

SERFF Tracking Number: FFDC-125837133 State: Arkansas  
First Filing Company: American Automobile Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: NARAB0708  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: American Business Coverage Business Owners Extension Endorsement Filing  
Project Name/Number: American Business Coverage Business Owners Extension Endorsement Filing/NWAB0708

## Filing at a Glance

Companies: American Automobile Insurance Company, Associated Indemnity Corporation, Fireman's Fund Insurance Company, National Surety Corporation, The American Insurance Company

Product Name: American Business Coverage SERFF Tr Num: FFDC-125837133 State: Arkansas

Business Owners Extension Endorsement Filing

TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$50

Sub-TOI: 05.0002 Businessowners

Co Tr Num: NARAB0708

State Status: Fees verified and received

Filing Type: Form

Co Status: Pending

Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: Michelle Davanzo

Disposition Date: 10/03/2008

Date Submitted: 10/02/2008

Disposition Status: Approved

Effective Date Requested (New): 12/01/2008

Effective Date (New): 12/01/2008

Effective Date Requested (Renewal): 12/01/2008

Effective Date (Renewal): 12/01/2008

State Filing Description:

## General Information

Project Name: American Business Coverage Business Owners Extension Endorsement Filing

Status of Filing in Domicile:

Project Number: NWAB0708

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/03/2008

Deemer Date:

State Status Changed: 10/03/2008

Corresponding Filing Tracking Number:

Filing Description:

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Enclosed for your review is a revised American Business Coverage Business Owners Extension Endorsement AB 92 76 06 08. We are revising the endorsement to add five new coverage enhancements. We want to close any potential gaps in coverage for our business owner customers. This endorsement will be used with attached to our AB 90 00 12 93 Property/Liability Policy form.

The five enhancements are:

- Broadened Premises

This extension modifies the definition of premises from 100 feet to 1,000 feet.

- Fine Arts

This coverage extension provides a \$25,000 limit for loss or damage to the fine arts in the insured's care, custody or control resulting from a covered cause of loss applying to the business personal property at covered locations.

- Foundations

This coverage extension adds coverage for foundations of buildings, equipment and machinery, whether above or below ground, if real property coverage is provided on the policy.

- Signs and Glass Coverage (Where the Insured Doesn't Own the Building)

Subject to a limit of \$25,000, this coverage extension applies the coverage applicable to the insured's Business Personal Property to the exterior signs used in the insured's business, at the covered location, if the insured does not own the location.

- Water Damage- including backup from a sewer or drain

Subject to a limit of \$15,000, this coverage extension will apply if loss or damage caused by or resulting from a covered water damage loss occurrence is caused by water that backs up from a sewer or drain; or water under the ground surface pressing on, flowing or seeping through: Foundations, walls floor or paved surfaces; Basements, whether paved or not; or Doors, windows or other openings.

This is a form filing.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. American Business Coverage Business Owners Extension Endorsement AB 9276 06 08
3. (State checklists/forms)

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Your approval of this filing, which has a proposed effective date of December 1, 2008, would be appreciated.

## Company and Contact

### Filing Contact Information

Michelle Davanzo, Regulatory Services Senior Analyst mdavanzo@ffic.com

777 San Marin Drive (415) 899-2660 [Phone]  
 Novato, CA 94998 (866) 290-0671[FAX]

### Filing Company Information

American Automobile Insurance Company	CoCode: 21849	State of Domicile: Missouri
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-1608585	

Associated Indemnity Corporation	CoCode: 21865	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-1708002	

Fireman's Fund Insurance Company	CoCode: 21873	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-3290 ext. [Phone]	FEIN Number: 94-1610280	

National Surety Corporation	CoCode: 21881	State of Domicile: Illinois
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 36-2704643	

The American Insurance Company	CoCode: 21857	State of Domicile: Nebraska
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-2817 ext. [Phone]	FEIN Number: 22-0731810	





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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/03/2008	10/03/2008

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## Disposition

Disposition Date: 10/03/2008  
Effective Date (New): 12/01/2008  
Effective Date (Renewal): 12/01/2008  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

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

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Approved	Yes
<b>Supporting Document</b>	marked copy	Approved	Yes
<b>Supporting Document</b>	Explanatory Memorandum	Approved	Yes
<b>Supporting Document</b>	Cover Letter	Approved	Yes
<b>Form</b>	American Business Coverage Business Owners Extension 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	American Business Coverage Business Owners Extension Endorsement	AB9276	06 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 AB9276 03 01 Previous Filing #: NARAB0101	AB 9276 06 08 ABC Business Owners Extension Endorsement	06 08 ABC Business Owners Extension Endorsement.pdf

