

SERFF Tracking Number: SAFX-125506385 State: Arkansas
Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Filing at a Glance

Company: American Economy Insurance Company

Product Name: BOP SERFF Tr Num: SAFX-125506385 State: Arkansas
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: BO AR0801452F01 State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding
Author: SPI SafecoInsuranceSPI Disposition Date: 03/03/2008
Date Submitted: 02/25/2008 Disposition Status: Approved

Effective Date Requested (New): 04/03/2008 Effective Date (New): 04/03/2008
Effective Date Requested (Renewal): 04/03/2008 Effective Date (Renewal): 04/03/2008

State Filing Description:

General Information

Project Name: BOP - Data Compromise

Project Number: BO AR0801452F01

Reference Organization:

Reference Title:

Filing Status Changed: 03/03/2008

State Status Changed: 03/03/2008

Corresponding Filing Tracking Number:

Filing Description:

With this filing, the indicated company proposes to revise forms as follows:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Forms

See attached exhibit

SERFF Tracking Number: SAFX-125506385 State: Arkansas
Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

FORM REVISIONS

The new form is called Data Compromise Coverage. This is an innovative, first party insurance coverage that provides coverage to an insured company that suffers a breach of personal data in their care, custody or control. Coverage includes legal and forensic information technology review of the breach, notification to the affected individuals and services to the affected individuals that include a toll-free help line, one year of credit monitoring service and, for those who become identity theft victims, identity restoration case management services.

The Forms Explanatory Memorandum describes the new coverage in depth and describes the changes to the other 4 forms we are submitting.

We intend implementing this filing for all policies written on or after April 3, 2008.

Company and Contact

Filing Contact Information

Joseph Becker, Commercial Lines Flings Analyst
Safeco Plaza
Seattle, WA 98185-0001
josbec@safeco.com
(206) 473-5541 [Phone]
(206) 473-6723[FAX]

Filing Company Information

American Economy Insurance Company
Safeco Plaza
State Filings Suite 2800
Seattle, WA 98185-0001
(206) 545-5000 ext. [Phone]
CoCode: 19690
Group Code: 163
Group Name: Safeco Group
FEIN Number: 35-1044900
State of Domicile: Indiana
Company Type:
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00

SERFF Tracking Number: SAFX-125506385 *State:* Arkansas
Filing Company: American Economy Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Retaliatory? No
Fee Explanation: \$50 per submission.
Per Company: No

SERFF Tracking Number: SAFX-125506385 State: Arkansas
Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Economy Insurance Company	\$50.00	02/25/2008	18136509

SERFF Tracking Number: SAFX-125506385 State: Arkansas
Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Correspondence Summary

Dispositions

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

SERFF Tracking Number: SAFX-125506385 *State:* Arkansas
Filing Company: American Economy Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Disposition

Disposition Date: 03/03/2008

Effective Date (New): 04/03/2008

Effective Date (Renewal): 04/03/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SAFX-125506385 State: Arkansas
 Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number: BO AR0801452F01
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
 Liability
 Product Name: BOP
 Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	AR - FORM FILING ABSTRACT F-1	Approved	Yes
Supporting Document	Forms Explanatory Memorandum	Approved	Yes
Supporting Document	Forms List	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	side-by-side of forms	Approved	Yes
Form	Fungi or Bacteria Exclusion	Approved	Yes
Form	Equipment Breakdown Endorsement	Approved	Yes
Form	Limitation of Coverage - Real Estate Operations	Approved	Yes
Form	Barbers and Beauticians Professional Liability	Approved	Yes
Form	Data Compromise Coverage	Approved	Yes

SERFF Tracking Number: SAFX-125506385 State: Arkansas
 Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number: BO AR0801452F01
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
 Liability
 Product Name: BOP
 Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Fungi or Bacteria Exclusion	BP 81 32	01 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 BP 81 32 Previous Filing #:		BP 81 32.PDF
Approved	Equipment Breakdown Endorsement	BP 81 36	01 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 BP 81 36 Previous Filing #:		BP 81 36.PDF
Approved	Limitation of Coverage - Real Estate Operations	BP 81 47	01 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 BP 81 47 Previous Filing #:		BP 81 47.PDF
Approved	Barbers and Beauticians Professional Liability	BP 81 93	01 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 BP 81 93 Previous Filing #:		BP 81 93.PDF
Approved	Data Compromise Coverage	BP 82 21	01 08	Policy/Coverage New Form		0.00	BP 82 21.PDF

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II – Liability:**

A. The following exclusion is added to Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage:**

t. Fungi or Bacteria

- (1)** “Bodily injury”, “property damage” or “personal and advertising injury” which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria, whether suddenly or over a long period of time, on or within a building or structure, including its contents.
- (2)** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to,

or assessing the effects of, “fungi” or bacteria, by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage, loss, cost or expense.

This exclusion does not apply to any “fungi” or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to **Paragraph F – Liability and Medical Expenses Definitions:**

- 1.** “Fungi” means any type or form of fungus, including but not limited to yeast, mold, mildew, blight or mushroom, and including any mycotoxins, spores, scents, or any other substances, products or byproducts produced by, released by, or arising out of a current or past presence of fungi.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** The following is added to Paragraph **A.3**. Covered Causes of Loss in Section **I** — Property:

Additional Coverage — Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

- 1.** We will pay for direct physical damage to Covered Property that is the direct result of an “accident”. As used in this Additional Coverage, “accident” means a fortuitous event that causes direct physical damage to “covered equipment”. The event must be one of the following:
 - a.** mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b.** artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c.** explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d.** loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e.** loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- 2.** The following coverages also apply to the direct result of an “accident”. These

coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1)** make temporary repairs; and
- (2)** expedite permanent repairs or permanent replacement.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a “hazardous substance”. This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “hazardous substance” been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

c. Spoilage

(1) We will pay:

- (a)** for physical damage to “perishable goods” due to spoilage;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(b) for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;

(c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000.

d. Computer Equipment

We will pay for loss, damage or expense, including actual loss of Business Income you sustain and necessary Extra Expense you incur, caused by or resulting from an “accident” to “computers”.

e. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost “electronic data”.

