

SERFF Tracking Number: NRT-125621923 State: Arkansas  
First Filing Company: North American Elite Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: 08-03563  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: BOP - Extra Coverage Endorsement  
Project Name/Number: /

## Filing at a Glance

Companies: North American Elite Insurance Company, North American Specialty Insurance Company, Westport Insurance Corporation

Product Name: BOP - Extra Coverage Endorsement SERFF Tr Num: NRT-125621923 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: 08-03563 State Status: Fees verified and received

Filing Type: Form Co Status: Submitted to SID Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding  
Author: Alsa Shih Disposition Date: 04/29/2008  
Date Submitted: 04/24/2008 Disposition Status: Approved

Effective Date Requested (New): 08/01/2008 Effective Date (New): 08/01/2008  
Effective Date Requested (Renewal): 08/01/2008 Effective Date (Renewal): 08/01/2008

State Filing Description:

## General Information

Project Name: Status of Filing in Domicile: Pending  
Project Number: Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 04/29/2008  
State Status Changed: 04/29/2008 Deemer Date:  
Corresponding Filing Tracking Number:

Filing Description:

We wish to submit the attached optional endorsement for your review and approval. The purpose of this filing is to revise our Businessowners Extra Coverage endorsement to properly reference the changes that ISO made to the Businessowners Coverage form, BP 00 03, back in 2006. We are including a marked up version of our current form

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(similar to side-by-side comparison) indicating all changes made to the endorsement. We request that this filing be applicable to all policies effective on or after August 1, 2008.

## Company and Contact

### Filing Contact Information

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 650 Elm Street  
 Manchester, NH 03101  
 Alsa\_Shih@nasins.com  
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### Filing Company Information

North American Elite Insurance Company	CoCode: 29700	State of Domicile: New Hampshire
650 Elm Street	Group Code: 181	Company Type:
Manchester, NH 03101	Group Name:	State ID Number:
(800) 542-9200 ext. [Phone]	FEIN Number: 13-3440360	

North American Specialty Insurance Company	CoCode: 29874	State of Domicile: New Hampshire
650 Elm Street	Group Code: 181	Company Type:
Manchester, NH 03101-2524	Group Name:	State ID Number:
(800) 542-9200 ext. [Phone]	FEIN Number: 02-0311919	

Westport Insurance Corporation	CoCode: 39845	State of Domicile: Missouri
650 Elm Street	Group Code: 181	Company Type:
Manchester, NH 03101-2524	Group Name:	State ID Number:
(800) 542-9200 ext. [Phone]	FEIN Number: 48-0921045	

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: \$50.00 for each form filing.  
 Per Company: No



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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	04/29/2008	04/29/2008

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## Disposition

Disposition Date: 04/29/2008  
Effective Date (New): 08/01/2008  
Effective Date (Renewal): 08/01/2008  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Side-by-Side comparison	Approved	Yes
Form	Businessowners Extra Coverage	Approved	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Businessowners Extra Coverage	SP 1 749	04/07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 SP 1 749 (10/05) Previous Filing #: AR-PC-07-025905		SP 1 749 0407.pdf

*[Insert Company Name Here]*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BUSINESSOWNERS EXTRA COVERAGE**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

I. **SECTION I - PROPERTY** is changed as follows:

A. **Boundary Extension**

All references to property "within 100 feet of the described premises" are changed to property "within 1,000 feet of the described premises."

B. Paragraph A, **Coverage**, sub-paragraph 5., **Additional Coverages**, is changed as follows:

1. In part a., **Debris Removal**, in the first sentence and final sentences of (4), \$10,000 is changed to \$25,000.
2. In part c., **Fire Department Service Charge**, \$2,500 is changed to \$15,000.
3. In part j., **Money Orders And Counterfeit Paper Currency**, \$1,000 is changed to \$25,000.
4. In part k., **Forgery And Alteration**; sub-paragraph (4) is deleted and replaced by the following:
  - (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$150,000, unless a higher Limit of Insurance is shown in the Declarations.
5. Part l., **Increased Cost Of Construction**, is deleted and replaced by the following:
  1. **Ordinance Or Law Coverage**
    - (1) This Additional Coverage applies only to buildings on a replacement cost basis.
    - (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property we will pay for the following kinds of loss caused by enforcement of a building, zoning or land use ordinance or law subject to the limitations stated in (3) through (9) of this Additional Coverage:
      - (a) The loss in value of the undamaged portion of the building.
      - (b) The cost to demolish and remove debris of undamaged parts of the building;  
or
      - (c) The increased cost to repair or reconstruct damaged portions or to reconstruct or remodel undamaged portions of the building, whether or not demolition is required.
    - (3) The ordinance or law referred to in (2) of this Additional Coverage is an ordinance or law that requires the demolition of parts of the same property not damaged by a Covered Cause of Loss, or that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is:
  - (a) For loss in value of the undamaged portion of the building, the Limit of Insurance shown in the Declarations as applicable to the covered Building property.
  - (b) For the combined cost of demolition and increased cost of construction, \$50,000, unless a higher Limit of Insurance for Ordinance or Law Coverage is shown in the Schedule. This amount is additional insurance.
- (7) With respect to this Additional Coverage:
  - (a) For loss in value of the undamaged portion of the building, we will not pay more than the lesser of:
    - (i) The amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured, if the property is repaired or replaced on the same or another premises; or
    - (ii) The actual cash value of the building at the time of loss if the property is not repaired or replaced.
  - (b) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - (c) With respect to the Increased Cost of Construction:
    - (i) We will not pay for the Increased Cost of Construction:
      - i. Until the property is actually repaired or replaced, at the same or another premises; and
      - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

(iii) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in f. of this Additional Coverage, is not subject to such limitation.

