

SERFF Tracking Number: FEMC-125871584 State: Arkansas  
First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: CP-2009-2 (FORMS)  
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Product Name: Div 5 Fire and Allied  
Project Name/Number: CP-2009-2 (forms)/ISO 2007 and Water Exclusion endorsements

## Filing at a Glance

Companies: Federated Mutual Insurance Company, Federated Service Insurance Company

Product Name: Div 5 Fire and Allied SERFF Tr Num: FEMC-125871584 State: Arkansas  
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$50  
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: CP-2009-2 (FORMS) State Status: Fees verified and received  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding  
Author: Sue Moldenhauer Disposition Date: 10/27/2008  
Date Submitted: 10/23/2008 Disposition Status: Approved  
Effective Date Requested (New): 01/01/2009 Effective Date (New): 01/01/2009  
Effective Date Requested (Renewal): 01/01/2009 Effective Date (Renewal): 01/01/2009

State Filing Description:

## General Information

Project Name: CP-2009-2 (forms) Status of Filing in Domicile: Authorized  
Project Number: ISO 2007 and Water Exclusion endorsements Domicile Status Comments: MN is a no file state  
Reference Organization: ISO Reference Number: CF-2007-OFR07  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 10/27/2008 Deemer Date:  
State Status Changed: 10/27/2008  
Corresponding Filing Tracking Number:  
Filing Description:  
We wish to implement these changes to all policies with a written date of January 1, 2009 and after.

## Company and Contact

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**Filing Contact Information**

Sue Moldenhauer, Property & Casualty Product skmoldenhauer@fedins.com  
 Specialist  
 121 E Park Square (800) 533-0472 [Phone]  
 Owatonna, MN 55060 (507) 444-6691[FAX]

**Filing Company Information**

Federated Mutual Insurance Company	CoCode: 13935	State of Domicile: Minnesota
121 East Park Square	Group Code: 7	Company Type:
PO Box 328		
Owatonna, MN 55060	Group Name:	State ID Number:
(800) 533-0472 ext. [Phone]	FEIN Number: 41-0417460	
	-----	

Federated Service Insurance Company	CoCode: 28304	State of Domicile: Minnesota
121 East Park Square	Group Code: 7	Company Type:
PO Box 328		
Owatonna, MN 55060	Group Name:	State ID Number:
(800) 533-0472 ext. [Phone]	FEIN Number: 41-0984698	
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**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federated Mutual Insurance Company	\$0.00	10/23/2008	
Federated Mutual Insurance Company	\$50.00	10/23/2008	23430018
Federated Service Insurance Company	\$0.00	10/23/2008	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/27/2008	10/27/2008

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## Disposition

Disposition Date: 10/27/2008  
Effective Date (New): 01/01/2009  
Effective Date (Renewal): 01/01/2009  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	cover letter	Approved	Yes
Supporting Document	Explanatory memo	Approved	No
Form	Utility Services -Time Element	Approved	Yes
Form	Property Amendatory Endorsement	Approved	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Utility Services - Time Element	CP-F-98	01-09	Endorsement/Amendment/Conditions	Replaced Form #: Previous Filing #:		CP-F-98(01-09).PDF
Approved	Property Amendatory Endorsement	CP-F-113	01-09	Endorsement/Amendment/Conditions	Replaced Form #: Previous Filing #:		CP-F-113(01-09).pdf

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES - TIME ELEMENT

This endorsement modifies insurance provided under the following:

BUSINESS INCOME - SPECIAL FORM  
BUSINESS INCOME COVERAGE FORM

SCHEDULE\*

<p><b>Water Supply Property</b></p> <p><input type="checkbox"/></p>	<p><b>Communication Supply Property</b> (not including overhead transmission lines)</p> <p><input type="checkbox"/></p>	<p><b>Communication Supply Property</b> (including overhead transmission lines)</p> <p><input type="checkbox"/></p>	<p><b>Power Supply Property</b> (not including overhead transmission lines)</p> <p><input type="checkbox"/></p>	<p><b>Power Supply Property</b> (including overhead transmission lines)</p> <p><input type="checkbox"/></p>
<p><b>Prem. No.</b></p> <p>*</p>	<p><b>Bldg. No.</b></p> <p>*</p>	<p><b>Causes of Loss Form Applicable</b></p> <p>*</p>	<p><b>Limit of Insurance</b></p> <p>*</p>	

