

SERFF Tracking Number: AMAX-125951928 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
Company Tracking Number: AAIS-2008-67BP
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Businessowners
Project Name/Number: CW BP New & Revised Endorsements - AAIS-2008-67BP/AAIS-2008-67BP

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Businessowners SERFF Tr Num: AMAX-125951928 State: Arkansas
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$200

Sub-TOI: 05.0002 Businessowners Co Tr Num: AAIS-2008-67BP State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: SPI AAIS Disposition Date: 12/17/2008

Date Submitted: 12/17/2008 Disposition Status: Filed

Effective Date Requested (New): 06/01/2009 Effective Date (New): 06/01/2009

Effective Date Requested (Renewal): Effective Date (Renewal):

State Filing Description:

General Information

Project Name: CW BP New & Revised Endorsements - AAIS-2008-67BP Status of Filing in Domicile: Pending

Project Number: AAIS-2008-67BP

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/17/2008

State Status Changed: 12/17/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Re: AAIS-2008-67BP

Businessowners Program

New and Revised Endorsements

SERFF Tracking Number: AMAX-125951928 State: Arkansas
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On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the above captioned program. Our filing consists of new and revised endorsements.

The Filing Memorandum provides detailed descriptions of the changes and additions being proposed at this time. Side-by-side comparisons of the current-to-revised countrywide endorsements are included. Copies of all materials are enclosed.

We propose that the filing become effective June 1, 2009. Companies will be advised to take the filing action outlined in the attached company action exhibit.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

Company and Contact

Filing Contact Information

Norma Jean Knight, Filings/Compliance normak@aaisonline.com
Specialist
1745 South Naperville Road (630) 681-8347 [Phone]
Wheaton, IL 60187-8132 (630) 681-8356[FAX]

Filing Company Information

American Association of Insurance Services CoCode: 31400 State of Domicile: Delaware
1745 S. Naperville Road Group Code: Company Type:
Wheaton, IL 60187-8132 Group Name: State ID Number:
(630) 681-8347 ext. [Phone] FEIN Number: 36-2021360

SERFF Tracking Number: AMAX-125951928 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$200.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$200.00	12/17/2008	24583294

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	12/17/2008	12/17/2008

SERFF Tracking Number: *AMAX-125951928* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$200*
Company Tracking Number: *AAIS-2008-67BP*
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Liability
Product Name: *Businessowners*
Project Name/Number: *CW BP New & Revised Endorsements - AAIS-2008-67BP/AAIS-2008-67BP*

Disposition

Disposition Date: 12/17/2008

Effective Date (New): 06/01/2009

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMAX-125951928 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
 Company Tracking Number: AAIS-2008-67BP
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	AR - FORM FILING ABSTRACT F-1	Filed	Yes
Supporting Document	BP Water Filing Memo - CW	Filed	Yes
Supporting Document	BP 0330 10 08 to BP 0330 01 04	Filed	Yes
Supporting Document	BP 0475 10 08 to BP 0100 01 04 & BP 0200 01 04	Filed	Yes
Supporting Document	Important Notice - Copyrighted Materials	Filed	Yes
Supporting Document	AR Forms Company Action Exhibit	Filed	Yes
Form	Water Backup and Overflow Coverage	Filed	Yes
Form	Amendatory Endorsement	Filed	Yes

SERFF Tracking Number: AMAX-125951928 State: Arkansas
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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Filed	Water Backup and Overflow Coverage	BP 0330	10 08	Endorsement/Amendment/Conditions Replaced	Replaced Form #:59.07 Previous Filing #:		BP 0330.PDF
Filed	Amendatory Endorsement	BP 0475	10 08	Endorsement/Amendment/Conditions New		56.77	BP 0475.PDF

WATER BACKUP AND OVERFLOW COVERAGE

(The entries required to complete this Schedule will be shown below or on the "declarations".)