6. In part m., **Business Income From Dependent Properties**, sub-paragraph (1), \$5000 is replaced by \$10,000.

7. Part o., **Fire Extinguisher Systems Recharge Expense**, sub-part (3) is deleted and replaced with the following:

(3) The most we will pay under this Additional Coverage in any one occurrence is \$15,000 for recharge expense, \$15,000 for clean-up expenses, and \$15,000 for Loss of Business Income and Extra Expense. The amounts payable under this Additional Coverage are additional insurance.

8. The following Additional Coverages are added:

a. **Arson And Theft Reward**

We will pay a reward for information which leads to an arson conviction in connection with a fire or explosion loss covered under this policy or to a theft conviction in connection with a covered theft loss. Regardless of the number of persons who provide such information, the most we will pay for rewards in any one loss is \$25,000. But we will not pay more for a reward than we paid for the loss. The amount payable under this Additional Coverage is additional insurance.

b. **Sewer Backup**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from:

(1) Water that backs up from a sewer or drain; or

(2) Water under the ground surface pressing on, or flowing or seeping through:

(i) Foundations, walls, floors or paved surfaces;

(ii) Basements, whether paved or not; or

(iii) Doors, windows or other openings.

This Additional Coverage is not subject to the terms of the Water Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

The most we will pay for each described premises for the sum of all loss under this Additional Coverage during each separate 12 month period of this policy is \$50,000, unless a higher Limit of Insurance for Sewer Backup Coverage is shown in the Schedule. This Additional Coverage is included within the Limit of Insurance applicable to the premises where the damage occurs.

c. **Theft Damage To Buildings**

If you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, we will pay for damage at the described premises caused directly by theft or attempted theft to:

- (1) That part of any building containing Covered Property; or
- (2) Equipment within the building used to maintain or service the building;

if you are legally responsible for the damage.

But we will not pay under this Additional Coverage for damage caused by fire, or to glass or to lettering or art work on glass.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

d. **Temporary Relocation Of Property**

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss at another location where it is in storage for up to 120 days while the described premises is being repaired, renovated or remodeled. This 120-day period includes any coverage period provided under the Preservation of Property Additional Coverage. This Additional Coverage is included within the Limit of Insurance applicable to the premises from which the property was moved.

e. **Brands And Labels**

If branded or labeled merchandise that is Covered Personal Property is damaged by a Covered Cause of Loss and we take all or any part of the damaged merchandise at an agreed or appraised value as part of the loss settlement, we will pay your expense to:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels if doing so will not physically damage the merchandise or its containers. You must relabel the merchandise or its containers to comply with the law.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

f. **Temperature Change**

We will pay for direct physical loss of or damage to Covered Personal Property at the described premises, caused by or resulting from a change in temperature or humidity.

But this Additional Coverage does not apply to loss of or damage to "perishable property" if the change in temperature or humidity results from:

- (1) Mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, or
- (2) Power outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises.

As used in this Additional Coverage, "perishable property" means property maintained under controlled temperature or humidity conditions for preservation, and susceptible to loss or damage if the controlled temperature or humidity conditions change.

This Additional Coverage is not subject to the terms of parts (7)(a) and (7)(b) of Exclusion B.2.1. **Other Types of Loss**, to the extent that such Exclusions would conflict with the provisions of this Additional Coverage.

The most we will pay under this Additional Coverage is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the spoilage occurs.

g. **Fine Arts**

We will pay up to \$25,000 as an additional amount of insurance at each described premises to cover direct physical loss of or damage to Fine Arts, owned by you.