- A.** We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph **B.** if such property is indicated by an "X" in the Schedule.
- B. Utility Services**
1. **Water Supply Services**, meaning the following types of property supplying water to the described premises:
    - a. Pumping stations; and
    - b. Water mains.
  2. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
    - a. Communication transmission lines, including optic fiber transmission lines;
    - b. Coaxial cables; and
    - c. Microwave radio relays except satellites.
 It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**3.** Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a.** Utility generating plants;
- b.** Switching stations;
- c.** Substations;
- d.** Transformers; and
- e.** Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

**C.** We will only pay for loss you sustain after the first 72 hours following the direct physical loss or damage to utility services to which this endorsement applies.

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

**A. Covered Property**

Under **A.1.a.** Covered Property items **(2)** & **(3)** are deleted and replaced with the following:

- (2)** Outdoor fixtures;
- (3)** Permanently installed:
  - (a)** Fixtures;
  - (b)** Machinery; and
  - (c)** Equipment;

**B. Property Not Covered**

The following are modified under **A.2.** Property Not Covered:

**1.** Paragraph **k** is deleted and replaced by the following:

**k.** Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from other insurance. But this insurance will not cover the deductible, if any, applicable to the other coverage.

**2.** Paragraph **p.** is deleted and replaced by the following:

**p.** Vehicles or self-propelled machines (including aircraft) and their attached equipment and accessories that:

- (1)** Are licensed for use on public roads; or
- (2)** Are operated principally away from the described premises.

This paragraph does not apply to the following types of property unless such property is insured on a Garage Coverage Part or Garage Policy:

- (a)** Golfmobiles, snowmobiles, all terrain vehicles, motor scooters, mopeds, go-carts, and other similar property;
- (b)** Trailers designed for carrying boats or snowmobiles or any single axle trailer;
- (c)** Self-propelled garden tractors, lawn mowers and snow blowers;
- (d)** Motorcycles that you are holding for sale including motorcycles in crates;

**(e)** Watercraft; or

**(f)** Special purpose bodies and equipment that are manufactured to be mounted on a vehicle.

**3.** The following is added to Property Not Covered:

Employees owned tools and equipment.

**C. Additional Coverages**

**1.** The following Additional Coverages are modified under **A.4.** Additional Coverages:

**Debris Removal**

**(1)** In paragraphs **(4)** and **(5)**, the additional \$10,000 limit is increased to \$25,000.

**(2)** Paragraph **(2)** is deleted and replaced with the following:

**(2)** This Additional Coverage does not apply to:

**(a)** Any cost or expense which would not have occurred, in whole or in part, but for the actual, alleged or threatened discharge, dispersal, release or escape of "pollutants" at any time;

**(b)** Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or access the effects of "pollutants"; or

**(c)** Any cost or expense to remove, restore or replace polluted land or water.

**Fire Department Service Charge**

The most we will pay for your liability for fire department service charges is increased to \$7,500.

**Pollutant Clean Up And Removal**

The last sentence of the first paragraph is deleted and replaced with the following:

The expenses will be paid only if they are reported to us in writing within 120 hours of the time at which the Covered Cause of Loss occurs.

In addition, the third paragraph is deleted and replaced with the following:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**Increased Cost Of Construction**

Increased Cost Of Construction is deleted and replaced with the following:

**Building Ordinance Or Law**

(1) You may extend the insurance that applies to Buildings to apply to your loss resulting from the enforcement of building ordinances or law. Regardless of the number of damaged buildings, the most we will pay per loss occurrence is \$50,000.

(2) The coverage provided by this Additional Coverage applies only if both Paragraphs (2)(a) and (2)(b) below are satisfied and are then subject to the qualifications set forth in Paragraph (2)(c).

(a) The ordinance or law:

(i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(ii) Is in force at the time of loss. But coverage under this Additional Coverage 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.

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

(ii) 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.

(iii) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

(c) In the situation described in Paragraph (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. 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, we will pay the full amount of loss otherwise payable under this Additional Coverage.