# American Business Coverage Business Owners Extension Endorsement AB 92 76 06 08

This endorsement modifies insurance provided under the following:  
American Business Coverage

## Schedule of Coverages not subject to the Blanket Limit of Insurance

Broadened Premises Coverage	
Depositors Forgery*	\$25,000
Extended Period of Indemnity	
Foundations	
Money Orders and Counterfeit Money*	\$25,000
Personal Effects*	\$5,000
Sign and Glass Coverage	\$25,000
(Where Insured Doesn't Own The Building)	
Water Damage	\$15,000

## Schedule of Coverages subject to the \$250,000 Blanket Limit of Insurance

Coverage Description	Sub-Limits of Insurance	Additional Limits
Accounts Receivable*		
Business Personal Property at Newly Acquired Premises*		
Business Personal Property - Off Premises*		
Computer Equipment, Media, Data and Programs*		
Consequential Loss		
Contract Penalty		
Cost of Expediting*		
Cost of Inventory, Appraisal or Adjustment*		
Employee Dishonesty	\$25,000	
Fine Arts		
Fire Department Service Charge*		
Fire Protection Devices*		
Income Support Properties*		
Off Premises Time Element		
Property of Others*		
Valuable Papers and Records*		

\* Refer to AB 9000 for coverage conditions

This Form must be attached to Change Endorsement when issued after the policy is written.  
One of the Fireman's Fund Insurance Companies as named in the policy.



Secretary



President

**I. Schedule of Coverages not subject to the Blanket Limit of Insurance**

- A. For all coverages with specified sub-limits in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** shown above; the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item.
- B. The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

**II. Schedule of Coverages Subject to the Blanket Limit of Insurance**

**A. \$250,000 Blanket limit of Insurance**

A \$250,000 combined **Blanket Limit of Insurance** applies in each occurrence to all coverages described in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above. You may elect to apportion the \$250,000 **Blanket Limit of Insurance** to a single coverage or between any combination of coverages for loss in each occurrence. However, regardless of how the **Blanket Limit of Insurance** is apportioned or the number of locations involved the most we will pay in any single occurrence is \$250,000.

This **Blanket Limit of Insurance** does not apply to any other coverages provided by this contract.

**B. Specified Sub-Limits**

For all coverages with specified sub-limits in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above, the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item. Any specified sub-limits are included within the **Blanket Limit of Insurance** and do not increase the \$250,000 **Blanket Limit of Insurance**.

**C. Additional Limits of Insurance**

Additional Limits of Insurance may be purchased for each of the coverages listed above. If purchased, these Additional Limits of Insurance will be designated in the **Schedule of Coverages**

**subject to the Blanket Limit of Insurance**, and will apply in addition to whatever amount you have otherwise apportioned to that coverage under the **Blanket Limit of Insurance**.

The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverage subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

**III. Section I Property Coverages, A..5. Additional Coverages, item g, of Property/Liability Policy – AB 90 00 12 93, is deleted in its entirety and is replaced by the following:**

**g. Business Income**

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**. We will also pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and operations are resumed; and
- (2) Ends on the earlier of:
  - (a) The date you could restore operations with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
  - (b) 365 consecutive days after the date determined in (1) above.

But we will not pay for any loss of Business Income beyond 24 consecutive months after the date of direct physical loss or damage.

The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Causes of Loss.

**Business Income** means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

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

#### **Business Income Extension**

Your Business Income coverage is extended to apply to property at any location you acquire other than fairs or exhibitions. The most we will pay for loss under this Extension is \$10,000. This additional coverage is not subject to the Limits of Insurance.

#### **Business Income Exclusions**

We will not pay for:

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

#### **IV. Additional Coverage**

The following is added to Property-Liability Policy AB 90 00 12 93, Section I – Property Coverages, A. Coverage, 5. Additional Coverages:

##### **u. Consequential Loss**

We will pay the reduction in value of the remaining parts of your stock when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of your stock at the described premises and the remaining parts cannot be used in conjunction with other stock.

##### **v. Contract Penalty**

We will pay the contractual penalties you are required to pay to your customers as a result of

any clause in your written contracts with such customers imposing such penalties for failure to timely deliver your product according to the contract terms. The failure to timely deliver must result solely from direct physical loss or damage by a Covered Cause of Loss.