As used in this Coverage, Fine Arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

The value of Fine Arts will be the Market Value at the time of loss or damage. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

h. **Property Of Others**

We will pay up to \$25,000 as an additional amount of insurance at each described premises to cover direct physical loss of or damage by a covered cause of loss to Personal Property of Others that is in your care, custody and control regardless of the amount for which you are legally liable on a replacement cost basis. Part 5.d.(3)(b), in Paragraph E, **Property Loss Conditions**, does not apply to this coverage extension.

i. **Lost Key Consequential Loss**

We will pay up to \$1,000 in any one occurrence for

- (1) The actual cost of keys, and

- (2) Adjustment of locks to accept new keys, or
- (3) If required, new locks including cost of their installation,

if necessary because a master or grand master key is lost or damaged from a Covered Cause of Loss.

j. **Utility Service Interruption**

We will pay for loss or damage to covered property and Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to a Utility Service Property described below, all of which are considered a Utility Service Interruption:

- (1) Water Supply Services, meaning the following types of property supplying water to the described premises:
  - (a) Pumping stations; or
  - (b) Water mains.
- (2) Communications Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
  - (a) Communication transmission lines, including fiberoptic transmission lines and overhead transmission lines;
  - (b) Coaxial cables; and
  - (c) Microwave radio relays, except satellites.
- (3) Power Supply Services meaning the following types of property supplying electricity, steam, or gas to the described premises:
  - (a) Utility generating plants;
  - (b) Switching stations;
  - (c) Substations;
  - (d) Transformers; and
  - (e) Transmission lines, including overhead transmission lines.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage is as follows:

- (1) For direct physical loss: For each occurrence up to a limit of \$100,000.

- (2) For Business Interruption and Extra Expense: For each occurrence, actual loss sustained within 30 days following the date of direct physical loss or damage to the utility services property described above up to a limit of \$100,000, provided however that there shall be no coverage and no damages paid for Business Interruption or Extra Expense damages or losses incurred within the first 72 hours of Utility Service Interruption.

This Additional Coverage is not subject to the terms of Paragraph B – **Exclusions**, sub-paragraph 1.e., **Power Failure**, to the extent that such exclusion would conflict with the provisions of the Additional Coverage.

C. Paragraph A, **Coverage**, sub-paragraph 6., **Coverage Extensions**, is changed as follows:

1. Part a., **Newly Acquired or Constructed Property** is changed as follows:

- (a) The final sentence of part (1) **Buildings** is replaced with the following:

The most we will pay for loss or damage at each building under this Extension is 25% of the highest Limit of Insurance shown in the Declarations for Buildings at any one premises, but not more than \$750,000.

- (b) The final sentence of Part (2) **Business Personal Property** is replaced with the following:

The most we will pay for loss or damage at each premises under this Extension is 100% of the highest Limit of Insurance shown in the Declarations for Business Personal Property at any one premises, but not more than \$750,000.

- (c) Item (4) **Business Income and Extra Expense** is added as follows:

(4) **Business Income and Extra Expense**

You may extend your Business Income and Extra Expense Coverages to apply at any premises covered under 1. or 2. above. Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

2. The final sentence of part b., **Personal Property Off Premises**, is replaced by the following:

The most we will pay for loss or damage under this Extension is \$50,000, unless a higher Limit of Insurance for Personal Property Off Premises is shown in the Schedule.

3. Part c., **Outdoor Property**, is replaced by the following:

c. **Outdoor Property**

- (1) You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion; or
- (e) Aircraft.

The most we will pay for loss or damage under this Extension is \$15,000, but not more than \$2,500 for any one tree, shrub or plant.

4. In the final sentence of part d., **Personal Effects**, \$2,500 is changed to \$25,000. Sub-part (2) of part d. is deleted.
5. In sub-part (3) of part e., **Valuable Papers And Records**, the \$10,000 limit at described premises is changed to \$50,000. The limit for "Valuable Papers and Records" not at the described premises is changed from \$5,000 to \$25,000.
6. In sub-part (2) of part f., **Accounts Receivable**, the \$10,000 limit at described premises is changed to \$50,000. The limit for accounts receivable not at the described premises is changed from \$5,000 to \$25,000.
7. The following **Coverage Extensions** are added:
  - a. **Other Buildings And Structures**
    - (1) If you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, you may extend the insurance that applies to Business Personal Property to apply to garages, storage buildings or other buildings or structures on the described premises which are:
      - (a) Not otherwise insured;
      - (b) Owned by you or for which you are legally liable; and
      - (c) Used in your business.
    - (2) If a Building Limit of Insurance is shown in the Declarations and other buildings as described in paragraph (1) are damaged in the same occurrence as your main building(s), we will extend the insurance that applies to building to cover loss or damage at those other buildings.
    - (3) The most we will pay for loss or damage under this Extension is:
      - (a) Under sub-part (1), 10% of the Business Personal Property Limit of Insurance, or
      - (b) Under sub-part (2), 10% of the Building Limit of Insurance,

applicable at the premises where the damage occurs, but not more than \$50,000 for any one occurrence.

b. **Claims Expenses**

When there is a loss to Covered Property from a Covered Cause of Loss, you may extend the insurance provided by this policy to apply to your expense to prepare a statement of loss, an inventory of damaged property, or other exhibits required to present your claim. The most we will pay for all such expenses in any one occurrence is \$10,000.