(3) We will not pay under this Additional Coverage for:

(a) The enforcement of any ordinance, law or environmental regulation which requires 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) Any costs associated with the enforcement of any ordinance, law or environmental regulation 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.

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

(a) For the loss in value of the undamaged portion of the building as a consequence of the 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 building, zoning or land use 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.
- (5) If the property is repaired or replaced on the same or another premises, we will not pay more under this Additional Coverage than:
  - (a) The amount you actually spend to clear the site of the described premises; and
  - (b) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
- (6) If the property is not repaired or replaced, we will not pay more under this Additional Coverage than:
  - (a) The amount you actually spend to clear the site at the described premises; and
  - (b) The actual cash value of the building at the time of loss.

- (7) We will not pay for the increased cost of construction under this Additional Coverage:
  - (a) Until the property is actually repaired or replaced, at the same premises or elsewhere; and
  - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (8) Under this Additional Coverage, we will not pay for loss due to any ordinance, law or environmental regulation that:
  - (a) You were required to comply with before the loss, even if the building was undamaged; and
  - (b) You failed to comply with.
- 2. The following is added as an Additional Coverage:
 

**Sewer Back Up Or Overflow**

  - (1) We will pay for direct physical loss of or damage to Covered Property at the described premises, caused by or resulting from:
    - (a) Water which backs up through or overflows from sewers or drains; or
    - (b) Water which overflows from a sump even if such overflow results from the mechanical breakdown of a sump or its related equipment.
 However, with respect to Paragraph (b) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.
  - (2) The coverage described in Paragraph (1) above does not apply to loss or damage resulting from an insured's failure to:
    - (a) Keep a sump pump or its related equipment in proper working condition; or
    - (b) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
  - (3) With respect to the coverage provided under this Additional Coverage, the **Water Exclusion** is replaced by the following exclusion:
 

**Water**

    - (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge):

- (b) Mudslide or mudflow; or
- (c) Water under the ground surface pressing on, or flowing or seeping through:
  1. Foundations, walls, floors or paved surfaces;
  2. Basements, whether paved or not; or
  3. Doors, windows or other openings; or
- (d) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a. or c., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs a. through d., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, a. through d., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- (4) The most we will pay for loss or damage under this Additional Coverage is \$10,000 per loss occurrence.

#### D. Coverage Extensions

1. The following Coverage Extensions are modified Under A.5. Coverage Extensions:

##### **Newly Acquired Or Constructed Property**

The most we will pay for loss or damage to (1) Buildings is increased to \$1,000,000 at each building.

The most we will pay for loss or damage to (2) Your Business Personal Property is increased to \$500,000 at each building.

##### **Valuable Papers And Records (Other Than Electronic Data)**

The first sentence of paragraph (4) is deleted and replaced with the following:

Under this Extension, the most we will pay to replace or restore the lost information is \$10,000 at each described premises.

##### **Outdoor Property**

Outdoor Property is deleted and replaced with the following:

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 (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from a Covered Cause of Loss.

The most we will pay for loss or damage under this Extension is \$25,000 per loss occurrence, but not more than \$500 for any one tree, shrub or plant. The limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

2. The following are added as **Coverage Extensions:**

##### **Accounts Receivable Coverage**

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payments of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) Determination of Receivable

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:

- (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
- (ii) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

- (3) The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (a) The amount of the accounts for which there is no loss;

- (b) The amount of the accounts that you are able to re-establish or collect;
- (c) The amount to allow for probable bad debts that you are normally unable to collect; and
- (d) All unearned interest and service charges. The most we will pay for loss or damage at the described premises under this Extension is \$10,000 per loss occurrence.

The most we will pay for loss or damage at the described premises under this Extension is \$10,000 per loss occurrence.

For accounts receivable not at the described premises, the most we will pay under this Extension is \$5,000 per loss occurrence.

**Business Income and Extra Expense**

**(1) Business Income**

- (a) We will pay for the actual loss of Business Income you sustain due to the necessary total or partial "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are 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 includes the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, 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.

- (b) Business Income means the:

- (i) Net Income (Net Profit or Loss before Income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or other businesses; and

- (ii) Continuing normal operating expenses incurred, including payroll.