##### **w. Employee Dishonesty Coverage**

- A. We will pay for direct physical loss of covered property resulting from dishonest or fraudulent acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) while they work for you and for 30 days after they leave your employment.

We will pay for loss of or damage to money, securities and other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the premises or banking premises; to a person (other than a messenger) outside those premises or to a place outside those premises.

We will pay for loss of funds resulting directly from a fraudulent instruction directing a financial institution to transfer pay or deliver funds from your transfer account.

The property covered is:

- (1) Money;
- (2) Securities;
- (3) Other property that is tangible and has an intrinsic value which you own, hold, or for which you are legally liable.

- B. An employee is a natural person who is subject to your direction and control. Independent contractors or agents or representatives of the same general character are not employees.

If you are a non-profit organization, employee does include any non-compensated natural person, other than a fund solicitor, while performing services for you that are usual to the duties of an employee.

C. The dishonest or fraudulent act(s) must be committed within the Coverage period and with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotional awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (a) Any employee; or
  - (b) Any other person or organization.

D. We will pay only for covered loss discovered within 90 days after the end of the Coverage period or cancellation date of this insurance.

E. We will not pay for loss, or any part of any loss:

- (1) The proof of which is dependent upon either:
  - (a) An inventory computation; or
  - (b) A profit and loss computation.
- (2) Resulting from any act of any employee after the time that you, or any of your partners or officers have discovered or have knowledge of any dishonest act by that employee committed by that employee before or after being hired by you.
- (3) Which is an indirect result of any dishonest or fraudulent act including loss:
  - (a) Which relates to your inability to earn income.
  - (b) Which is a penalty, or interest payment.
  - (c) Which is an expense related to any legal action.

F. If you have made a timely discovery and timely claim on more than one policy we or any affiliate has issued to you or any affiliate

of yours, the most we will pay is the largest limit payable on any one policy.

An occurrence, means all loss caused by any employee or in which that person is involved, whether all loss involved one or more acts of dishonesty even when more than one employee is involved.

All loss caused by an unidentifiable employee(s) is one occurrence unless there is proof that no one employee could have been involved in all of the loss. Involved means to have had an effect on.

G. If you (or any predecessor in interest) sustained loss during the period of any prior insurance that you could have recovered under that insurance except the time within which to discover loss had expired: we will, as part of, not in addition to the Limit of Insurance of this Coverage, pay for it under this Coverage, provided:

- (1) This Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss would have been covered by this Coverage had it been in effect when the acts were committed.
- (3) An amount being paid as a part of the Limit of Insurance is limited to the lesser of the amount recoverable under:
  - (a) This Coverage as of its effective date; or
  - (b) The prior insurance had it remained in effect.

H. ERISA PLANS as a named insured under Employee Dishonesty Coverage have the following provisions without increasing the Limit of Insurance for Employee Dishonesty Coverage. These provisions are in compliance with certain provisions of the Retirement Income Security Act (ERISA).

- (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of

insurance for each Plan that is at least equal to that required if each Plan were separately insured.

- (2) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
  - (3) If two or more Plans are insured under this insurance, any payment we make for loss:
    - (a) Sustained by two or more Plans; or
    - (b) Of commingled funds or other property of two or more Plans that arises out of the occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
  - (4) The deductible provisions of the Employee Dishonesty Coverage Form does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.
- I. Recoveries, less the cost of obtaining them, made prior to settlement of loss under this Employee Dishonesty coverage, are to be credited to the loss.
- J. Your duties in the event of a loss include:
- (1) After you discover a loss or a situation that may result in a loss under this Coverage, you must:
    - (a) Notify us as soon as possible with an outline of the facts as known to you.
    - (b) Do nothing after loss to impair your rights of recovery against any person or organization.
    - (c) Give us a detailed, sworn proof of loss within 90 days of our request, or 120 days after you discover a loss

if we have not made a written request for a proof of loss.

- (d) Produce for our examination all pertinent records.
  - (e) Cooperate with us in the investigation of your claim; and
  - (f) Submit to examination under oath at our request and give us a signed statement of your answers.
- (2) You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must do everything necessary to secure those rights for us.
- K. We will pay up to \$1,000 to cover the costs you incur to investigate in order to prepare your proof of loss. This coverage does not increase your coverage limit and it is payable only if you have a covered claim.
- L. You may not bring any legal action against us involving loss under this endorsement:
- (1) Unless there has been full compliance with all of the terms of this insurance; and
  - (2) Unless the action is brought within two years after the date on which you discover the loss.

This insurance provides no rights or benefits to any other person or organization.