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

f. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an “accident” to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air

conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

(2) Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident”.

(3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage.

B. The following is added to Paragraph B. Exclusions:

Equipment Breakdown Exclusions

All exclusions in the Businessowners Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The exclusions are modified as follows:

a. The following is added to Exclusion B.1.g.(1):

However, if electrical “covered equipment” requires drying out because of Water as described in **g.(1)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. As respects this endorsement only, the next to the last paragraph in Exclusion B.1.h. is deleted and replaced with the following:

However, if excluded loss or damage, as described in Paragraph **(1)** above results in an “accident”, we will pay only for the loss, damage or expense caused by such “accident”.

c. As respects this endorsement only, the last paragraph of Exclusion B.2.i. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.i.(1)** through **(7)** results in an “accident”, we will pay for the loss, damage or expense caused by that “accident”.

- d. The following is added to Exclusions **B.2.m.** and **B.2.n.**

We will also pay for direct physical loss or damage caused by an “accident”.

- 2. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
 - a. any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving “electronic data” of any kind. But if an “accident” results, we will pay for the resulting loss, damage or expense; or
 - b. any of the following tests: a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
- 3. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- 4. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
 - a. loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - b. any increase in loss resulting from an agreement between you and your customer or supplier.
- 5. We will not pay under this endorsement for any loss or damage to animals.

C. CONDITIONS

The following conditions are in addition to the Conditions in the Businessowners Coverage Form.

1. Suspension

Whenever “covered equipment” is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an “accident” to that “covered equipment”. This can be done by mailing or delivering a written notice of suspension to:

- a. your last known address; or
- b. the address where the “covered equipment” is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that “covered equipment”. If we suspend your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is “covered equipment” under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to an “accident”, we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

D. The following are added to H. Property Definitions:

1. “Covered equipment”

- a. “Covered equipment” means Covered Property:

- (1) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
- (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

- b. None of the following is “covered equipment”:

- (1) structure, foundation, cabinet, compartment or air supported structure or building;

- (2) insulating or refractory material;
 - (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
 - (4) water piping other than boiler feed-water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) "vehicle" or any equipment mounted on a "vehicle";
 - (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (7) dragline, excavation or construction equipment; or
 - (8) equipment manufactured by you for sale.
2. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
 3. "One accident" means: If an initial "accident" causes other "accidents", all will

be considered "one accident". All "accidents" that are the result of the same event will be considered "one accident".

4. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
5. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE —
REAL ESTATE OPERATIONS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS Section II — Liability

With respect to real estate operations, this insurance applies only to “bodily injury,” “property damage” or “personal and advertising injury” arising out of the ownership, operation, maintenance or use of:

1. Such part of any premises you use for general office purposes; and
2. Premises listed or shown by you for sale or rental, if:
 - a. You do not own, operate, manage or rent the premises;
 - b. They are not in your care, custody or control; or
 - c. You do not act as agent for the collection of rents or in any supervisory capacity.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BARBERS AND BEAUTICIANS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

A. For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** will also apply to other injury.

B. Paragraph **A. Coverages** also applies to “bodily injury”, “property damage” or “personal and advertising injury” arising out of the rendering of or failure to render professional services provided as a beautician, barber or manicurist, including treatment, advice or instruction for the purpose of appearance or skin enhancement or personal grooming or therapy.

C. With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

b. “Bodily injury”, “property damage”, “personal and advertising injury” or other injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

2. The following Exclusions do not apply:

- a.** Paragraph **1.j. Professional Services**;
- b.** Paragraph **1.k.(6) Damage To Property**; and
- c.** Paragraph **1.m. Damage To Your Work**.

3. The following Exclusions are added:

This insurance does not apply to “bodily injury”, “property damage”, “personal and advertising injury” or other injury arising out of:

- a.** The violation of any statute, or governmental rule or regulation; however, this exclusion does not apply to the failure to perform a predisposition of skin test.
- b.** Failure to comply with the manufacturers’ instructions related to the care, cleaning and maintenance of any equipment used in connection with your business.
- c.** Any process or procedure used to change the pigmentation of the skin.
- d.** Any process or procedure used to remove hair, other than waxing or manual tweezing or cutting.
- e.** Body massage other than facial, hand or foot massage.
- f.** Any process or procedure, other than topical enzyme exfoliation, used to remove layers of skin including, but not limited to chemical peels, Intense Pulsed Light therapy or laser therapy.
- g.** Hair implanting or hair transplanting or any attempt at these.
- h.** The use of any dye or coloring to eyelashes or eyebrows except mascara or eyebrow pencils.
- i.** The attachment of eyelash extensions.
- j.** Intradermal application of any color pigments, including tattooing.

Includes copyrighted material of ISO Properties, Inc., 2004

- k. Any medical or surgical service, treatment, advice or instruction, including, but not limited to podiatry, chiropody, plastic surgery, face lifting, removal of warts, moles or growths or any attempt at these by anyone.
- l. The furnishing or dispensing of drugs, nutritional supplements or medical, dental or surgical supplies or appliances.
- m. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio-vascular fitness, body building or physical training programs.