D. Sub-paragraph 2. of Paragraph C., **Limits Of Insurance**, is deleted.

E. Sub-paragraph 3. of Paragraph D., **Deductibles**, is replaced by the following:

3. No deductible applies to the following Additional Coverages:

- a. Fire Department Service Charge;
- b. Business Income;
- c. Extra Expense;
- d. Civil Authority;
- e. Fire Extinguisher System Recharge Expense; and

F. Paragraph E., **Property Loss Condition**, is changed as follows

1. Paragraph E., **Property Loss Condition**, sub-paragraph 5, **Loss Payment**, is changed as follows:

**Replacement Cost -**

Paragraphs (a) and (b) of Part d.(1) are replaced by the following:

- (a) The Limit of Insurance under this policy that applies to the lost or damaged property; or
- (b) The cost to replace, on the same premises, the lost or damaged property with other property:
  - (i) Of comparable material and quality; and
  - (ii) Used for the same purpose; or
  - (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

2. The following is added to Paragraph E., **Property Loss Conditions**, sub-paragraph 5., **Loss Payment**:

**Selling Price for Stock**

We will determine the value of Covered Property that is "stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

G. Section G., **Optional Coverages**, is changed as follows:

1. The first paragraph of Section G., **Optional Coverages** is replaced by the following:

If shown as applicable in the Declarations, or if a specific limit is shown below, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below

2. Paragraph 1., **Outdoor Signs**, item d. is replaced with the following:

d. The most we will pay for loss or damage in any one occurrence is \$15,000 or the Limit of Insurance for Outdoor Signs shown in the Declarations.

3. Paragraph 2., **Money and Securities**, item c. is replaced with the following:

c. The most we will pay for loss in any one occurrence is:

(1) \$50,000 or the limit shown in the declarations for Inside the Premises for "money" and "securities" while:

(a) In or on the described premises; or

(b) Within a bank or savings institution; and

(2) \$25,000 or the limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

4. Paragraph 3., **Employee Dishonesty**, item c. is replaced with the following and item k. is added as below:

c. The most we will pay for loss or damage in any one occurrence is \$150,000 or the Limit of Insurance for Employee Dishonesty shown in the Declarations.

k. ERISA – Employee Dishonesty

We shall include as a Named Insured under the Employee Dishonesty Coverage any:

(1) Employee Welfare Benefit Plan, and

(2) Employee Pension Benefit Plan,

owned, controlled or operated by you which you provide solely for the benefit of your employees (hereinafter collectively called "Plan").

This insurance does not increase the Limit of Insurance under the Employee Dishonesty Optional Coverage. ERISA - Employee Dishonesty does not provide fiduciary liability insurance.

The following provisions shall apply to ERISA - Employee Dishonesty Coverage.

(1) Employee as used in ERISA - Employee Dishonesty shall also include any natural person who is:

- (a) a trustee, an officer, employee, administrator, volunteer, or a manger, except an administrator or a manager who is an independent contractor, of any Plan insured under this insurance, and
  - (b) Your director or trustee other than a fiduciary while that person is handling funds or other property of any Plan insured under this insurance.
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
  - (3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
  - (4) If two or more Plans are insured under this insurance, any payment we make for loss:
    - (a) sustained by two or more Plans; or
    - (b) of commingled funds or other property of two or more Plans that arises out of one "occurrence," is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
  - (5) The Deductible provisions of the Employee Dishonesty Coverage Form does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.
  - (6) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty.

Paragraph B. **Exclusions**, sub-paragraph 2.f., **Dishonesty**, does not apply to coverage afforded by this additional coverage.

II. **SECTION II – LIABILITY** is changed as follows:

A. **Newly Acquired Organizations**

The following is added to Paragraph C., **Who Is An Insured**:

- 3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Business Liability Coverage does not apply to:
    - (1) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
    - (2) "Personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.

**B. TENANTS LIABILITY**

1. The final paragraph of Paragraph B.1. **Exclusions, - Applicable To Business Liability Coverage**, is deleted and replaced by the following:

With respect to premises which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions c., d., e., g., h., k., l., m., n. and o. do not apply to "property damage."

2. With respect to this coverage sub-paragraphs 2. and 3. under Paragraph D., **Liability And Medical Expenses Limits Of Insurance**, are deleted and replaced by the following:

The most we will pay under Business Liability Coverage for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises rented to you or temporarily occupied by you with the permission of the owner is \$300,000, unless a higher Tenants Liability Limit of Insurance is shown in the Schedule.

3. The Aggregate Limit under Paragraph D., **Liability And Medical Expenses Limits Of Insurance**, sub-paragraph 4., **Aggregate Limits**, part b., does not apply to Tenants Liability. "Tenants Liability" is defined as "bodily injury," "property damage," or "personal and advertising injury" arising out of the rental of any premises by an insured from a party who is not an insured.

**C. Expanded Bodily Injury**

Paragraph F., **Liability And Medical Expenses Definition**, sub-paragraph 3, is deleted and replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including disability, shock, mental anguish, mental injury or death resulting from any of these at any time.

**D. Amendment - Aggregate Limits Of Insurance (Per Project Or Per Location)**

The Aggregate Limits in Paragraph D.4. of **Liability And Medical Expenses Limits Of Insurance** apply separately to:

1. Each of your projects away from premises owned by or rented to you; and
2. Each "location" arising from all "occurrences" which can be attributed only to operations at a single "location."