- M. Distribution of recovery:
- (1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
    - (a) To you, until you are reimbursed for that loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
    - (b) Then to us, until we are reimbursed for the settlement made;

- (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

(2) Recoveries do not include any recovery:

- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) Of original securities after duplicates of them have been issued.

N. If more than one insured is named in the Declarations, the first named insured will act for itself and for every other insured for the purposes of this insurance.

x. Fine Arts

We will pay for loss or damage to your fine arts and fine arts owned by others but in your care, custody or control at covered locations. We cover such property against direct physical loss or damage from a cause of loss we applying to your business personal property at the location.

Fine arts means property that is rare or of artistic or historical value.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to this Endorsement Part for Fine Arts.

If there is other insurance covering the same loss or damage provided by this Additional Coverage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance. But we will not pay more than the applicable Limit of Insurance.

y. Foundations

If the Declarations show you have building coverage, we will pay for loss to:

- (1) foundations of covered buildings, structures, machinery and boilers, and
- (2) foundations of equipment and machinery, whether above or below ground.

Item A.2. Property Not Covered, part i. is deleted.

The policy deductible applies to this extension of coverage.

z. Off Premises Time Element

A. We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss, not on the described premises, from one of the following 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.

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.

B. We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the off-premises property to which this endorsement applies.

aa. Water Damage: Property- Liability AB 9000 12 93 Section I Property Coverages Part B Exclusions, f.(5) water is amended by deleting the following:

a. Water that backs up from a sewer or drain; or

b. Water under the ground surface pressing on, flowing or seeping through:

1. Foundations, walls, floor, or paved Surfaces;

2. Basements, whether paved or not; or

3. Doors, windows or other openings.

V. Property-Liability Policy AB 9000 12 93 Section A.6, Coverage Extensions is amended to include the following additional coverage.

k. Broadened Premises Coverage

The within 100 feet of the described premises limit stated in Paragraph A.1.b. Business Personal Property is deleted and replaced by within 1000 feet of the described premises.

## 1. Sign and Glass Coverage

If you occupy a location that you do not own, we cover the signs and glass that you use in your business at a covered location. Sign and glass coverage include:

(1) Lettering and ornamentation;

(2) Signs or glass that are on the exterior of the insured premises; and

(3) Signs or glass that are on the exterior of the insured premises, but which is interior to an enclosed structure.

We will cover such signs and glass for direct physical loss or damage from any covered cause of loss applying to your Business Personal Property.

We will not pay for loss of or damage to any sign or glass at any location at which you are required by lease or other contract to insure the Business Real Property, except such lease or other contract specifically requires you to insure the exterior signs at the location.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage, regardless of the number of signs or panes of glass lost or damaged, is the limit shown in the Schedule that applies to Sign and Glass Coverage.

This Additional Coverage shall apply only as excess insurance over any insurance provided by or for the building owner, whether or not any proceeds under any such policy are collectible.

All other terms and conditions of the policy remain unchanged.



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## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 10/03/2008

**Comments:**

**Attachments:**

NAIC Transmittal - Form.pdf  
Form Filing Schedule.pdf

**Satisfied -Name:** marked copy **Review Status:** Approved 10/03/2008

**Comments:**

**Attachment:**

AB 9276 06 08 ABC Business Owners Extension Endorsement marked copy.pdf

**Satisfied -Name:** Explanatory Memorandum **Review Status:** Approved 10/03/2008

**Comments:**

**Attachment:**

AB9276 Explanatory Memorandum.pdf

**Satisfied -Name:** Cover Letter **Review Status:** Approved 10/03/2008

**Comments:**

**Attachment:**

Cover Letter NWAB0708.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 border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>
Fireman's Fund Insurance Companies	0761

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Fireman's Fund Insurance Company	CA	21873	94-1610280	
National Surety Corporation	IL	21881	36-2704643	
The American Insurance Company	NE	21857	22-0731810	
Associated Indemnity Corporation	CA	21865	22-1708002	
American Automobile Insurance Company	MO	21849	22-1608585	

<b>5. Company Tracking Number</b>	NARAB0708
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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
	Michelle A. Davanzo	Regulatory Analyst	(415) 899-2660	866-290-0671	Michelle.davanzo@ffic.com

7. Signature of authorized filer	<i>Michelle A. Davanzo</i>
8. Please print name of authorized filer	Michelle A. Davanzo

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

9. Type of Insurance (TOI)	5.0 CMP Liability and Non-Liability
10. Sub-Type of Insurance (Sub-TOI)	5.0002 Businessowners
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 12-01-08      Renewal: 12-01-08
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	10-02-08
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.</b>	<b>This filing transmittal is part of Company Tracking #</b>	NARAB0708
<b>21.</b>	<b>Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]</b>	

Enclosed for your review is a revised American Business Coverage Business Owners Extension Endorsement AB 92 76 06 08. We are revising the endorsement to add five new coverage enhancements. We want to close any potential gaps in coverage for our business owner customers. This endorsement will be used with attached to our AB 90 00 12 93 Property/Liability Policy form.