D. Paragraph C. Who Is An Insured is amended as follows:

1. Paragraph 2.a. is replaced by the following:
2. Each of the following is also an insured:
 - a. Your “employees”, other than either your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” is an insured for:

(1) “Bodily injury”, “personal and advertising injury” or other injury:

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-“employee” while that co-“employee” is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-“employee” as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages

with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or

(2) “Bodily injury”, “property damage”, “personal and advertising injury” or other injury arising out of his or her providing or failing to provide professional services. However, your “employees” are insureds with respect to their providing or failing to provide services as a manicurist, barber or beautician in connection with your business.

(3) “Property damage” to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your “employees”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

2. The following is added to Paragraph 2.:

- e. Any operator who rents or leases from the insured booth space, chairs or any portion of your premises for the purpose of conducting manicurist, barber shop or beauty salon services and any “employee” of such operator, but only with respect to liability arising out of such services.

E. Paragraph D.2. Liability And Medical Expenses Limits Of Insurance is replaced by the following:

2. The most we will pay for the sum of all damages because of all:
 - a. “Bodily injury”, “property damage” and medical expenses arising out of any one “occurrence”;
 - b. “Personal and advertising injury” sustained by any one person or organization; and
 - c. Other injury arising out of any one “occurrence”;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render services as or for a manicurist, barber or beautician.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DATA COMPROMISE COVERAGE

LEGAL AND FORENSIC INFORMATION TECHNOLOGY REVIEW, NOTIFICATION TO AFFECTED INDIVIDUALS AND SERVICES TO AFFECTED INDIVIDUALS

Coverage under this endorsement is subject to the following:

Data Compromise Limit: \$50,000
Annual Aggregate

Legal and Forensic Information Technology Review Submit: \$ 5,000
Annual Aggregate

Data Compromise Deductible: \$ 500
Any one "Personal Data Compromise"

The following is added as an Additional Coverage to the Property section:

DATA COMPROMISE — COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within sixty days of the date it is first discovered by you.

DATA COMPROMISE — COVERAGES PROVIDED

If all three of the conditions listed above in DATA COMPROMISE — COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages. Please note that service providers must be approved by us as described in Additional Condition D. — Service Providers.

1. Legal and Forensic Information Technology Review

We will pay your necessary and reasonable costs for the following outside professional services.

a. Legal Services

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

b. Forensic Information Technology Services

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals."

2. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals."

3. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals."

a. Informational Materials

A packet of loss prevention and customer support information.

b. Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise" or wanting to request additional services as listed in c. and d.

c. Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

d. Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

LIMITS

The most we will pay under this Data Compromise Coverage is the Data Compromise Limit indicated for this endorsement.

The most we will pay under Legal and Forensic Information Technology Review coverage is the Legal and Forensic Information Technology Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Data Compromise Limit.

The Data Compromise Limit and Legal and Forensic Information Technology Review Sublimit are annual aggregate limits. Those amounts are the most we will pay for the total of all covered costs arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. These limits apply regardless of the number of "personal data compromise" events occurring during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Limit and Legal and Forensic Information Technology Sublimit applicable to the policy period when the "personal data compromise" was first discovered by you.

Coverage for Services to Affected Individuals is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals." Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE

All coverages provided under this Data Compromise Coverage endorsement are jointly subject to the Data Compromise Deductible indicated for this endorsement.

You shall be responsible for such deductible amount as respects each "personal data compromise" covered under this endorsement.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "data compromise."

2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Coverage endorsement.
4. Any third party liability or defense costs.
5. Except as specifically provided under coverage 1.b. Forensic Information Technology Review Services, costs to research any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise."
6. Costs to correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise."
7. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.
8. Any criminal investigations or proceedings.
9. Any threat, extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
10. Any virus or other malicious code that is or becomes named and recognized by the CERT Coordination Center, McAfee, Secunia, Symantec or other comparable third party monitors of malicious code activity.
11. Your reckless disregard for the security of "personally identifying information" in your care, custody or control.

ADDITIONAL CONDITIONS

The following additional Conditions apply to all coverages under this endorsement.

A. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;

3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing “personally identifying information,” including shredding hard copy files and destroying physical media used to store electronic data.

B. Legal Advice

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this coverage constitute legal advice to you. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

C. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to “affected individuals.” We assume no responsibility under this Data Compromise Coverage for any services promised to “affected individuals” without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition D. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of “affected individuals” to be notified, including contact information.
2. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals.”
3. The scope of services that you desire for the “affected individuals.” For example, coverage may be structured to provide fewer services in order to make those services available to more “affected individuals” without exceeding the available Data Compromise Limit.

D. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition C. above, you must come to agreement with us regarding

the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternative service provider, our coverage is subject to the following limitations:

- a. Such alternate service provider must be approved by us; and
- b. Our payment for services provided by any alternative service provider will not exceed the amount that we would have paid using the service provider we had suggested.

E. Services

The following conditions apply as respects any services provided to you or any “affected individual” by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, “affected individuals” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. “Affected Individual” means any person who is your current, former or prospective customer, client, member, director or employee and whose “personally identifying information” is lost, stolen, accidentally released or accidentally published by a “personal data compromise” covered under this endorsement. This definition is subject to the following provisions:
 - a. “Affected individual” does not include any business or organization. Only an individual person may be an “affected individual.”
 - b. An “affected individual” must have a direct relationship with your interests as insured under this policy. The following are examples

of individuals who would not meet this requirement:

- (1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as “affected individuals.” However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of yours.
 - (2) If you store, process, transmit or transport records, the individuals whose “personally identifying information” you are storing, processing, transmitting or transporting for another entity do not qualify as “affected individuals.” However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of yours.
 - (3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as “affected individuals.” However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of the operation insured under this policy.
- c. An “affected individual” may reside anywhere in the world. However, the coverage and services provided under this endorsement are only applicable and available within the Coverage Territory.
2. “Identity Theft” means the fraudulent use of “personally identifying information.” This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- “Identity theft” does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
3. “Personal Data Compromise” means the loss, theft, accidental release or accidental publication of “personally identifying information” as respects one or more “affected individuals,” if such loss, theft, accidental release or accidental publication has or could reasonably result in the

fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the “personally identifying information” must be in your direct care, custody or control.
 - b. “Personal data compromise” does not include the loss, theft, release or publication of information that is in the care, custody or control of a third party to whom you have directly or indirectly turned over such information for any reason. This includes, but is not limited to, storage, processing, transmission or transportation of such information.
 - c. “Personal data compromise” includes disposal or abandonment of “personally identifying information” without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - (1) Your failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - (2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
 - d. “Personal data compromise” includes situations where there is a reasonable cause to suspect that such “personally identifying information” has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
 - e. All incidents of “personal data compromise” that are discovered at the same time or arise from the same cause will be considered one “personal data compromise.”
4. “Personally Identifying Information” means information that could be used to commit fraud or other illegal activity involving the credit or identity of an “affected individual.” This includes, but is not limited to, Social Security numbers or account numbers correlated with names and addresses.
- “Personally identifying information” does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

All other provisions of this policy apply.

SERFF Tracking Number: SAFX-125506385 State: Arkansas
Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Supporting Document Schedules

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

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:** Approved 03/03/2008

Comments:

Attachment:

AR - FORM FILING ABSTRACT F-1.PDF

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

Comments:

Attachment:
Forms Explanatory Memorandum.PDF

Satisfied -Name: Forms List **Review Status:** Approved 03/03/2008

Comments:

Attachment:
Forms List.PDF

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

Comments:

Attachment:

SERFF Tracking Number: SAFX-125506385 State: Arkansas
Filing Company: American Economy Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: BO AR0801452F01
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: BOP
Project Name/Number: BOP - Data Compromise/BO AR0801452F01

Satisfied -Name: side-by-side of forms **Review Status:** Approved 03/03/2008
Comments:
Attachment:
side-by-side of forms.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 #
Safeco Group	163

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Economy Insurance Company	IN	19690	35-1044900	

5. Company Tracking Number	BO AR0801452F01
-----------------------------------	-----------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #	FAX #	e-mail
	Joseph Becker, CPCU Safeco Plaza, State Filings, Suite 2800 Seattle WA 98185-0001	Commercial Lines Filings Analyst	206-473-5541	206-473-6723	josbec@safeco.com

7.	Signature of authorized filer	
----	-------------------------------	--

8.	Please print name of authorized filer	Joseph Becker, CPCU, Commercial Lines Analyst
----	---------------------------------------	---

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)	Safeco Businessowners Policy Programs
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: 04/03/2008 Renewal: 04/03/2008
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	N/A
17.	Reference Organization # & Title	N/A
18.	Company's Date of Filing	February 25, 2008
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	BO AR0801452F01
-----	---	-----------------

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
-----	---

With this filing, the indicated company proposes to revise forms as follows:

Forms
See attached exhibit

FORM REVISIONS

The new form is called Data Compromise Coverage. This is an innovative, first party insurance coverage that provides coverage to an insured company that suffers a breach of personal data in their care, custody or control. Coverage includes legal and forensic information technology review of the breach, notification to the affected individuals and services to the affected individuals that include a toll-free help line, one year of credit monitoring service and, for those who become identity theft victims, identity restoration case management services.

The Forms Explanatory Memorandum describes the new coverage in depth and describes the changes to the other 4 forms we are submitting.

We intend implementing this filing for all policies written on or after April 3, 2008.

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]
	Check #: N/A - EFT Amount: \$50 per submission. Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***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 #	BO AR0801452F01
-----------	--	-----------------

2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A
-----------	---	-----

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	Fungi or Bacteria Exclusion	BP 81 32 01 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BP 81 32	
02	Equipment Breakdown Endorsement	BP 81 36 01 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BP 81 36	
03	Limitation of Coverage - Real Estate Operations	BP 81 47 01 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BP 81 47	
04	Barbers and Beauticians Professional Liability	BP 81 93 01 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BP 81 93	
05	Data Compromise Coverage	BP 82 21 01 08	<input checked="" 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 February 25, 2008

2. Company Name(s) American Economy Insurance Company

Group Name Safeco Group NAIC No. 19690 Group No. 163

3. (a) Annual Statement Line of Business Number (Page 14) 5.1 and 5.2

(b) Class of Business Property & Casualty / Multiple Lines

© Coverages Affected Businessowners

4. (a) Name of Advisory Organization, if any N/A

(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?

Yes

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.



Signature

Joseph Becker, CPCU

Title

206-473-5541

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 81 32 06 06	April 3, 2008	BP 81 32 01 08	Fungi or Bacteria Exclusion
BP 81 36 07 02	April 3, 2008	BP 81 36 01 08	Equipment Breakdown Endorsement
BP 81 47 02 03	April 3, 2008	BP 81 47 01 08	Limitation of Coverage - Real Estate Operations
BP 81 93 06 06	April 3, 2008	BP 81 93 01 08	Barbers and Beauticians Professional Liability
	April 3, 2008	BP 82 21 01 08	Data Compromise Coverage

Forms Explanatory Memorandum

Data Compromise Coverage BP 82 21 01 08

This is a new coverage, offered on an optional basis. It does not replace or supersede any other endorsement or coverage.

Data Compromise Coverage provides a suite of coverages and services that enable an insured commercial entity to respond effectively to a breach of personal information for which that entity is responsible.

One of the largest concerns of business managers across the country today is the possibility that a breach of security could compromise personal information in their care, custody or control. In the past, such a breach might be ignored. Increasingly, however, state laws and media scrutiny require the notification of individuals whose information has been compromised.