Schedule

Prem. No.	Bldg. No.	Covered Property	Limit
1.		In return for "your" payment of the required premium, "we" provide the coverage described in this endorsement. This coverage is subject to the "terms" of this endorsement, the Common Policy Conditions, the Common Policy Definitions, and the "terms" applicable to Property Coverages, except as provided below.	
2.		"We" cover direct physical loss or damage to property shown in the Schedule above while at the premises shown, caused by water, or material present in or carried or otherwise moved by water, that backs up through, overflows from, or is otherwise discharged from: a. a sewer or drain; b. a sump, sump pump, or related equipment, even if the backup, overflow, or discharge is due to mechanical breakdown of such sump pump or related equipment. However, "we" do not cover the cost to repair or replace any sump pump or related equipment due to mechanical breakdown; or c. any other type of system designed to remove subsurface water which is drained from the foundation area.	
3.		The most "we" pay under this endorsement for loss to covered property shown in the Schedule above is the "limit" shown that applies to that covered property.	
4.		With respect to coverage provided by this endorsement, item 8. under Perils Excluded is deleted and replaced by the following:	
8.		Water -- a. "We" do not pay for loss or damage caused by: 1) flood; surface water; waves, including, but not limited to, tidal wave and tsunami; tidal water; tides; overflow of any body of water; or spray from any of these; all whether or not driven by wind. This includes, but is not limited to, storm surge, storm tide, and tidal surge; 2) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into: a) basements, whether paved or not; b) doors, windows, or other openings;	

- c) foundations, floors, walls, or paved surfaces; or
 - d) swimming pools, septic tanks, or other structures; or
- 3) material present in or carried or otherwise moved by water described in items 1) and 2) above.

However, if fire, explosion, or sprinkler leakage results, "we" do pay for the resulting loss.

- b. This exclusion:
- 1) applies regardless of the cause of the water or the material carried or moved by water described under items a.1) through a.3) above, whether or not such cause is an act of nature; and
 - 2) applies to, but is not limited to, water and material present in or carried or moved by water, whether or not driven by wind, that:
 - a) overtops;
 - b) escapes from;

- c) is released from; or
- d) is otherwise discharged from;

a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

However, if this endorsement is attached to form BP 0200, this exclusion does not apply to "computers".

5. With respect to coverage provided by this endorsement, the following exclusions are added under Additional Exclusions:
- a. **Ordinary Maintenance** -- "We" do not pay for loss or damage caused by an "insured's" failure to perform the ordinary maintenance or repair necessary to keep a sewer or drain cleared of obstructions.
 - b. **Proper Condition** -- "We" do not pay for loss or damage caused by an "insured's" failure to maintain in proper working condition a sump pump or related equipment or any other type of system designed to remove subsurface water which is drained from the foundation area.

AMENDATORY ENDORSEMENT

The policy is amended as follows. All other "terms" of the policy apply, except as amended by this endorsement.

1. Under Common Policy Definitions, item 8. is deleted and replaced by the following:

8. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.

"Hardware" is limited to:

- a. mainframe and mid-range computers and servers;
- b. personal computers and workstations;
- c. laptops, hand-held computers, notebook PCs, and other portable computer devices and accessories, such as multimedia projectors; and
- d. peripheral data processing equipment, such as printers, keyboards, monitors, and modems.

2. Under Property Coverages, item 8. of Perils Excluded is deleted and replaced by the following:

8. **Water** --

- a. "We" do not pay for loss or damage caused by:
 - 1) flood; surface water; waves, including, but not limited to, tidal wave and tsunami; tidal water; tides; overflow of any body of water; or spray from any of these; all whether or not driven by wind. This includes, but is not limited to, storm surge, storm tide, and tidal surge;

- 2) water that backs up through, overflows from, or is otherwise discharged from:
 - a) a sewer or drain;
 - b) a sump, sump pump, or related equipment; or
 - c) any other type of system designed to remove subsurface water which is drained from the foundation area;
- 3) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into:
 - a) basements, whether paved or not;
 - b) doors, windows, or other openings;
 - c) foundations, floors, walls, or paved surfaces; or
 - d) swimming pools, septic tanks, or other structures; or
- 4) material present in or carried or otherwise moved by water described in items 1) through 3) above.

However, if fire, explosion, or sprinkler leakage results, "we" do pay for the resulting loss.

- b. This exclusion:

- 1) applies regardless of the cause of the water or the material carried or moved by water described under items a.1) through a.4) above, whether or not such cause is an act of nature; and

2) applies to, but is not limited to, water and material present in or carried or moved by water, whether or not driven by wind, that:

- a) overtops;
- b) escapes from;
- c) is released from; or

d) is otherwise discharged from;

a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

However, if this endorsement is attached to form BP 0200, this exclusion does not apply to "computers".