For the purposes of this endorsement, the following is added to Paragraph F., **Liability and Medical Expense Definitions**:

"Location" means described premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

E. **Fellow Employee**

Paragraph C. **Who Is An Insured** of Section II – **Liability** is changed as follows:

Under C.2.a.(1), the exceptions in parts (a) and (b) for "bodily injury" or "personal and advertising 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), to a co-"employee," or to your other "volunteer workers," or to the spouse, child, parent, brother or sister of that co-"employee," apply only to "personal and advertising injury."

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.



SERFF Tracking Number: NRT-125621923 State: Arkansas  
First Filing Company: North American Elite Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: 08-03563  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: BOP - Extra Coverage Endorsement  
Project Name/Number: /

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 04/29/2008

**Comments:**

**Attachment:**

AR-NAIC Transmittal.pdf

**Satisfied -Name:** Side-by-Side comparison **Review Status:** Approved 04/29/2008

**Comments:**

**Attachment:**

SP 1 749 1005 Compared To 0407.pdf



## Property & Casualty Transmittal Document—

<b>20. This filing transmittal is part of Company Tracking #</b>	08-03563
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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We wish to submit the attached optional endorsement for your review and approval. The purpose of this filing is to revise our Businessowners Extra Coverage endorsement to properly reference the changes that ISO made to the Businessowners Coverage form, BP 00 03, back in 2006. We are including a marked up version of our current form (similar to side-by-side comparison) indicating all changes made to the endorsement.

<b>22. Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
---

**Check #:** EFT  
**Amount:** \$50.00

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

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

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## FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	08-03563			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
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	Businessowners Extra Coverage	SP 1 749 04 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	SP 1 749 10/05	AR-PC-07-025905
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

***[Insert Company Name Here]***

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BUSINESSOWNERS EXTRA COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

I. **SECTION I - PROPERTY** is changed as follows:

A. **Boundary Extension**

All references to property “within 100 feet of the described premises” are changed to property “within 1,000 feet of the described premises.”

B. Paragraph A, **Coverage**, sub-paragraph 5., **Additional Coverages**, is changed as follows:

1. In part a., **Debris Removal**, in the first sentence and final sentences of (4), \$10,000 is changed to \$25,000.
2. In part c., **Fire Department Service Charge**, ~~\$1,000~~ \$2,500 is changed to \$15,000.
3. In part j., **Money Orders And Counterfeit Paper Currency**, \$1,000 is changed to \$25,000.
4. In part k., **Forgery And Alteration**; sub-paragraph (34) is deleted and replaced by the following:  
  
(34) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$150,000, unless a higher Limit of Insurance is shown in the Declarations.
5. Part l., **Increased Cost Of Construction**, is deleted and replaced by the following:

l. **Ordinance Or Law Coverage**

- (1) This Additional Coverage applies only to buildings on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property we will pay for the following kinds of loss caused by enforcement of a building, zoning or land use ordinance or law subject to the limitations stated in (3) through (9) of this Additional Coverage:
  - (a) The loss in value of the undamaged portion of the building.
  - (b) The cost to demolish and remove debris of undamaged parts of the building;  
or
  - (c) The increased cost to repair or reconstruct damaged portions or to reconstruct or remodel undamaged portions of the building, whether or not demolition is required.
- (3) The ordinance or law referred to in (2) of this Additional Coverage is an ordinance or law that requires the demolition of parts of the same property not damaged by a Covered Cause of Loss, or that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants.”
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is:
  - (a) For loss in value of the undamaged portion of the building, the Limit of Insurance shown in the Declarations as applicable to the covered Building property.
  - (b) For the combined cost of demolition and increased cost of construction, \$50,000, unless a higher Limit of Insurance for Ordinance or Law Coverage is shown in the Schedule. This amount is additional insurance.
- (7) With respect to this Additional Coverage:
  - (a) For loss in value of the undamaged portion of the building, we will not pay more than the lesser of:
    - (i) The amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured, if the property is repaired or replaced on the same or another premises; or
    - (ii) The actual cash value of the building at the time of loss if the property is not repaired or replaced.
  - (b) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - (c) With respect to the Increased Cost of Construction:
    - (i) We will not pay for the Increased Cost of Construction:
      - i. Until the property is actually repaired or replaced, at the same or another premises; and
      - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
    - (iii) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
  - (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
  - (9) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in f. of this Additional Coverage, is not subject to such limitation.
- 6. In part m., **Business Income From Dependent Properties**, sub-paragraph (1), \$5000 is replaced by \$10,000.
- 7. Part o., **Fire Extinguisher Systems Recharge Expense**, sub-part (3) is deleted and replaced with the following:
  - (3) The most we will pay under this Additional Coverage in any one occurrence is \$15,000 for recharge expense, \$15,000 for clean-up expenses, and \$15,000 for Loss of Business Income and Extra Expense. The amounts payable under this Additional Coverage are additional insurance.
- 8. The following Additional Coverages are added:
  - a. **Arson And Theft Reward**