All companies hold personal information of individuals. Some companies have personal information just for a small number of people, such as their own employees. Other companies in the course of their business have personal information on many people, such as customers, clients and vendors.

In many states today, companies are required by law to notify affected individuals whose personal information may have been breached. Even in states where no such law currently exists, there is a growing trend on the part of companies that become aware of a breach to notify affected individuals as a sound business practice.

As breach notifications have become more common, there is a growing expectation that the notifying company will provide some level of service to those whose personal information was compromised. The most basic service is a toll-free help line that can be called to ask questions and get information. Often, an offer is made to provide free credit monitoring services for a stated period of time. Sometimes an offer is made to provide affected individuals who become identity theft victims with a case management service to help such individuals regain control over their identities.

Today, a small business entity suffering a personal data breach has a limited range of choices. Some companies attempt to deal with the issue using their own resources. Many hire an outside firm to manage the process and provide the expected services. However, established service firms tend to focus on large companies and often charge minimum fees beyond the means of small businesses.

The program we have created in response to this need is called Data Compromise Coverage. This is an innovative, first party insurance coverage that provides coverage to an insured

company that suffers a breach of personal data in their care, custody or control. Coverage includes legal and forensic information technology review of the breach, notification to the affected individuals and services to the affected individuals that include a toll-free help line, one year of credit monitoring service and, for those who become identity theft victims, identity restoration case management services.

Coverage is subject to an annual aggregate limit of \$50,000, with the Legal and Forensic Information Technology Review coverage subject to a sub-limit of \$5,000. There is a per-event deductible of \$1,000.

This endorsement is being filed as an additional coverage. The annual premium for this coverage varies from \$89 to \$148 per policy based on class of business. Specified classes of business will be ineligible for this coverage. Aside from such ineligible classes, there are no further eligibility requirements and there is no application required.

Fungi or Bacteria Exclusion
BP 81 32 01 08

Definition of personal injury is amended to personal and advertising injury for editorial purposes, i.e. coordination with other coverage forms.

Equipment Breakdown Coverage
BP 81 36 01 08

Changes to this coverage form include:

- Increase in spoilage limit from \$25,000 to \$50,000 at no additional charge.
- Increase in Computer Equipment from \$50,000 to BPP limit at no additional charge.
- Data Restoration coverage now provided for Business income and Extra Expense, at no additional charge.
- Service Interruption now includes a 24 hour waiting period.

Limitation of Coverage – Real Estate Operations
BP 81 47 01 08

Coverage is expanded to premises shown by you as well as listed by you.

Barbers and Beauticians Professional Liability
BP 81 93 01 08

Coverage is expanded to allow hand and foot massage. Previously all but facial massage was excluded.

Forms List

Submitting	Title	Replacing
BP 81 32 01 08	Fungi or Bacteria Exclusion	BP 81 32 06 06
BP 81 36 01 08	Equipment Breakdown Endorsement	BP 81 36 07 02
BP 81 47 01 08	Limitation of Coverage – Real Estate Operations	BP 81 47 02 03
BP 81 93 01 08	Barbers and Beauticians Professional Liability	BP 81 93 06 06
BP 82 21 01 08	Data Compromise Coverage	New



February 25, 2008

Via Serff

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Independent Form Filing - Businessowners
Division 9 - Multiple Lines, 5.1 and 5.2
American Economy Insurance Company NAIC # 163-19690
Safeco Businessowners Policy Programs
FEIN # 35-1044900
Company File # BO AR0801452F01
Proposed Effective Date: April 3, 2008

With this filing, the indicated company proposes to revise forms as follows:

Forms

See attached exhibit

FORM REVISIONS

The new form is called Data Compromise Coverage. This is an innovative, first party insurance coverage that provides coverage to an insured company that suffers a breach of personal data in their care, custody or control. Coverage includes legal and forensic information technology review of the breach, notification to the affected individuals and services to the affected individuals that include a toll-free help line, one year of credit monitoring service and, for those who become identity theft victims, identity restoration case management services.

The Forms Explanatory Memorandum describes the new coverage in depth and describes the changes to the other 4 forms we are submitting.

We intend implementing this filing for all policies written on or after April 3, 2008.

Sincerely,

A handwritten signature in black ink that reads "Joe Becker".

Joseph S. Becker, CPCU
Commercial Lines Analyst
State Filings Department, Suite 2800
(206) 473-5541
FAX (206) 473-6723
josbec@safeco.com
JB/cm

Safeco Insurance

BUSINESSOWNERS
BP 81 32 [06 06]

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II – Liability**:

A. The following exclusion is added to Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage**:

t. **Fungi or Bacteria**

- (1) "Bodily injury", "property damage" or "personal injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria, whether suddenly or over a long period of time, on or within a building or structure, including its contents.
- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to,

or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage, loss, cost or expense.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to **Paragraph F – Liability and Medical Expenses Definitions**:

1. "Fungi" means any type or form of fungus, including but not limited to yeast, mold, mildew, blight or mushroom, and including any mycotoxins, spores, scents, or any other substances, products or byproducts produced by, released by, or arising out of a current or past presence of fungi.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

BP 81 32 [06 06]

Safeco and the Safeco logo are registered trademarks of Safeco Corporation
EP

Safeco Insurance

BUSINESSOWNERS
BP 81 32 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II – Liability**:

A. The following exclusion is added to Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage**:

t. **Fungi or Bacteria**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria, whether suddenly or over a long period of time, on or within a building or structure, including its contents.
- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to,

or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage, loss, cost or expense.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to **Paragraph F – Liability and Medical Expenses Definitions**:

1. "Fungi" means any type or form of fungus, including but not limited to yeast, mold, mildew, blight or mushroom, and including any mycotoxins, spores, scents, or any other substances, products or byproducts produced by, released by, or arising out of a current or past presence of fungi.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

BP 81 32 01 08

Safeco and the Safeco logo are registered trademarks of Safeco Corporation
EP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Section I — Property, A.5., Additional Coverages:

Equipment Breakdown

- (1) We will pay for loss caused by or resulting from an "accident" to "covered equipment." As used in this Additional Coverage, "accident" means direct physical loss as follows:
- mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents," all will be considered one "accident." All "accidents" that are the result of the same event will be considered one "accident." "Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

- (2) The following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment." These coverages do not provide additional amounts of insurance.
- Expediting Expenses
With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
 - make temporary repairs; and
 - expedite permanent repairs or permanent replacement.
 - Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional costs to clean up or dispose of such property.

"Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Text that is bracketed has been deleted

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A. The following is added to Paragraph A.3. Covered Causes of Loss in Section I — Property:

Additional Coverage — Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

- We will pay for direct physical damage to Covered Property that is the direct result of an "accident". As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
 - mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- The following coverages also apply to the direct result of an "accident". These

coverages do not provide additional amounts of insurance.

- Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- make temporary repairs; and
- expedite permanent repairs or permanent replacement.

- Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

- Spoilage

- We will pay:

- for physical damage to "perishable goods" due to spoilage;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Text that is underlined has been inserted

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Spoilage coverage is \$50,000.

(c) Spoilage

(i) We will pay for your loss of "perishable goods" due to spoilage.

(ii) We will also pay for your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

(iii) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(iv) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

(v) Additional Definition. For the purpose of this coverage, "perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

The most we will pay for loss or damage under this coverage is \$25,000.

(d) Computer Equipment

We will pay for loss or damage caused by or resulting from an "accident" to "computers."

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

(e) Data Restoration

We will pay for your cost to research, replace and restore data including programs and operating systems, that is lost or corrupted due to an "accident." The most we will pay for loss or damage under this coverage is \$50,000.

The following is added to Paragraph A.6.e.(4) Valuable Papers and Records in Section I — Property:

(g) Paragraph B.2.a., Electrical Apparatus;

(h) Paragraph B.2.d., Steam Apparatus; and

(i) Paragraph B.2.i.(6), Mechanical Breakdown.

(f) Service Interruption

The insurance provided for Business Income, Extra Expense and Spoilage is extended to apply to loss caused by or resulting from an "accident" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

(3) Exclusions

(a) All exclusions and limitations apply except:

(i) Exclusions B.2.a., B.2.d. and B.2.i.(6); and

(ii) Limitations A.4.a.(1) and A.4.a.(2).

(b) The exclusions are modified as follows:

(i) The following is added to Exclusion B.1.g.(1):

(b) for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;

(c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000.

d. Computer Equipment

We will pay for loss, damage or expense, including actual loss of Business Income you sustain and necessary Extra Expense you incur, caused by or resulting from an "accident" to "computers".

e. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data".

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

f. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air

conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(2) Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident".

(3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage.

B. The following is added to Paragraph B. Exclusions:

Equipment Breakdown Exclusions

All exclusions in the Businessowners Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The exclusions are modified as follows:

a. The following is added to Exclusion B.1.g.(1):

However, if electrical "covered equipment" requires drying out because of Water as described in g.(1) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. As respects this endorsement only, the next to the last paragraph in Exclusion B.1.h. is deleted and replaced with the following:

However, if excluded loss or damage, as described in Paragraph (1) above results in an "accident", we will pay only for the loss, damage or expense caused by such "accident".

c. As respects this endorsement only, the last paragraph of Exclusion B.2.i. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.1.(1) through (7) results in an "accident", we will pay for the loss, damage or expense caused by that "accident".

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

~~(ii)~~ As respects this endorsement only, the next to the last paragraph in Exclusion B.1.h. is deleted and replaced with the following:

However, if excluded loss or damage, as described in Paragraph (1) above results in an "accident," we will pay only for the loss or damage caused by such "accident."

~~(iii)~~ As respects this endorsement only, the last paragraph of Exclusion B.2.l. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) ~~above~~ results in an "accident," we will pay for the loss or damage caused by that "accident."

~~(iv)~~ As respects this endorsement only, the following is added to Exclusions B.2.m. and B.2.n.:

We will also pay direct physical loss or damage caused by an "accident" ~~to~~ "covered equipment."

~~(c)~~ As respects this endorsement only, Coverage Extension 6.e. Valuable Papers and Records does not apply.

~~(d)~~ None of the following is "covered equipment":

- ~~(i)~~ structure, foundation, cabinet, compartment or air supported structure or building;
- ~~(ii)~~ insulating or refractory material;
- ~~(iii)~~ sewer piping, ~~underground~~ vessels or piping, or piping forming a part of a sprinkler system;
- ~~(iv)~~ water piping other than boiler feedwater piping, boiler condensate return piping or water piping form a part of a refrigerating or air conditioning system;
- ~~(v)~~ vehicle, ~~aircraft~~, floating vessel or any equipment mounted on such vehicle, ~~aircraft~~ or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;
- ~~(vi)~~ dragline, excavation equipment or construction equipment; or
- ~~(vii)~~ equipment manufactured by you for sale.

~~(e)~~ We will not pay under this endorsement for loss ~~or~~ damage caused by or resulting from:

- ~~(i)~~ any defect, virus, loss of data ~~or~~ other situation within "electronic media and records" But if loss or damage from an "accident" results, we will pay for that resulting loss or damage;
- ~~(ii)~~ any of the following tests:
 - ~~a~~ a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - ~~b~~ an insulation breakdown test of any type of electrical equipment.