BP 0475 10 08

SERFF Tracking Number: AMAX-125951928 State: Arkansas
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Liability
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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document- Property & Casualty **Review Status:** Filed 12/17/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC FORM FILING SCHEDULE.PDF

Satisfied -Name: AR - FORM FILING ABSTRACT F-1 **Review Status:** Filed 12/17/2008

Comments:

Attachment:

AR - FORM FILING ABSTRACT F-1.PDF

Satisfied -Name: BP Water Filing Memo - CW **Review Status:** Filed 12/17/2008

Comments:

Attachment:
BP Water Filing Memo - CW.PDF

Satisfied -Name: BP 0330 10 08 to BP 0330 01 04 **Review Status:** Filed 12/17/2008

Comments:

Attachment:
BP 0330 10 08 to BP 0330 01 04.PDF

Satisfied -Name: BP 0475 10 08 to BP 0100 01 04 & BP 0200 01 04 **Review Status:** Filed 12/17/2008

Comments:

Attachment:

SERFF Tracking Number: *AMAX-125951928* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$200*
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BP 0475 10 08 to BP 0100 01 04 & BP 0200 01 04.PDF

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Project Name/Number: CW BP New & Revised Endorsements - AAIS-2008-67BP/AAIS-2008-67BP

Satisfied -Name: Important Notice - Copyrighted Materials
Review Status: Filed 12/17/2008

Comments:

Attachment:

Important Notice - Copyrighted Materials.PDF

Satisfied -Name: AR Forms Company Action Exhibit
Review Status: Filed 12/17/2008

Comments:

Attachment:

AR Forms Company Action Exhibit.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only

2. Insurance Department Use only	
a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

3. Group Name	Group NAIC #
	0000

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Association of Insurance Services	DE	31400	36-2021360	

5. Company Tracking Number	AAIS-2008-67BP
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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
	Norma Jean Knight 1745 South Naperville Road Wheaton IL 60187-8132	Filings/Compliance Specialist	800-564-2247 Ext. 243	630-681-8356	normak@aaisonline.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Norma Jean Knight

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

9.	Type of Insurance (TOI)	05.0 Commercial Multi-Peril - Liability & Non-Liability
10.	Sub-Type of Insurance (Sub-TOI)	05.0002 Businessowners
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Businessowners Program
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: 06/01/2009 Renewal: N/A
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	We are the rating organization
17.	Reference Organization # & Title	
18.	Company's Date of Filing	December 17, 2008
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	AAIS-2008-67BP
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Re: AAIS-2008-67BP
 Businessowners Program
 New and Revised Endorsements

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the above captioned program. Our filing consists of new and revised endorsements.

The Filing Memorandum provides detailed descriptions of the changes and additions being proposed at this time. Side-by-side comparisons of the current-to-revised countrywide endorsements are included. Copies of all materials are enclosed.

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22.	Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: N/A Amount: \$200.00</p> <p>Fees submitted via EFT</p> <p style="text-align: center;">Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

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

FORM FILING SCHEDULE

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

1.	This filing transmittal is part of Company Tracking #	AAIS-2008-67BP
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A
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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	Water Backup and Overflow Coverage	BP 0330 10 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Amendatory Endorsement	BP 0475 10 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
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		
11			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

ARKANSAS INSURANCE DEPARTMENT

FORM FILING ABSTRACT

ALL QUESTIONS MUST BE ANSWERED

Companies filing for a group may use a consolidated abstract if all forms are identical.

1. Date Filed December 17, 2008

2. Company Name(s) American Association of Insurance Services

Group Name _____ NAIC No. 31400 Group No. 0000

3. (a) Annual Statement Line of Business Number (Page 14) 05.0 Commercial Multi-Peril - Liability & Non-Liability

(b) Class of Business 05.0002 Businessowners

© Coverages Affected Businessowners

4. (a) Name of Advisory Organization, if any We are the advisory organization

(b) Affiliations with Advisory Organization: Member () Subscriber ()

5. Is this a reference filing? Yes () No () If yes, please provide the following:

(a) Name of Advisory Organization (or Affiliated Company) _____

(b) Date of Filing _____

© Filing Designation Number or Description _____

PROVIDE THE INFORMATION REQUESTED ON PAGE 2 OF THIS FORM

7. Has the form(s) been approved for use in your domiciliary state and/or other states?
Pending/Pending

8. Is the form filed in response to or due to legislation? If so, specify legislation.
No

9. Is the form in response to or due to recent court decisions? If so, give citation.
No

THIS INFORMATION IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Norma Jean Knight

Signature

Norma Jean Knight

Title

630-681-8347

Telephone Number

Old Form No.	Proposed Effective Date of New Form	New Form No.	Title of the Form(s); also Indicate Withdrawals: Provide Synopsis of Coverage
BP 0330 01 04	06/01/09 06/01/09	BP 0475 10 08 BP 0330 10 08	Amendatory Endorsement Water Backup and Overflow Coverage

AMERICAN ASSOCIATION OF INSURANCE SERVICES
Businessowners Program - Endorsements
Filing Memorandum

Countrywide

AAIS is filing a new mandatory endorsement that revises the policy Water exclusion and the definition of "hardware", as well as a revised optional coverage endorsement for use with the Businessowners Program. This memorandum describes the endorsements. A copy of each endorsement described below is included with this filing, as well as side-by-side comparisons showing the changes made.

