

SERFF Tracking Number: AMAX-125963115 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
Company Tracking Number: AAIS-2008-67CP
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Properties
Project Name/Number: CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Commercial Properties SERFF Tr Num: AMAX-125963115 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$200
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: AAIS-2008-67CP State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Llyweyia Rawlins, Brittany Yielding
Author: SPI AAIS Disposition Date: 12/30/2008
Date Submitted: 12/23/2008 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 CP New & Revised Water Damage End'ts - AAIS-2008-67CP Status of Filing in Domicile: Pending
Project Number: AAIS-2008-67CP Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 12/30/2008
State Status Changed: 12/30/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
Re: AAIS-2008-67CP
Commercial Properties Program
New and Revised Endorsements

<i>SERFF Tracking Number:</i>	<i>AMAX-125963115</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>American Association of Insurance Services</i>	<i>State Tracking Number:</i>	<i>EFT \$200</i>
<i>Company Tracking Number:</i>	<i>AAIS-2008-67CP</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Properties</i>		
<i>Project Name/Number:</i>	<i>CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP</i>		

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 Specialist	normak@aaisonline.com
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	

Filing Fees

SERFF Tracking Number: AMAX-125963115 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
Company Tracking Number: AAIS-2008-67CP
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Properties
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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	12/23/2008	24688410

SERFF Tracking Number: AMAX-125963115 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	12/30/2008	12/30/2008

SERFF Tracking Number: *AMAX-125963115* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$200*
Company Tracking Number: *AAIS-2008-67CP*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Commercial Properties*
Project Name/Number: *CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP*

Disposition

Disposition Date: 12/30/2008

Effective Date (New): 06/01/2009

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMAX-125963115 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
 Company Tracking Number: AAIS-2008-67CP
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Properties
 Project Name/Number: CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP

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	CP Water Filing Memo - CW	Filed	Yes
Supporting Document	CP 0171 10 08 to CP-80,82,83,85,89 Ed 1.0 sxs	Filed	Yes
Supporting Document	CP 0607 10 08 to CP-607 Ed 1.0 sxs	Filed	Yes
Supporting Document	Important Notice - Copyrighted Materials	Filed	Yes
Supporting Document	AR Forms Company Action Exhibit	Filed	Yes
Form	Exclusion - Water Damage	Filed	Yes
Form	Water Backup and Overflow Coverage	Filed	Yes

SERFF Tracking Number: AMAX-125963115 State: Arkansas
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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Filed	Exclusion - Water Damage	CP 0171	10 08	Endorsement/Amendment/Conditions New		68.94	CP 0171.PDF
Filed	Water Backup and Overflow Coverage	CP 0607	10 08	Endorsement/Amendment/Conditions Replaced	Replaced Form #:61.51 CP-607 Ed 1.0 Previous Filing #:		CP 0607.PDF

EXCLUSION -- WATER DAMAGE

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

PERILS EXCLUDED

1. The Fire Perils Part, Basic Perils Part, Broad Perils Part, and Special Perils Part, when shown on the "declarations", are amended as follows:

Exclusion 1.g. is deleted and replaced by the following:

g. **Water --**

- 1) "We" do not cover loss caused by:
 - a) 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;
 - b) water that backs up through, overflows from, or is otherwise discharged from:
 - (1) a sewer or drain;
 - (2) a sump, sump pump, or related equipment; or
 - (3) any other type of system designed to remove subsurface water which is drained from the foundation area;
 - 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, floors, walls, or paved surfaces; or
- (4) swimming pools, septic tanks, or other structures; or

- d) material present in or carried or otherwise moved by water described in items a) through c) above.

However, if fire, explosion, or sprinkler leakage (if a covered peril) results, "we" do cover the resulting loss.

- 2) This exclusion:

- a) applies regardless of the cause of the water or the material carried or moved by water described under items 1)a) through 1)d) above, whether or not such cause is an act of nature; and
- b) 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:
 - (1) overtops;
 - (2) escapes from;
 - (3) is released from; or
 - (4) is otherwise discharged from;

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

2. When the Earthquake Perils Part is shown on the "declarations", exclusion 1.f. is deleted and replaced by the following:

f. **Water --**

- 1) "We" do not cover loss caused by:

- a) 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;
 - b) water that backs up through, overflows from, or is otherwise discharged from:
 - (1) a sewer or drain;
 - (2) a sump, sump pump, or related equipment; or
 - (3) any other type of system designed to remove subsurface water which is drained from the foundation area;
 - 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, floors, walls, or paved surfaces; or
 - (4) swimming pools, septic tanks, or other structures; or
 - d) material present in or carried or otherwise moved by water described in items a) through c) above.
- 2) This exclusion:
- a) applies regardless of the cause of the water or the material carried or moved by water described under items 1)a) through 1)d) above, whether or not such cause is an act of nature; and
 - b) 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:
 - (1) overtops;
 - (2) escapes from;
 - (3) is released from; or
 - (4) is otherwise discharged from;
- a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

WATER BACKUP AND OVERFLOW COVERAGE

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

Schedule

Prem. No.	Bldg. No.	Covered Property	Limit
1.		"We" cover direct physical loss to covered 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.	
2.		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.	
3.		With respect to coverage provided by this endorsement, item 1.g. under Perils Excluded is deleted and replaced by the following: g. Water -- 1) "We" do not cover loss caused by: a) 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; b) 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, floors, walls, or paved surfaces; or (4) swimming pools, septic tanks, or other structures; or	

- c) material present in or carried or otherwise moved by water described in items a) and b) above.