~~(f)~~ With respect to Service Interruption coverage ~~and Spoilage coverage~~, we will also not pay for loss or damage caused by or resulting from: fire, lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.

~~(g)~~ With respect to Service Interruption coverage and Business Income and Extra Expense coverages, we will also not pay for delay ~~in~~ resuming operations due to the need to reconstruct or reinput data or programs on "electronic media and records".

~~(4)~~ Conditions

~~(a)~~ Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." ~~We can do this~~ by mailing or delivering a written notice of suspension to your

~~d.~~ The following is added to Exclusions B.2.m. and B.2.n.:

We will also pay for direct physical loss or damage caused by an "accident".

~~2.~~ We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

- ~~a.~~ any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense; or
- ~~b.~~ any of the following tests: a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.

~~3.~~ With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

~~4.~~ With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

- ~~a.~~ loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
- ~~b.~~ any increase in loss resulting from an agreement between you and your customer or supplier.

~~5.~~ We will not pay under this endorsement for any loss or damage to animals.

C. CONDITIONS

The following conditions are in addition to the Conditions in the Businessowners Coverage Form.

1. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

a. your last known address; or

b. the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident", we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

D. The following are added to H. Property Definitions:

1. "Covered equipment"

a. "Covered equipment" means Covered Property;

(1) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

(2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

b. None of the following is "covered equipment":

(1) structure, foundation, cabinet, compartment or air supported structure or building;

address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

(b) Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

(c) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

(5) Deductibles

The deductible for Property in the Declarations applies unless a separate deductible or deductibles is shown for Equipment Breakdown. If a separate deductible or deductibles is shown, the following applies:

(a) Deductibles for Each Coverage

- (i) Unless the Equipment Breakdown deductible is shown as Combined, all coverages, multiple deductibles may apply to any one "accident."
- (ii) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any one "accident," the highest deductible for each coverage will apply.

(b) Unless more specifically indicated in the Declarations:

- (i) Business Income/Extra Expense Coverages Deductibles apply to Business Income and Extra Expense loss, and
- (ii) Property Damage Coverages Deductibles apply to all remaining loss, damage or expense covered by the Equipment Breakdown Coverage.

(c) Application of Deductibles

(i) Dollar Deductibles

We will not pay for loss or damage resulting from any one "accident" until the amount of loss or damage exceeds the deductible or deductibles shown in the Declarations. We will then pay the amount of loss or damage in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

(ii) Time Deductible

If a Time Deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a Time Deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(iii) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income Coverage that is part of this policy) that would have been earned has no "accident" occurred during the period of interruption of business divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss. The

- (2) insulating or refractory material;
- (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) water piping other than boiler feed-water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "vehicle" or any equipment mounted on a "vehicle";
- (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) dragline, excavation or construction equipment; or
- (8) equipment manufactured by you for sale.

2. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

3. "One accident" means: If an initial "accident" causes other "accidents", all will

be considered "one accident". All "accidents" that are the result of the same event will be considered "one accident".

4. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

5. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

number indicated in the Declarations shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(iv) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

The most we will pay for loss or damage under this endorsement is the applicable Limit of Insurance shown in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

BP 81 47 [02 03]

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE —
REAL ESTATE OPERATIONS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS Section II — Liability

With respect to real estate operations, this insurance applies only to "bodily injury," "property damage" or "personal and advertising injury" arising out of the ownership, operation, maintenance or use of:

1. Such part of any premises you use for general office purposes; and
2. Premises listed with you for sale or rental, if:
 - a. You do not own, operate, manage or rent the premises;
 - b. They are not in your care, custody or control; or
 - c. You do not act as agent for the collection of rents or in any supervisory capacity.

Safeco Insurance

BP 81 47 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE —
REAL ESTATE OPERATIONS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS Section II — Liability

With respect to real estate operations, this insurance applies only to "bodily injury," "property damage" or "personal and advertising injury" arising out of the ownership, operation, maintenance or use of:

1. Such part of any premises you use for general office purposes; and
2. Premises listed or shown by you for sale or rental, if:
 - a. You do not own, operate, manage or rent the premises;
 - b. They are not in your care, custody or control; or
 - c. You do not act as agent for the collection of rents or in any supervisory capacity.

BP 81 47 [02 03]

© A registered trademark of SAFECO Corporation
EP

BP 81 47 01 08

Safeco and the Safeco logo are registered trademarks of Safeco Corporation
EP

Text that is bracketed has been deleted

Text that is underlined has been inserted

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BARBERS AND BEAUTICIANS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II — Liability is amended as follows:

A. For the insurance provided by this endorsement, all provisions under Paragraph A.1. **Business Liability** will also apply to other injury.

B. Paragraph A. **Coverages** also applies to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render professional services provided as a beautician, barber or manicurist, including treatment, advice or instruction for the purpose of appearance or skin enhancement or personal grooming or therapy.

C. With respect to the coverage provided by this endorsement, Paragraph B. **Exclusions** is amended as follows:

1. Paragraph 1.b. **Contractual Liability** is replaced by the following:

This insurance does not apply to:

b. "Bodily injury", "property damage", "personal and advertising injury" or other injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

2. The following Exclusions do not apply:

a. Paragraph 1.j. **Professional Services**;
b. Paragraph 1.k.(6) **Damage To Property**; and
c. Paragraph 1.m. **Damage To Your Work**.