The revisions to the Water exclusion and optional coverage endorsement have been made in response to the insurance coverage litigation following Hurricane Katrina. Although most courts continue to rule that flood damage is expressly and unambiguously excluded from coverage under the water damage exclusion of most policies, AAIS has modified its Water exclusion to further eliminate potential ambiguities. The optional coverage endorsement has been revised to clarify the intent and scope of coverage for loss caused by water damage.

A clarification has been made to limit the definition of "hardware" to the types of computer equipment listed within the definition.

NEW ENDORSEMENT

- **BP 0475 10 08 - Amendatory Endorsement**

This new mandatory endorsement revises the definition of "hardware" and restates the policy Water exclusion under the property coverage terms of the Businessowners Standard Policy, BP 0100 01 04, and the Businessowners Special Policy, BP 0200 01 04.

The definition of "hardware" has been revised to clarify that the definition is limited to only the types of computer equipment listed within the definition.

With respect to the Water exclusion, language has been added to reference tsunamis, tides, storm surge, storm tides, and tidal surge. Coverage is now excluded for water that backs up through, overflows from, or is otherwise discharged from sewers or drains, sump pumps and related equipment, or any other type of system that removes subsurface water from the foundation area. The new endorsement adds a provision to explicitly exclude material present in or carried or otherwise moved by the water that is excluded under the endorsement. The water exclusion continues to make an exception for loss caused by any resulting fire, explosion, or sprinkler leakage.

AMERICAN ASSOCIATION OF INSURANCE SERVICES
Businessowners Program - Endorsements
Filing Memorandum

Countrywide

REVISED ENDORSEMENT

- **BP 0330 10 08 - Water Backup and Overflow Coverage**

This optional endorsement replaces the 01 04 edition to provide coverage not only for water that backs up through, overflows from, or is otherwise discharged from sewers or drains, but also from sump pumps and any other type of system designed to remove subsurface water from the foundation area. Water damage due to mechanical breakdown of a sump pump or related equipment is also covered, but repair or replacement of the equipment due to mechanical breakdown is excluded. Two additional exclusions have been introduced with respect to proper condition and maintenance of the equipment specified.

AAIS PROPOSED

BP 0330 10 08

AAIS CURRENT

BP 0330 01 04

COMMENTS**WATER BACKUP AND OVERFLOW
COVERAGE**

1. In return for "your" payment of the required premium, "we" provide the coverage described in this endorsement. This coverage is subject to the "terms" of this endorsement, the Common Policy Conditions, the Common Policy Definitions, and the "terms" applicable to Property Coverages, except as provided below.

**WATER DAMAGE COVERAGE
BACK UP OF SEWERS AND DRAINS**

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described in this endorsement. This coverage is subject to the "terms" of this endorsement, the Common Policy Conditions, the Common Policy Definitions, and the "terms" applicable to Property Coverages, except as provided below.

The proposed endorsement changes the title to more accurately reflect the coverage being provided.

AAIS PROPOSED

BP 0330 10 08

AAIS CURRENT

BP 0330 01 04

COMMENTS

2. "We" cover direct physical loss or damage to property shown in the Schedule above while at the premises shown, caused by water, or material present in or carried or otherwise moved by water, that backs up through, overflows from, or is otherwise discharged from:

- a. a sewer or drain;
- b. a sump, sump pump, or related equipment, even if the backup, overflow, or discharge is due to mechanical breakdown of such sump pump or related equipment.

However, "we" do not cover the cost to repair or replace any sump pump or related equipment due to mechanical breakdown; or

- c. any other type of system designed to remove subsurface water which is drained from the foundation area.
3. The most "we" pay under this endorsement for loss to covered property shown in the Schedule above is the "limit" shown that applies to that covered property.

PROPERTY COVERED

"We" cover the property shown in the Schedule for direct physical loss or damage while at the premises shown in the Schedule.

PERILS COVERED

The following is added:

Back Up of Sewers and Drains -- This means direct physical loss or damage to covered property, shown in the Schedule, caused by water or sewage that backs up through sewers or drains, or water which overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area.