The five enhancements are:

- **Broadened Premises**  
This extension modifies the definition of premises from 100 feet to 1,000 feet.
- **Fine Arts**  
This coverage extension provides a \$25,000 limit for loss or damage to the fine arts in the insured's care, custody or control resulting from a covered cause of loss applying to the business personal property at covered locations.
- **Foundations**  
This coverage extension adds coverage for foundations of buildings, equipment and machinery, whether above or below ground, if real property coverage is provided on the policy.
- **Signs and Glass Coverage (Where the Insured Doesn't Own the Building)**  
Subject to a limit of \$25,000, this coverage extension applies the coverage applicable to the insured's Business Personal Property to the exterior signs used in the insured's business, at the covered location, if the insured does not own the location.
- **Water Damage- including backup from a sewer or drain**  
Subject to a limit of \$15,000, this coverage extension will apply if loss or damage caused by or resulting from a covered water damage loss occurrence is caused by water that backs up from a sewer or drain; or water under the ground surface pressing on, flowing or seeping through: Foundations, walls floor or paved surfaces; Basements, whether paved or not; or Doors, windows or other openings.

This is a form filing.

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. American Business Coverage Business Owners Extension Endorsement AB 9276 06 08
3. (State checklists/forms)

Your approval of this filing, which has a proposed effective date of December 1, 2008, would be appreciated.

<b>2.</b>	<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]
<b>Check #:</b> <b>Amount:</b>  <b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b>	

\*\*\*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

**PROPERTY & CASUALTY 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 the state.)

	This filing transmittal is part of Company Tracking #			NARAB0708	
	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
	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)
1	American Business Coverage Business Owners Extension Endorsement	AB9276 06 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AB9276 03 01	NARAB0101
2			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
3			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
4			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
5			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
6			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
7			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
8			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
9			<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		

# American Business Coverage Business Owners Extension Endorsement

## AB 92 76 03-01-06 08

This endorsement modifies insurance provided under the following:  
**American Business Coverage**

### Schedule of Coverages not subject to the Blanket Limit of Insurance

#### Broadened Premises Coverage

Depositors Forgery\* \$25,000  
 Extended Period of Indemnity

#### Foundations

Money Orders and Counterfeit Money\* \$25,000  
 Personal Effects\* \$5,000

Sign and Glass Coverage \$25,000

(Where Insured Doesn't Own The Building)

Water Damage \$15,000

### Schedule of Coverages subject to the \$250,000 Blanket Limit of Insurance

Coverage Description	Sub-Limits of Insurance	Additional Limits
Accounts Receivable*		
Business Personal Property at Newly Acquired Premises*		
Business Personal Property - Off Premises*		
Computer Equipment, Media, Data and Programs*		
Consequential Loss		
Contract Penalty		
Cost of Expediting*		
Cost of Inventory, Appraisal or Adjustment*		
Employee Dishonesty	\$25,000	
Fine Arts		
Fire Department Service Charge*		
Fire Protection Devices*		
Income Support Properties*		
Off Premises Time Element		
Property of Others*		
Valuable Papers and Records*		

\* Refer to AB 9000 for coverage conditions

### I. Schedule of Coverages not subject to the Blanket Limit of Insurance

- A. For all coverages with specified sub-limits in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** shown above; the

most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item.

This Form must be attached to Change Endorsement when issued after the policy is written. One of the **Fireman's Fund Insurance Companies** as named in the policy.

\_\_\_\_\_  
 Secretary

\_\_\_\_\_  
 President

B. The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverages not subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

## II. Schedule of Coverages Subject to the Blanket Limit of Insurance

### A. \$250,000 Blanket limit of Insurance

A \$250,000 combined **Blanket Limit of Insurance** applies in each occurrence to all coverages described in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above. You may elect to apportion the \$250,000 **Blanket Limit of Insurance** to a single coverage or between any combination of coverages for loss in each occurrence. However, regardless of how the **Blanket Limit of Insurance** is apportioned or the number of locations involved the most we will pay in any single occurrence is \$250,000.