3. The following Exclusions are added:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of:

- a. The violation of any statute, or governmental rule or regulation; however, this exclusion does not apply to the failure to perform a predisposition of skin test.
- b. Failure to comply with the manufacturers' instructions related to the care, cleaning and maintenance of any equipment used in connection with your business.
- c. Any process or procedure used to change the pigmentation of the skin.
- d. Any process or procedure used to remove hair, other than waxing or manual tweezing or cutting.
- e. Body massage other than facial massage.
- f. Any process or procedure, other than topical enzyme exfoliation, used to remove layers of skin including, but not limited to chemical peels, Intense Pulsed Light therapy or laser therapy.
- g. Hair implanting or hair transplanting or any attempt at these.
- h. The use of any dye or coloring to eyelashes or eyebrows except mascara or eyebrow pencils.
- i. The attachment of eyelash extensions.
- j. Intradermal application of any color pigments, including tattooing.

© ISO Properties, Inc., 2004

Safeco and the Safeco logo are registered trademarks of Safeco Corporation
Page 1 of 3 EP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BARBERS AND BEAUTICIANS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II — Liability is amended as follows:

A. For the insurance provided by this endorsement, all provisions under Paragraph A.1. **Business Liability** will also apply to other injury.

B. Paragraph A. **Coverages** also applies to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render professional services provided as a beautician, barber or manicurist, including treatment, advice or instruction for the purpose of appearance or skin enhancement or personal grooming or therapy.

C. With respect to the coverage provided by this endorsement, Paragraph B. **Exclusions** is amended as follows:

1. Paragraph 1.b. **Contractual Liability** is replaced by the following:

This insurance does not apply to:

b. "Bodily injury", "property damage", "personal and advertising injury" or other injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

2. The following Exclusions do not apply:

a. Paragraph 1.j. **Professional Services**;
b. Paragraph 1.k.(6) **Damage To Property**; and
c. Paragraph 1.m. **Damage To Your Work**.

3. The following Exclusions are added:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of:

- a. The violation of any statute, or governmental rule or regulation; however, this exclusion does not apply to the failure to perform a predisposition of skin test.
- b. Failure to comply with the manufacturers' instructions related to the care, cleaning and maintenance of any equipment used in connection with your business.
- c. Any process or procedure used to change the pigmentation of the skin.
- d. Any process or procedure used to remove hair, other than waxing or manual tweezing or cutting.
- e. Body massage other than facial, hand or foot massage.
- f. Any process or procedure, other than topical enzyme exfoliation, used to remove layers of skin including, but not limited to chemical peels, Intense Pulsed Light therapy or laser therapy.
- g. Hair implanting or hair transplanting or any attempt at these.
- h. The use of any dye or coloring to eyelashes or eyebrows except mascara or eyebrow pencils.
- i. The attachment of eyelash extensions.
- j. Intradermal application of any color pigments, including tattooing.

Includes copyrighted material of ISO Properties, Inc., 2004

Safeco and the Safeco logo are registered trademarks of Safeco Corporation
Page 1 of 3 EP

- k. Any medical or surgical service, treatment, advice or instruction, including, but not limited to podiatry, chiroprody, plastic surgery, face lifting, removal of warts, moles or growths or any attempt at these by anyone.
- l. The furnishing or dispensing of drugs, nutritional supplements or medical, dental or surgical supplies or appliances.
- m. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio-vascular fitness, body building or physical training programs.
- D. Paragraph C. **Who Is An Insured** is amended as follows:
- Paragraph 2.a. is replaced by the following:
 - Each of the following is also an insured:
 - Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - "Bodily injury", "personal and advertising injury" or other injury:
 - To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;
 - For which there is any obligation to share damages
- with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or
- "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional services. However, your "employees" are insureds with respect to their providing or failing to provide services as a manicurist, barber or beautician in connection with your business.
 - "Property damage" to property:
 - Owned, occupied or used by;
 - Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
2. The following is added to Paragraph 2.:
- Any operator who rents or leases from the insured booth space, chairs or any portion of your premises for the purpose of conducting manicurist, barber shop or beauty salon services and any "employee" of such operator, but only with respect to liability arising out of such services.
- E. Paragraph D.2. **Liability And Medical Expenses Limits Of Insurance** is replaced by the following:
- The most we will pay for the sum of all damages because of all:
 - "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";
 - "Personal and advertising injury" sustained by any one person or organization; and
 - Other injury arising out of any one "occurrence";

- k. Any medical or surgical service, treatment, advice or instruction, including, but not limited to podiatry, chiroprody, plastic surgery, face lifting, removal of warts, moles or growths or any attempt at these by anyone.
- l. The furnishing or dispensing of drugs, nutritional supplements or medical, dental or surgical supplies or appliances.
- m. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio-vascular fitness, body building or physical training programs.
- D. Paragraph C. **Who Is An Insured** is amended as follows:
- Paragraph 2.a. is replaced by the following:
 - Each of the following is also an insured:
 - Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - "Bodily injury", "personal and advertising injury" or other injury:
 - To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;
 - For which there is any obligation to share damages
- with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or
- "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional services. However, your "employees" are insureds with respect to their providing or failing to provide services as a manicurist, barber or beautician in connection with your business.
 - "Property damage" to property:
 - Owned, occupied or used by;
 - Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
2. The following is added to Paragraph 2.:
- Any operator who rents or leases from the insured booth space, chairs or any portion of your premises for the purpose of conducting manicurist, barber shop or beauty salon services and any "employee" of such operator, but only with respect to liability arising out of such services.
- E. Paragraph D.2. **Liability And Medical Expenses Limits Of Insurance** is replaced by the following:
- The most we will pay for the sum of all damages because of all:
 - "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";
 - "Personal and advertising injury" sustained by any one person or organization; and
 - Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph F. **Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render services as or for a manicurist, barber or beautician.

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph F. **Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render services as or for a manicurist, barber or beautician.

Text that is bracketed has been deleted

Text that is underlined has been inserted