Coverage Limit -- "We" do not pay more than the "limit" shown in the Schedule.

The proposed endorsement combines the Property Covered and Perils Covered provisions into a single provision.

The proposed endorsement now covers loss caused by material present in or carried or otherwise moved by water. It also positions the language "that backs up through, overflows from, or is otherwise discharged from" so that it applies to the entire provision.

The proposed endorsement references a sump instead of sump well; it also covers equipment that is related to a sump or sump pump. The endorsement then adds language to that provision which states that coverage is provided even if the loss or damage is due to mechanical breakdown of the sump pump or related equipment.

The proposed endorsement adds a provision excluding the cost to repair or replace such broken down sump pump or related equipment.

The proposed endorsement adds language to more clearly state what the endorsement pays for and the applicable limit under the endorsement.

AAIS PROPOSED

BP 0330 10 08

AAIS CURRENT

BP 0330 01 04

COMMENTS

4. With respect to coverage provided by this endorsement, item 8. under Perils Excluded is deleted and replaced by the following:

8. **Water --**

a. "We" do not pay for loss or damage caused by:

- 1) flood; surface water; waves, including, but not limited to, tidal wave and tsunami; tidal water; tides; overflow of any body of water; or spray from any of these; all whether or not driven by wind. This includes, but is not limited to, storm surge, storm tide, and tidal surge;
- 2) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into:
 - a) basements, whether paved or not;
 - b) doors, windows, or other openings;
 - c) foundations, floors, walls, or paved surfaces; or
 - d) swimming pools, septic tanks, or other structures; or
- 3) material present in or carried or otherwise moved by water described in items 1) and 2) above.

However, if fire, explosion, or sprinkler leakage results, "we" do pay for the resulting loss.

PERILS EXCLUDED

Under Perils Excluded, Item b. under Water is deleted.

BP 0330 01 04

The proposed endorsement deletes and replaces the entire water exclusion rather than deleting only the provision relating to the back up of sewers or drains or overflow from a sump pump or other system designed to remove subsurface water.

AAIS PROPOSED

BP 0330 10 08

AAIS CURRENT

BP 0330 01 04

COMMENTS

b. This exclusion:

- 1) applies regardless of the cause of the water or the material carried or moved by water described under items a.1) through a.3) above, whether or not such cause is an act of nature; and
- 2) applies to, but is not limited to, water and material present in or carried or moved by water, whether or not driven by wind, that:
 - a) overtops;
 - b) escapes from;
 - c) is released from; or
 - d) is otherwise discharged from;

a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

However, if this endorsement is attached to form BP 0200, this exclusion does not apply to "computers".

5. With respect to coverage provided by this endorsement, the following exclusions are added under Additional Exclusions:

- a. **Ordinary Maintenance** -- "We" do not pay for loss or damage caused by an "insured's" failure to perform the ordinary maintenance or repair necessary to keep a sewer or drain cleared of obstructions.
- b. **Proper Condition** -- "We" do not pay for loss or damage caused by an "insured's" failure to maintain in proper working condition a sump pump or related equipment or any other type of system designed to remove subsurface water which is drained from the foundation area.

The proposed endorsement introduces two additional exclusions.

AMENDATORY ENDORSEMENT

The policy is amended as follows. All other "terms" of the policy apply, except as amended by this endorsement.

1. Under Common Policy Definitions, item 8. is deleted and replaced by the following:
 8. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.

"Hardware" is limited to:
 - a. mainframe and mid-range computers and servers;
 - b. personal computers and workstations;
 - c. laptops, hand-held computers, notebook PCs, and other portable computer devices and accessories, such as multimedia projectors; and
 - d. peripheral data processing equipment, such as printers, keyboards, monitors, and modems.

8. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.

"Hardware" includes, but is not limited to:
 - a. mainframe and mid-range computers and servers;
 - b. personal computers and workstations;
 - c. laptops, hand-held computers, notebook PCs, and other portable computer devices and accessories, such as multimedia projectors; and
 - d. peripheral data processing equipment, such as printers, keyboards, monitors, and modems.

The proposed endorsement limits "hardware" to only the computer equipment listed in provisions a. through d.