We will pay a reward for information which leads to an arson conviction in connection with a fire or explosion loss covered under this policy or to a theft conviction in connection with a covered theft loss. Regardless of the number of persons who provide such information, the most we will pay for rewards in any one loss is \$25,000. But we will not pay more for a reward than we paid for the loss. The amount payable under this Additional Coverage is additional insurance.
  - b. **Sewer Backup**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from:

    - (1) Water that backs up from a sewer or drain; or
    - (2) Water under the ground surface pressing on, or flowing or seeping through:
      - (i) Foundations, walls, floors or paved surfaces;
      - (ii) Basements, whether paved or not; or
      - (iii) Doors, windows or other openings.

This Additional Coverage is not subject to the terms of the Water Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

The most we will pay for each described premises for the sum of all loss under this Additional Coverage during each separate 12 month period of this policy is \$50,000, unless a higher Limit of Insurance for Sewer Backup Coverage is shown in the Schedule. This Additional Coverage is included within the Limit of Insurance applicable to the premises where the damage occurs.

c. **Theft Damage To Buildings**

If you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, we will pay for damage at the described premises caused directly by theft or attempted theft to:

- (1) That part of any building containing Covered Property; or
- (2) Equipment within the building used to maintain or service the building;

if you are legally responsible for the damage.

But we will not pay under this Additional Coverage for damage caused by fire, or to glass or to lettering or art work on glass.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

d. **Temporary Relocation Of Property**

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss at another location where it is in storage for up to 120 days while the described premises is being repaired, renovated or remodeled. This 120-day period includes any coverage period provided under the Preservation of Property Additional Coverage. This Additional Coverage is included within the Limit of Insurance applicable to the premises from which the property was moved.

e. **Brands And Labels**

If branded or labeled merchandise that is Covered Personal Property is damaged by a Covered Cause of Loss and we take all or any part of the damaged merchandise at an agreed or appraised value as part of the loss settlement, we will pay your expense to:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels if doing so will not physically damage the merchandise or its containers. You must relabel the merchandise or its containers to comply with the law.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

f. **Temperature Change**

We will pay for direct physical loss of or damage to Covered Personal Property at the described premises, caused by or resulting from a change in temperature or humidity.

But this Additional Coverage does not apply to loss of or damage to “perishable property” if the change in temperature or humidity results from:

- (1) Mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, or
- (2) Power outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises.

As used in this Additional Coverage, “perishable property” means property maintained under controlled temperature or humidity conditions for preservation, and susceptible to loss or damage if the controlled temperature or humidity conditions change.

This Additional Coverage is not subject to the terms of parts (7)(a) and (7)(b) of Exclusion B.2.1. **Other Types of Loss**, to the extent that such Exclusions would conflict with the provisions of this Additional Coverage.

The most we will pay under this Additional Coverage is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the spoilage occurs.

~~g. **Broadened Business Income And Extra Expense Electronic Media and Records**~~

~~— If mechanical breakdown coverage for Computer Equipment is provided by another endorsement to this policy, **Property Loss Condition 5. Limitation—Electronic Media and Records** is deleted.~~

~~— The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Additional Coverage. This Additional Coverage is not subject to the Limits of Insurance.~~

~~hg. **Fine Arts**~~

We will pay up to \$25,000 as an additional amount of insurance at each described premises to cover direct physical loss of or damage to Fine Arts, owned by you.

As used in this Coverage, Fine Arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

The value of Fine Arts will be the Market Value at the time of loss or damage. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

**ih. Property Of Others**

We will pay up to \$25,000 as an additional amount of insurance at each described premises to cover direct physical loss of or damage by a covered cause of loss to Personal Property of Others that is in your care, custody and control regardless of the amount for which you are legally liable on a replacement cost basis. Part-~~65~~.d.(3)(b), in Paragraph E, **Property Loss Conditions**, does not apply to this coverage extension.

**ji. Lost Key Consequential Loss**

We will pay up to \$1,000 in any one occurrence for

- (1) The actual cost of keys, and
- (2) Adjustment of locks to accept new keys, or
- (3) If required, new locks including cost of their installation,

if necessary because a master or grand master key is lost or damaged from a Covered Cause of Loss.

**kj. Utility Service Interruption**

We will pay for loss or damage to covered property and Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to a Utility Service Property described below, all of which are considered a Utility Service Interruption:

- (1) Water Supply Services, meaning the following types of property supplying water to the described premises:
  - (a) Pumping stations; or
  - (b) Water mains.
- (2) Communications Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
  - (a) Communication transmission lines, including fiberoptic transmission lines and overhead transmission lines;
  - (b) Coaxial cables; and
  - (c) Microwave radio relays, except satellites.
- (3) Power Supply Services meaning the following types of property supplying electricity, steam, or gas to the described premises:
  - (a) Utility generating plants;
  - (b) Switching stations;
  - (c) Substations;

- (d) Transformers; and
- (e) Transmission lines, including overhead transmission lines.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage is as follows:

- (1) For direct physical loss: For each occurrence up to a limit of \$100,000.
- (2) For Business Interruption and Extra Expense: For each occurrence, actual loss sustained within 30 days following the date of direct physical loss or damage to the utility services property described above up to a limit of \$100,000, provided however that there shall be no coverage and no damages paid for Business Interruption or Extra Expense damages or losses incurred within the first 72 hours of Utility Service Interruption.