However, if fire, explosion, or sprinkler leakage (if a covered peril) results, "we" do cover the resulting loss.

2) This exclusion:

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

- (1) overtops;
(2) escapes from;

- (3) is released from; or
(4) is otherwise discharged from;

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

4. With respect to coverage provided by this endorsement, the following exclusions are added under item 2. of Perils Excluded:

- a. **Ordinary Maintenance** -- "We" do not cover loss 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 cover loss 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.

SERFF Tracking Number: *AMAX-125963115* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$200*
Company Tracking Number: *AAIS-2008-67CP*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Commercial Properties*
Project Name/Number: *CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: AMAX-125963115 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
 Company Tracking Number: AAIS-2008-67CP
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Commercial Properties
 Project Name/Number: CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 12/30/2008

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 12/30/2008

Comments:

Attachment:

AR - FORM FILING ABSTRACT F-1.PDF

Satisfied -Name: CP Water Filing Memo - CW **Review Status:** Filed 12/30/2008

Comments:

Attachment:

CP Water Filing Memo - CW.PDF

Satisfied -Name: CP 0171 10 08 to CP-80,82,83,85,89 Ed 1.0 sxs **Review Status:** Filed 12/30/2008

Comments:

Attachment:

CP 0171 10 08 to CP-80,82,83,85,89 Ed 1_0 sxs.PDF

Satisfied -Name: CP 0607 10 08 to CP-607 Ed 1.0 sxs **Review Status:** Filed 12/30/2008

Comments:

SERFF Tracking Number: *AMAX-125963115* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$200*
Company Tracking Number: *AAIS-2008-67CP*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Commercial Properties*
Project Name/Number: *CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP*

Attachment:

CP 0607 10 08 to CP-607 Ed 1_0 sxs.PDF

SERFF Tracking Number: AMAX-125963115 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
Company Tracking Number: AAIS-2008-67CP
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Properties
Project Name/Number: CW CP New & Revised Water Damage End'ts - AAIS-2008-67CP /AAIS-2008-67CP

Satisfied -Name: Important Notice - Copyrighted Materials **Review Status:** Filed 12/30/2008

Comments:

Attachment:

Important Notice - Copyrighted Materials.PDF

Satisfied -Name: AR Forms Company Action Exhibit **Review Status:** Filed 12/30/2008

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: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

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-2008-67CP
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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)	01.0 Property
10.	Sub-Type of Insurance (Sub-TOI)	01.0001 Commercial Property (Fire and Allied Lines)
11.	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12.	Company Program Title (Marketing Title)	Commercial Properties
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 23, 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-2008-67CP
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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-2008-67CP
 Commercial Properties 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-2008-67CP
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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	Exclusion - Water Damage	CP 0171 10 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Water Backup and Overflow Coverage	CP 0607 10 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP-607 Ed 1.0	
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 23, 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) 01.0 Property

(b) Class of Business 01.0001 Commercial Property (Fire and Allied Lines)

© Coverages Affected Commercial Properties

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
CP-607 Ed 1.0	06/01/09 06/01/09	CP 0171 10 08 CP 0607 10 08	Exclusion - Water Damage Water Backup and Overflow Coverage

AMERICAN ASSOCIATION OF INSURANCE SERVICES
Commercial Properties Program - Endorsements
Filing Memorandum

Countrywide

AAIS is filing a new mandatory endorsement that revises the policy Water exclusion and a revised optional coverage endorsement for use with the Commercial Properties 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 endorsements 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.

NEW ENDORSEMENT

- **CP 0171 10 08 - Exclusion - Water Damage**

This new mandatory endorsement restates the policy Water exclusion under the Perils Parts. It adds language to the current exclusion 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, if they are covered perils.

REVISED ENDORSEMENT

- **CP 0607 10 08 - Water Backup and Overflow Coverage**

This optional endorsement replaces endorsement CP-607 Ed 1.0, Water Damage Coverage - Back Up of Sewers and Drains, 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 CP 0171 10 08	AAIS CURRENT CP-80,82,83,85,89 Ed. 1.0	COMMENTS
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**EXCLUSION -- WATER
DAMAGE**

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

PERILS EXCLUDED

1. The Fire Perils Part, Basic Perils Part, Broad Perils Part, and Special Perils Part, when shown on the "declarations", are amended as follows:

Exclusion 1.g. is deleted and replaced by the following:

g. **Water --**

- 1) "We" do not cover loss caused by:
 - a) 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;

PERILS EXCLUDED

g. **Water --**

We do not cover loss caused by water. This means:

- 1) 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;

Language added to specify which perils parts are amended.