This **Blanket Limit of Insurance** does not apply to any other coverages provided by this contract.

### B. Specified Sub-Limits

For all coverages with specified sub-limits in the **Schedule of Coverages subject to the Blanket Limit of Insurance** shown above, the most we will pay in any single occurrence is the specified sub-limit for the scheduled coverage item. Any specified sub-limits are included within the **Blanket Limit of Insurance** and do not increase the \$250,000 **Blanket Limit of Insurance**.

### C. Additional Limits of Insurance

Additional Limits of Insurance may be purchased for each of the coverages listed above. If purchased, these Additional Limits of Insurance will be designated in the **Schedule of Coverages subject to the Blanket Limit of Insurance**, and will apply in addition to whatever amount you have otherwise apportioned to that coverage under the **Blanket Limit of Insurance**.

The limits stated in this endorsement replace any other limits for all coverages in the **Schedule of Coverage subject to the Blanket Limit of Insurance** provided under the Property/Liability policy AB 90 00 12 93 to which this endorsement is attached.

## III. Section I Property Coverages, A..5. Additional Coverages, item g, of Property/Liability Policy – AB 90 00 12 93, is deleted in it's entirety and is replaced by the following:

### g. Business Income

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**. We will also pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and operations are resumed; and
- (2) Ends on the earlier of:
  - (a) The date you could restore operations with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
  - (b) 365 consecutive days after the date determined in (1) above.

But we will not pay for any loss of Business Income beyond 24 consecutive months after the date of direct physical loss or damage.

The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Causes of Loss.

**Business Income** means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

**Business Income Extension**

Your Business Income coverage is extended to apply to property at any location you acquire other than fairs or exhibitions. The most we will pay for loss under this Extension is \$10,000. This additional coverage is not subject to the Limits of Insurance.

#### **Business Income Exclusions**

We will not pay for:

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

#### **IV. Additional Coverage**

The following is added to Property-Liability Policy AB 90 00 12 93, Section I – Property Coverages, A. Coverage, 5. Additional Coverages:

##### u. Consequential Loss

We will pay the reduction in value of the remaining parts of your stock when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of your stock at the described premises and the remaining parts cannot be used in conjunction with other stock.

##### v. Contract Penalty

We will pay the contractual penalties you are required to pay to your customers as a result of any clause in your written contracts with such customers imposing such penalties for failure to timely deliver your product according to the contract terms. The failure to timely deliver must result solely from direct physical loss or damage by a Covered Cause of Loss.

##### w. Employee Dishonesty Coverage

- A. We will pay for direct physical loss of covered property resulting from dishonest or fraudulent acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) while they work for you and for 30 days after they leave your employment.

We will pay for loss of or damage to money, securities and other property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the premises or banking premises; to a person (other than a messenger) outside those premises or to a place outside those premises.

We will pay for loss of funds resulting directly from a fraudulent instruction directing a financial institution to transfer pay or deliver funds from your transfer account.

The property covered is:

- (1) Money;
  - (2) Securities;
  - (3) Other property that is tangible and has an intrinsic value which you own, hold, or for which you are legally liable.
- B. An employee is a natural person who is subject to your direction and control. Independent contractors or agents or representatives of the same general character are not employees.

If you are a non-profit organization, employee does include any non-compensated natural person, other than a fund solicitor, while performing services for you that are usual to the duties of an employee.
  - C. The dishonest or fraudulent act(s) must be committed within the Coverage period and with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also

- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotional awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (a) Any employee; or
  - (b) Any other person or organization.
- D. We will pay only for covered loss discovered within 90 days after the end of the Coverage period or cancellation date of this insurance.
- E. We will not pay for loss, or any part of any loss:
  - (1) The proof of which is dependent upon either:
    - (a) An inventory computation; or
    - (b) A profit and loss computation.
  - (2) Resulting from any act of any employee after the time that you, or any of your partners or officers have discovered or have knowledge of any dishonest act by that employee committed by that employee before or after being hired by you.
  - (3) Which is an indirect result of any dishonest or fraudulent act including loss:
    - (a) Which relates to your inability to earn income.
    - (b) Which is a penalty, or interest payment.
    - (c) Which is an expense related to any legal action.
- F. If you have made a timely discovery and timely claim on more than one policy we or any affiliate has issued to you or any affiliate of yours, the most we will pay is the largest limit payable on any one policy.