This Additional Coverage is not subject to the terms of Paragraph B – **Exclusions**, sub-paragraph 1.e., **Power Failure**, to the extent that such exclusion would conflict with the provisions of the Additional Coverage.

C. Paragraph A, **Coverage**, sub-paragraph 6., **Coverage Extensions**, is changed as follows:

1. Part a., **Newly Acquired or Constructed Property** is changed as follows:

(a) The final sentence of part (1) **Buildings** is replaced with the following:

The most we will pay for loss or damage at each building under this Extension is 25% of the highest Limit of Insurance shown in the Declarations for Buildings at any one premises, but not more than \$750,000.

(b) The final sentence of Part (2) **Business Personal Property** is replaced with the following:

The most we will pay for loss or damage at each premises under this Extension is 100% of the highest Limit of Insurance shown in the Declarations for Business Personal Property at any one premises, but not more than \$750,000.

(c) Item (4) **Business Income and Extra Expense** is added as follows:

(4) **Business Income and Extra Expense**

You may extend your Business Income and Extra Expense Coverages to apply at any premises covered under 1. or 2. above. Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

2. The final sentence of part b., **Personal Property Off Premises**, is replaced by the following:

The most we will pay for loss or damage under this Extension is \$50,000, unless a higher Limit of Insurance for Personal Property Off Premises is shown in the Schedule.

3. Part c., **Outdoor Property**, is replaced by the following:

c. **Outdoor Property**

(1) You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion; or
- (e) Aircraft.

The most we will pay for loss or damage under this Extension is \$15,000, but not more than \$2,500 for any one tree, shrub or plant.

4. In the final sentence of part d., **Personal Effects**, \$2,500 is changed to \$25,000. Sub-part (2) of part d. is deleted.

5. In sub-part (3) of part e., **Valuable Papers And Records**, the \$10,000 limit at described premises is changed to \$50,000. The limit for “Valuable Papers and Records” not at the described premises is changed from \$5,000 to \$25,000.

6. In sub-part (2) of part f., **Accounts Receivable**, the \$10,000 limit at described premises is changed to \$50,000. The limit for accounts receivable not at the described premises is changed from \$5,000 to \$25,000.

7. The following **Coverage Extensions** are added:

a. **Other Buildings And Structures**

(1) If you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, you may extend the insurance that applies to Business Personal Property to apply to garages, storage buildings or other buildings or structures on the described premises which are:

- (a) Not otherwise insured;
- (b) Owned by you or for which you are legally liable; and
- (c) Used in your business.

(2) If a Building Limit of Insurance is shown in the Declarations and other buildings as described in paragraph (1) are damaged in the same occurrence as your main building(s), we will extend the insurance that applies to building to cover loss or damage at those other buildings.

(3) The most we will pay for loss or damage under this Extension is:

(a) Under sub-part (1), 10% of the Business Personal Property Limit of Insurance, or

(b) Under sub-part (2), 10% of the Building Limit of Insurance,

applicable at the premises where the damage occurs, but not more than \$50,000 for any one occurrence.

b. **Claims Expenses**

When there is a loss to Covered Property from a Covered Cause of Loss, you may extend the insurance provided by this policy to apply to your expense to prepare a statement of loss, an inventory of damaged property, or other exhibits required to present your claim. The most we will pay for all such expenses in any one occurrence is \$10,000.

D. Sub-paragraph 2. of Paragraph C., **Limits Of Insurance**, is deleted.

E. Sub-paragraph 3. of Paragraph D., **Deductibles**, is replaced by the following:

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority;

e. Fire Extinguisher System Recharge Expense; and

~~f. Broadened Business Income and Extra Expense.~~

F. Paragraph E., **Property Loss Condition**, is changed as follows

1. Paragraph E., **Property Loss Condition**, sub-paragraph ~~65~~, **Loss Payment**, is changed as follows:

**Replacement Cost -**

Paragraphs (a) and (b) of Part d.(1) are replaced by the following:

(a) The Limit of Insurance under this policy that applies to the lost or damaged property; or

(b) The cost to replace, on the same premises, the lost or damaged property with other property:

(i) Of comparable material and quality; and

(ii) Used for the same purpose; or

(iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

2. The following is added to Paragraph E., **Property Loss Conditions**, sub-paragraph~~65~~, **Loss Payment**:

**Selling Price for Stock**

We will determine the value of Covered Property that is “stock” you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- G. Section G., **Optional Coverages**, is changed as follows:

1. The first paragraph of Section G., **Optional Coverages** is replaced by the following:

If shown as applicable in the Declarations, or if a specific limit is shown below, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below

2. Paragraph 1., **Outdoor Signs**, item d. is replaced with the following:

d. The most we will pay for loss or damage in any one occurrence is \$15,000 or the Limit of Insurance for Outdoor Signs shown in the Declarations.