AAIS PROPOSED

BP 0475 10 08

AAIS CURRENT

BP 0100 01 04 & BP 0200 01 04

COMMENTS

2. Under Property Coverages, item 8. of Perils Excluded is deleted and replaced by the following:

8. **Water --**

a. "We do not pay for loss or damage caused by:

- 1) flood; surface water; waves, including, but not limited to, tidal wave and tsunami; tidal water; tides; overflow of any body of water; or spray from any of these; all whether or not driven by wind. This includes, but is not limited to, storm surge, storm tide, and tidal surge;
- 2) water that backs up through, overflows from, or is otherwise discharged from:
 - a) a sewer or drain;
 - b) a sump, sump pump, or related equipment; or
 - c) any other type of system designed to remove subsurface water which is drained from the foundation area;

8. **Water --**

"We" do not pay for loss or damage caused by water. This means:

- a. flood, surface water, waves, tidal water, or the overflow of a body of water. This includes spray that results from these whether driven by wind or not;
- b. water or sewage that backs up through sewers or drains or water which overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area; and

Essentially the same.

The proposed endorsement now excludes tidal wave and tsunami; tides; and storm surge, storm tide, and tidal surge. It also applies wind to all of the described water rather than only the spray that results from the described water.

The proposed endorsement positions the language "backs up through, overflows from, or is otherwise discharged from" so that it applies to items a) through c). It removes reference to sewage; it references sump instead of sump pump well; and it also excludes related equipment in the provision relating to sump and sump pump.

AAIS PROPOSED

BP 0475 10 08

AAIS CURRENT

BP 0100 01 04 & BP 0200 01 04

COMMENTS

- 3) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into:
- a) basements, whether paved or not;
 - b) doors, windows, or other openings;
 - c) foundations, floors, walls, or paved surfaces; or
 - d) swimming pools, septic tanks, or other structures; or
- 4) material present in or carried or otherwise moved by water described in items 1) through 3) above.

However, if fire, explosion, or sprinkler leakage results, "we" do pay for the resulting loss.

- c. water below the surface of the ground. This includes water that exerts pressure on; or flows, seeps, or leaks through or into:
- 1) basements, whether paved or not;
 - 2) doors, windows, or other openings;
 - 3) foundations, walls, floors, or paved surfaces; or
 - 4) swimming pools, septic tanks, or other structures.

However, if fire, explosion, or sprinkler leakage results, "we" do pay for the resulting loss.

The proposed endorsement also excludes any material present in or carried or otherwise moved by any water excluded by the endorsement.

AAIS PROPOSED

BP 0475 10 08

AAIS CURRENT

BP 0100 01 04 & BP 0200 01 04

COMMENTS

b. This exclusion:

- 1) applies regardless of the cause of the water or the material carried or moved by water described under items a.1) through a.4) above, whether or not such cause is an act of nature; and
- 2) applies to, but is not limited to, water and material present in or carried or moved by water, whether or not driven by wind, that:
 - a) overtops;
 - b) escapes from;
 - c) is released from; or
 - d) is otherwise discharged from;

a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

However, if this endorsement is attached to form BP 0200, this exclusion does not apply to "computers".

This exclusion does not apply to "computers".

The proposed endorsement adds language reinforcing the scope of the exclusion regardless of the cause of the water or other material also excluded by the endorsement.

Same, but this provision applies only to form BP 0200 01 04; form BP 0100 01 04 has no such provision.

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AMERICAN ASSOCIATION OF INSURANCE SERVICES

COMPANY ACTION EXHIBIT

ARKANSAS

FORMS AND ENDORSEMENTS

Companies that have granted AAIS filing authority for forms and endorsements for this line of insurance:

- can adopt an AAIS forms and endorsements filing, without modifications, on the effective date designated by AAIS without notifying the Arkansas Insurance Department (ARID).
- can adopt an AAIS forms and endorsements filing on an earlier effective date by notifying the ARID at least 30 days before their chosen effective date.
- can adopt an AAIS forms and endorsements filing on a later effective date by notifying the ARID at least 30 days before the effective date designated by AAIS.
- can modify an AAIS forms and endorsements filing by establishing an effective date and submitting their modifications to the ARID at least 30 days before their chosen effective date.
- can choose not to adopt an AAIS forms and endorsements filing by notifying the ARID on or before the effective date designated by AAIS.

Companies that have not granted AAIS filing authority for forms and endorsements for this line of insurance:

- can adopt an AAIS forms and endorsements filing by establishing an effective date and making a reference filing with the ARID at least 30 days before their chosen effective date. A reference filing should contain only transmittal forms and the filing reference numbers. Copies of AAIS filed and approved materials should ***not*** be included in a reference filing.

Include the AAIS and state file numbers in all correspondence with the ARID.