrawn	SI 10 02 01 06	
03	Manufacturer Supplement Endorsement	SI 10 03 06 07	[ ] New [X] Replacement [ ] Withdrawn	SI 10 03 12 02	
04	Church Supplement Endorsement	SI 10 04 06 07	[ ] New [X] Replacement [ ] Withdrawn	SI 10 04 01 06	
05	Fuel Supplement Endorsement	SI 10 05 06 07	[ ] New [X] Replacement [ ] Withdrawn	SI 10 05 12 02	
06	Auto Service Supplement	SI 10 15 06 07	[X] New [ ] Replacement [ ] Withdrawn		
07	Conditional Terrorism Exclusion	CL 16 30 06 06	[ ] New [X] Replacement [ ] Withdrawn	CL 16 30 06 04	
08	Policyholder Disclosure –Notice Of Terrorism Insurance Coverage	PN 00 83 01 07	[ ] New [X] Replacement [ ] Withdrawn	PN 00 83 08 03	
09	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage (Pursuant To Terrorism Risk Insurance Act)	IL 09 99 01 07	[ ] New [X] Replacement [ ] Withdrawn	IL 09 99 05 04	
10			[ ] New [ ] Replacement [ ] Withdrawn		

PC FFS-1

**EXHIBIT I - 2007 Multiple Lines Form Changes**

<b>Form</b>	<b>Replaces</b>	<b>Form Title</b>
SI 10 01 06 07	SI 10 01 01 06	PBP Plus Coverage
SI 10 02 06 07	SI 10 02 01 06	Restaurant Supplement Endorsement
SI 10 03 06 07	SI 10 03 12 02	Manufacturer Supplement Endorsement
SI 10 04 06 07	SI 10 04 01 06	Church Supplement Endorsement
SI 10 05 06 07	SI 10 05 12 02	Fuel Supplement Endorsement (Previously title Garage Supplement Endorsement)
SI 10 15 06 07	NEW	Auto Service Supplement Endorsement
CL 16 30 06 06	CL 16 30 06 04	Conditional Exclusion of Terrorism
PN 00 83 01 07	PN 00 83 08 03	Disclosure Pursuant to Terrorism Risk Insurance Act
IL 09 99 01 07	IL 09 99 05 04	Disclosure of Premium and Estimated Premium for Certified Acts of Terrorism Coverage (Pursuant to Terrorism Risk Insurance Act of 2002)