3. Paragraph 2., **Money and Securities**, item c. is replaced with the following:

c. The most we will pay for loss in any one occurrence is:

(1) \$50,000 or the limit shown in the declarations for Inside the Premises for “money” and “securities” while:

(a) In or on the described premises; or

(b) Within a bank or savings institution; and

(2) \$25,000 or the limit shown in the Declarations for Outside the Premises for “money” and “securities” while anywhere else.

4. Paragraph 3., **Employee Dishonesty**, item c. is replaced with the following and item ~~jk~~ is added as below:

c. The most we will pay for loss or damage in any one occurrence is \$150,000 or the Limit of Insurance for Employee Dishonesty shown in the Declarations.

~~jk~~. ERISA – Employee Dishonesty

We shall include as a Named Insured under the Employee Dishonesty Coverage any:

(1) Employee Welfare Benefit Plan, and

(2) Employee Pension Benefit Plan,

owned, controlled or operated by you which you provide solely for the benefit of your employees (hereinafter collectively called “Plan”).

This insurance does not increase the Limit of Insurance under the Employee Dishonesty Optional Coverage. ERISA - Employee Dishonesty does not provide fiduciary liability insurance.

The following provisions shall apply to ERISA - Employee Dishonesty Coverage.

- (1) Employee as used in ERISA - Employee Dishonesty shall also include any natural person who is:
  - (a) a trustee, an officer, employee, administrator, volunteer, or a manager, except an administrator or a manager who is an independent contractor, of any Plan insured under this insurance, and
  - (b) Your director or trustee other than a fiduciary while that person is handling funds or other property of any Plan insured under this insurance.
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
- (4) If two or more Plans are insured under this insurance, any payment we make for loss:
  - (a) sustained by two or more Plans; or
  - (b) of commingled funds or other property of two or more Plans that arises out of one "occurrence," is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
- (5) The Deductible provisions of the Employee Dishonesty Coverage Form does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.
- (6) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty.

Paragraph B. **Exclusions**, sub-paragraph 2.f., **Dishonesty**, does not apply to coverage afforded by this additional coverage.

II. **SECTION II – LIABILITY** is changed as follows:

A. **Newly Acquired Organizations**

The following is added to Paragraph C., **Who Is An Insured**:

**43.** Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Business Liability Coverage does not apply to:
  - (1) “Bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
  - (2) “Personal injury” or “advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.

**B. TENANTS LIABILITY**

- 1. The final paragraph of Paragraph B.1. **Exclusions, - Applicable To Business Liability Coverage**, is deleted and replaced by the following:

With respect to premises which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions c., d., e., g., h., k., l., m., n. and o. do not apply to “property damage.”

- 2. ~~With respect to this coverage s~~Sub-paragraphs 2. and 3. under Paragraph D., **Liability And Medical Expenses Limits Of Insurance**, are deleted and replaced by the following:

The most we will pay under Business Liability Coverage for the sum of all damages because of all “property damage” arising out of any one “occurrence” to premises rented to you or temporarily occupied by you with the permission of the owner is \$300,000, unless a higher Tenants Liability Limit of Insurance is shown in the Schedule.

- 3. The Aggregate Limit under Paragraph D., **Liability And Medical Expenses Limits Of Insurance**, sub-paragraph 4., **Aggregate Limits**, part b., does not apply to Tenants Liability. “Tenants Liability” is defined as “bodily injury,” “property damage,” or “personal and advertising injury” arising out of the rental of any premises by an insured from a party who is not an insured.

**C. Expanded Bodily Injury**

Paragraph F., **Liability And Medical Expenses Definition**, sub-paragraph 3, is deleted and replaced by the following:

“Bodily injury” means bodily injury, sickness or disease sustained by a person, including disability, shock, mental anguish, mental injury or death resulting from any of these at any time.

**D. Amendment - Aggregate Limits Of Insurance (Per Project Or Per Location)**

The Aggregate Limits in Paragraph D.4. of **Liability And Medical Expenses Limits Of Insurance** apply separately to:

- 1. Each of your projects away from premises owned by or rented to you; and
- 2. Each “location” arising from all “occurrences” which can be attributed only to operations at a single “location.”

For the purposes of this endorsement, the following is added to Paragraph F., **Liability and Medical Expense Definitions**:

“Location” means described premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

E. **Fellow Employee**

Paragraph C. **Who Is An Insured** of Section II – **Liability** is changed as follows:

Under C.2.a.(1), the exceptions in parts (a) and (b) for “bodily injury” or “personal and advertising 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), to a co-“employee,” or to your other “volunteer workers,” or to the spouse, child, parent, brother or sister of that co-“employee,” apply only to “personal and advertising injury.”

| All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.