**(2) Extra Expense**

- (a) We will pay the necessary Extra Expense 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 at premises which are 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 damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, 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.

- (b) Extra Expense means expense incurred:

- (i) To avoid or minimize the "suspension" of business and to continue your "operations":
  - (a) At the described premises; or
  - (b) At replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations.
- (ii) To minimize the "suspension" of business if you cannot continue your "operations".

- (iii) To:

- (a) Repair or replace any property; or
- (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension.

**(3) Additional Limitation - Interruption Of Computer Operations**

- (a)** Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- (b)** Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- (c)** Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**(4) Special Additional Coverage - Interruption Of Computer Operations**

- (a)** Subject to all provisions of this Special Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of your "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (b)** With respect to the coverage provided under this Special Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (i)** The "specified causes of loss"; or
  - (ii)** Collapse of a building as provided in **D.** Additional Coverage - Collapse.

- (c)** The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (d)** The most we will pay under this Special Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (e)** This Special Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in Paragraph **(d)** above has not been exhausted.

**(5) Limits Of Insurance**

The most we will pay for loss of Business Income and Extra Expense is \$10,000 per loss occurrence.

The limit applicable to Special Additional Coverage - Interruption of Computer Operations is in addition to the Limit of Insurance.

**(6) Loss Determination**

- (a) The amount of Business Income loss will be determined based on:
- (i) The Net Income of the business before the direct physical loss or damage occurred;
  - (ii) The likely Net Income of the business if no loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (iii) The operating expenses, including payroll expenses, necessary to resume your "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (iv) Other relevant sources of information including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contract
- (b) The amount of Extra Expense will be determined based on:
- (i) All expenses that exceed the normal operating expenses that would have been incurred by your "operations" during the "period of restoration" if no direct physical loss of damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once your "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (ii) All necessary expenses that reduce the Business Income loss that otherwise would have been payable under this Coverage Extension.

**(c) Resumption Of Operations**

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

**(7) Special Exclusions**

The following additional exclusions apply to the Business Income and Extra Expense Coverage Extension:

We will not pay for:

- (a) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
  - (i) Delay in rebuilding, repairing or replacing the property or resuming your "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (ii) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of your "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- (b) Any other consequential loss.

**Claims Expense**

We will pay up to \$5,000 for claim expenses you incur at our request and arising out of a covered loss or damage.

The claim expenses must be incurred to assist us in:

- (1) The investigation of a claim or suit;
- (2) The determination of the amount of loss including the assistance of an accountant to assist in the calculation of a Business Income Loss; or
- (3) The determination of the extent of direct physical loss or damage to building or business personal property.

We will not pay for:

- (1) Expenses to prove that loss or damage is covered;
- (2) Expenses incurred under the Appraisal section of Loss Conditions;

- (3) Expenses incurred for examinations under oath, even if required by us; or
- (4) Expenses incurred for public adjusters or legal fees.

**Fire Extinguisher Systems Recharge Expenses**

- (1) We will pay:
  - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
  - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during the installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

**Security Guard Charges**

When it is necessary to provide security guard service or incur other necessary expense to protect the public or Covered Property as a result of a covered loss under this policy, we will pay up to \$5,000 per loss occurrence for this protection.

**Underground Property**

You may extend the insurance applying to Buildings to apply to loss or damage by a Covered Cause of Loss to your underground pipes, flues, drains, and foundations, including related costs of excavations, grading and backfilling. Property Not Covered items **f.**, **g.** and **m.** do not apply to this coverage extension.

The most we will pay under this Extension is \$50,000 per loss occurrence.

**E. Limits Of Insurance**

The second paragraph under **C.** Limits of Insurance is deleted and replaced with the following:

The most we will pay for loss or damage to outdoor signs is \$5,000 per sign (including its foundation) in any one occurrence.

**F. Additional Conditions**

Under **F.** Additional Conditions **1.** Coinsurance is deleted.