An occurrence, means all loss caused by any employee or in which that person is involved, whether all loss involved one or more acts of dishonesty even when more than one employee is involved.

All loss caused by an unidentifiable employee(s) is one occurrence unless there is proof that no one employee could have been involved in all of the loss. Involved means to have had an effect on.

- G. If you (or any predecessor in interest) sustained loss during the period of any prior insurance that you could have recovered under that insurance except the time within which to discover loss had expired: we will, as part of, not in addition to the Limit of Insurance of this Coverage, pay for it under this Coverage, provided:
  - (1) This Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss would have been covered by this Coverage had it been in effect when the acts were committed.
  - (3) An amount being paid as a part of the Limit of Insurance is limited to the lesser of the amount recoverable under:
    - (a) This Coverage as of its effective date; or
    - (b) The prior insurance had it remained in effect.
- H. ERISA PLANS as a named insured under Employee Dishonesty Coverage have the following provisions without increasing the Limit of Insurance for Employee Dishonesty Coverage. These provisions are in compliance with certain provisions of the Retirement Income Security Act (ERISA).
  - (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
  - (2) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use

- and benefit of the Plan(s) sustaining the loss.
- (3) If two or more Plans are insured under this insurance, any payment we make for loss:
    - (a) Sustained by two or more Plans; or
    - (b) Of commingled funds or other property of two or more Plans that arises out of the occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
  - (4) The deductible provisions of the Employee Dishonesty Coverage Form does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.
- I. Recoveries, less the cost of obtaining them, made prior to settlement of loss under this Employee Dishonesty coverage, are to be credited to the loss.
- J. Your duties in the event of a loss include:
- (1) After you discover a loss or a situation that may result in a loss under this Coverage, you must:
    - (a) Notify us as soon as possible with an outline of the facts as known to you.
    - (b) Do nothing after loss to impair your rights of recovery against any person or organization.
    - (c) Give us a detailed, sworn proof of loss within 90 days of our request, or 120 days after you discover a loss if we have not made a written request for a proof of loss.
    - (d) Produce for our examination all pertinent records.
    - (e) Cooperate with us in the investigation of your claim; and
  - (2) You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must do everything necessary to secure those rights for us.
- (f) Submit to examination under oath at our request and give us a signed statement of your answers.
- K. We will pay up to \$1,000 to cover the costs you incur to investigate in order to prepare your proof of loss. This coverage does not increase your coverage limit and it is payable only if you have a covered claim.
- L. You may not bring any legal action against us involving loss under this endorsement:
- (1) Unless there has been full compliance with all of the terms of this insurance; and
  - (2) Unless the action is brought within two years after the date on which you discover the loss.
- This insurance provides no rights or benefits to any other person or organization.
- M. Distribution of recovery:
- (1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
    - (a) To you, until you are reimbursed for that loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
    - (b) Then to us, until we are reimbursed for the settlement made;
    - (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
  - (2) Recoveries do not include any recovery:
    - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original securities after duplicates of them have been issued.

N. If more than one insured is named in the Declarations, the first named insured will act for itself and for every other insured for the purposes of this insurance.

x. Fine Arts

We will pay for loss or damage to your fine arts and fine arts owned by others but in your care, custody or control at covered locations. We cover such property against direct physical loss or damage from a cause of loss we applying to your business personal property at the location.

Fine arts means property that is rare or of artistic or historical value.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule that applies to this Endorsement Part for Fine Arts.

If there is other insurance covering the same loss or damage provided by this Additional Coverage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance. But we will not pay more than the applicable Limit of Insurance.

y. Foundations

If the Declarations show you have building coverage, we will pay for loss to:

- (1) foundations of covered buildings, structures, machinery and boilers, and
- (2) foundations of equipment and machinery, whether above or below ground.

Item A.2. Property Not Covered, part i. is deleted.

The policy deductible applies to this extension of coverage.

z. Off Premises Time Element

A. We will pay for loss of Business Income or Extra Expense at the described premises

caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss, not on the described premises, from one of the following 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.

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.

B. We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the off-premises property to which this endorsement applies.

aa. Water Damage: Property- Liability AB 9000 12 93 Section I Property Coverages Part B Exclusions, f.(5) water is amended by deleting the following:

- a. Water that backs up from a sewer or drain; or
- b. Water under the ground surface pressing on, flowing or seeping through:
  - 1. Foundations, walls, floor, or paved Surfaces;
  - 2. Basements, whether paved or not; or
  - 3. Doors, windows or other openings.