Essentially the same.

Language was added to address tsunami, tides, storm surge, storm tide, and tidal surge.

AAIS PROPOSED CP 0171 10 08	AAIS CURRENT CP-80,82,83,85,89 Ed. 1.0	COMMENTS
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b) water that backs up through, overflows from, or is otherwise discharged from:

- (1) a sewer or drain;
- (2) a sump, sump pump, or related equipment; or
- (3) any other type of system designed to remove subsurface water which is drained from the foundation area;

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, floors, walls, or paved surfaces; or
- (4) swimming pools, septic tanks, or other structures; or

2) water that backs up through a sewer or drain; and

3) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

Language was added to exclude water that overflows from, or is otherwise discharged from sewers or drains.

Sump, sump pump, or related equipment, and any other type of system designed to remove subsurface water which is drained from the foundation area are now excluded.

Walls are now excluded from underground water.

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d) material present in or carried or otherwise moved by water described in items a) through c) above.

However, if fire, explosion, or sprinkler leakage (if a covered peril) results, "we" cover the resulting loss.

2) This exclusion:

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

If fire, explosion, or sprinkler leakage results, **we** do cover the resulting loss.

Material present in or carried or otherwise moved by water is now excluded.

Language is added to apply the exclusion regardless of the cause of the water or material carried or moved by water.

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b) 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:

- (1) overtops;
- (2) escapes from;
- (3) is released from; or
- (4) is otherwise discharged from;

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

The exclusion applies also to water or material present in water that overtops, etc. a dam, levee, etc. designed or used to retain, contain, or control water.

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2. When the Earthquake Perils Part is shown on the "declarations", exclusion 1.f. is deleted and replaced by the following:

f. **Water --**

1) "We" do not cover loss caused by:

- a) 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;
- b) water that backs up through, overflows from, or is otherwise discharged from:
 - (1) a sewer or drain;
 - (2) a sump, sump pump, or related equipment; or
 - (3) any other type of system designed to remove subsurface water which is drained from the foundation area;

f. **Water --**

We do not cover loss caused by water. This means:

- 1) 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;
- 2) water that backs up through a sewer or drain; and

Same analysis as provided above for the other perils parts applies to the earthquake peril exclusion.

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- 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, floors, walls, or paved surfaces; or
 - (4) swimming pools, septic tanks, or other structures; or
- d) material present in or carried or otherwise moved by water described in items a) through c) above.

- 3) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.

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- 2) This exclusion:
- a) applies regardless of the cause of the water or the material carried or moved by water described under items 1)a) through 1)d) above, whether or not such cause is an act of nature; and
 - b) 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:
 - (1) overtops;
 - (2) escapes from;
 - (3) is released from; or
 - (4) is otherwise discharged from;

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

WATER BACKUP AND OVERFLOW COVERAGE

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

Schedule

Prem. No.	Bldg. No.	Covered Property	Limit
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1. "We" cover direct physical loss to covered 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.

WATER DAMAGE BACK UP OF SEWERS AND DRAINS

SCHEDULE

(The information required below may be shown on a separate schedule or supplemental **declarations**.)

Prem. No.	Bldg. No.	Covered Property	Limit
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PERILS COVERED

Back Up of Sewers and Drains. This means loss to covered property shown on the schedule above caused by water which backs up through sewers or drains or water which enters into and 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.

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

The proposed endorsement includes language to also reference the premises shown in the Schedule. It now also covers material present in or carried or otherwise moved by water. Additionally, it positions the language "that backs up through, overflows from, or is otherwise discharged from" so that it applies to items a. through c.

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

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2. 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.

We pay no more than the **limit** shown on the schedule above.

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

3. With respect to coverage provided by this endorsement, item 1.g. under Perils Excluded is deleted and replaced by the following:

PERILS EXCLUDED

The proposed endorsement deletes and replaces the entire water exclusion rather than only deleting the reference to water that backs up through a sewer or drain.

g. **Water --**

- 1) "We" do not cover loss caused by:
 - a) 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;
 - b) water below the surface of the ground. This includes water that exerts pressure on or flow, seeps, or leaks through or into:
 - (1) basements, whether paved or not;
 - (2) doors, windows, or other openings;
 - (3) foundations, floors, walls, or paved surfaces; or
 - (4) swimming pools, septic tanks, or other structures; or

Under Water, the reference to water that backs up through a sewer or drain is deleted.

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c) material present in or carried or otherwise moved by water described in items a) and b) above.

However, if fire, explosion, or sprinkler leakage (if a covered peril) results, "we" do cover the resulting loss.

2) This exclusion:

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

b) 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:

- (1) overtops;
- (2) escapes from;
- (3) is released from; or
- (4) is otherwise discharged from;

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

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4. With respect to coverage provided by this endorsement, the following exclusions are added under item 2. of Perils Excluded:
- a. **Ordinary Maintenance** -- "We" do not cover loss 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 cover loss 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 new additional exclusions.

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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.