**G. Optional Coverages**

- 1. Under **G.** Optional Coverages **1.** Agreed Value and **2.** Inflation Guard are deleted.
- 2. Under **G.** Optional Coverages **3.** Replacement Cost paragraph **b.** is deleted and replaced with the following:
  - b.** This Optional Coverage does not apply to:
    - (1) Personal property of others, except leased personal property for which you have a contractual obligation to insure on a replacement cost basis;
    - (2) Contents of a residence;
    - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac;
    - (4) "Stock";
    - (5) Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value;
    - (6) Personal property or equipment not maintained in good or workable condition;
    - (7) Personal property or equipment that is outdated or obsolete and is stored or not being used; or
    - (8) Production machinery and equipment if the Production Machinery and Equipment Endorsement applies to any personal property at the same described premises.

Under the terms of this Replacement Cost Optional Coverage, tenant's improvements and betterments are not considered to be the personal property of others.

**H. Definitions**

- 1. Under **H.** Definitions, the definition for "Pollutants" is deleted and replaced with the following:
 

"Pollutants" means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, regardless of whether or not such irritant or contaminant has any function in any insured's or other's business, operations, premises, site or location. Waste includes materials to be recycled, reconditioned or reclaimed.
- 2. The following definitions are added to **H.** Definitions:
 

"Operations" means one or more of your revenue generating business activities or processes occurring at the described premises.

"Period of Restoration" means the period of time that:

**a. Begins:**

(1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

**b. Ends the earlier of:**

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when the 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, law or environmental regulation 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".

"Suspension" means:

**a.** The slowdown or cessation of your business activities or processes; or

**b.** That a part or all of a described premises is rendered untenable.

*SERFF Tracking Number:* FEMC-125871584      *State:* Arkansas  
*First Filing Company:* Federated Mutual Insurance Company, ...      *State Tracking Number:* EFT \$50  
*Company Tracking Number:* CP-2009-2 (FORMS)  
*TOI:* 01.0 Property      *Sub-TOI:* 01.0001 Commercial Property (Fire and Allied Lines)  
*Product Name:* Div 5 Fire and Allied  
*Project Name/Number:* CP-2009-2 (forms)/ISO 2007 and Water Exclusion endorsements

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: FEMC-125871584 State: Arkansas  
First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$50  
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Product Name: Div 5 Fire and Allied  
Project Name/Number: CP-2009-2 (forms)/ISO 2007 and Water Exclusion endorsements

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/27/2008

**Comments:**

**Attachments:**

NAIC P & C Transmittal Document PC TD-1 pages 1&2.pdf  
NIAC forms filing page 3.pdf

**Satisfied -Name:** cover letter **Review Status:** Approved 10/27/2008

**Comments:**

**Attachment:**

Cover LetterForms.pdf



## Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	CP-2009-2 (Forms)
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21.	<b>Filing Description</b> [This area should be similar to the body of a cover letter and is free-form text]
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- *Delayed adoption of ISO Reference Filing No. CF-2007-OFR07 and revision of Federated Forms*
  - *Utility Services-Time Element CP-F-98 (01-09)*
  - *Property Amendatory Endorsement CP-F-113 (01-09)*

22.	<b>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 #:**  
**Amount:**

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

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

## FORM FILING SCHEDULE

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	
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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)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

October 23, 2008

Arkansas State Department of Insurance

**FEDERATED MUTUAL INSURANCE COMPANY NAIC # 007-13935**  
**FEDERATED SERVICE INSURANCE COMPANY NAIC # 007-28304**

- **COMMERCIAL LINES MANUAL**
- **Division Five-Fire and Allied Lines**
  - **Delayed adoption of ISO Reference Filing No. CF-2007-OFR07**
  - **Utility Services-Time Element CP-F-98 (01-09)**
  - **Property Amendatory Endorsement CP-F-113 (01-09)**

**Filing #CP-2009-2 (Forms)**

**We submit for your approval the above-mentioned filing.**

**We are delaying the adoption of ISO Reference Filing listed above to the date indicated below. See the explanatory memorandum attached detailing related changes to the two forms listed above.**

**We intend to implement this filing under the prior approval provision for all policies written on or after January 1, 2009.**

**We trust that our filing meets your requirements, and we appreciate your consideration of our filing.**

**Thank you,**

***Sue Moldenhauer***

**Property & Casualty Product Specialist  
Federated Mutual Insurance Company  
Federated Service Insurance Company**