V. Property-Liability Policy AB 9000 12 93 Section A.6, Coverage Extensions is amended to include the following additional coverage.

k. Broadened Premises Coverage

The within 100 feet of the described premises limit stated in Paragraph A.1.b. Business Personal Property is deleted and replaced by within 1000 feet of the described premises.

l. Sign and Glass Coverage

If you occupy a location that you do not own, we cover the signs and glass that you use in your business at a covered location. Sign and glass coverage include:

- (1) Lettering and ornamentation;
- (2) Signs or glass that are on the exterior of the insured premises; and
- (3) Signs or glass that are on the exterior of the insured premises, but which is interior to an enclosed structure.

We will cover such signs and glass for direct physical loss or damage from any covered cause of loss applying to your Business Personal Property.

We will not pay for loss of or damage to any sign or glass at any location at which you are required by lease or other contract to insure the Business Real Property, except such lease or other contract specifically requires you to insure the exterior signs at the location.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage, regardless of the number of signs or panes of glass lost or damaged, is the limit shown in the Schedule that applies to Sign and Glass Coverage.

This Additional Coverage shall apply only as excess insurance over any insurance provided by or for the building owner, whether or not any proceeds under any such policy are collectible.

All other terms and conditions of the policy remain unchanged.

## **AMERICAN BUSINESS COVERAGE EXPLANATORY MEMORANDUM**

### **American Business Coverage BusinessOwners Extension Endorsement AB 9276 06 08**

We are revising our AB 9276 BusinessOwners endorsement to add five new coverage enhancements: we want to close any potential gaps in coverage for our business owner customers.

#### **Coverage Descriptions**

A brief description of each of the five coverage enhancements is below.

##### **Broadened Premises**

This extension modifies the definition of premises from 100 feet to 1,000 feet

##### **Fine Arts**

This coverage extension provides a \$25,000 limit for loss or damage to the fine arts in the insured's care, custody or control resulting from a covered cause of loss applying to the business personal property at covered locations.

##### **Foundations**

This coverage extension adds coverage for foundations of buildings, equipment and machinery, whether above or below ground, if real property coverage is provided on the policy.

##### **Signs and Glass Coverage (Where the Insured Doesn't Own the Building)**

Subject to a limit of \$25,000, this coverage extension applies the coverage applicable to the insured's Business Personal Property to the exterior signs used in the insured's business, at the covered location, if the insured does not own the location.

##### **Water Damage- including backup from a sewer or drain**

Subject to a limit of \$15,000, this coverage extension will apply if loss or damage caused by or resulting from a covered water damage loss occurrence is caused by water that backs up from a sewer or drain; or water under the ground surface pressing on, flowing or seeping through: Foundations, walls floor or paved surfaces; Basements, whether paved or not; or Doors, windows or other openings.



October 2, 2008

Honorable Julie Benafield Bowman  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

**RE: American Business Coverage  
Business Owners Extension Endorsement Filing**

Fireman's Fund Insurance Company	761-21873
The American Insurance Company	761-21857
National Surety Corporation	761-21881
Associated Indemnity Corporation	761-21865
American Automobile Insurance Company	761-21849
Company Filing # NARAB0708	

Dear Sir or Madam:

Enclosed for your review is a revised American Business Coverage Business Owners Extension Endorsement AB 92 76 06 08. We are revising the endorsement to add five new coverage enhancements. We want to close any potential gaps in coverage for our business owner customers. This endorsement will be used with attached to our AB 90 00 12 93 Property/Liability Policy form.

The five enhancements are:

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Subject to a limit of \$15,000, this coverage extension will apply if loss or damage caused by or resulting from a covered water damage loss occurrence is caused by water that backs up from a sewer or drain; or water under the ground surface pressing on, flowing or seeping through: Foundations, walls floor or paved surfaces; Basements, whether paved or not; or Doors, windows or other openings.

This is a form filing.

**Fireman's Fund  
Insurance Companies  
A member of the  
Alliance Group**

777 San Marin Drive  
Novato, CA 94998  
415.899.2000

Enclosed in support of this filing are the following items:

1. American Business Coverage Explanatory Memorandum
2. American Business Coverage Business Owners Extension Endorsement AB 9276 06 08
3. (State checklists/forms)

Your approval of this filing, which has a proposed effective date of December 1, 2008, would be appreciated.

Sincerely,



Michelle A. Davanzo  
Regulatory Analyst  
Commercial Business, Governance  
800-227-1700 ext 2660 wk  
415-899-2660