

SERFF Tracking Number: ARKS-125725118 State: Arkansas
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #104913 \$500
Company Tracking Number: CL-2008-OWEFO
TOI: 35.0 Interline Filings Sub-TOI: 35.0002 Commercial Interline Filings
Product Name: n/a
Project Name/Number: /

Filing at a Glance

Company: 00006 - INSURANCE SERVICES OFFICE, INC.

Product Name: n/a	SERFF Tr Num: ARKS-125725118	State: Arkansas
TOI: 35.0 Interline Filings	SERFF Status: Closed	State Tr Num: #104913 \$500
Sub-TOI: 35.0002 Commercial Interline Filings	Co Tr Num: CL-2008-OWEFO	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins
	Author:	Disposition Date: 07/08/2008
	Date Submitted: 07/08/2008	Disposition Status: Filed
Effective Date Requested (New): 01/01/2009		Effective Date (New): 01/01/2009
Effective Date Requested (Renewal): 01/01/2009		Effective Date (Renewal): 01/01/2009

State Filing Description:

Forms: 10

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 07/08/2008	
State Status Changed: 07/08/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

Company and Contact

Filing Contact Information

NA NA, NA@NA.com

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Product Name: n/a
Project Name/Number: /

NA (123) 555-4567 [Phone]
NA, AR 00000

Filing Company Information

00006 - INSURANCE SERVICES OFFICE, CoCode: 6 State of Domicile: Arkansas
INC.
No Address Group Code: Company Type:
City, AR 99999 Group Name: State ID Number:
(999) 999-9999 ext. [Phone] FEIN Number: 99-9999999

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Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	07/08/2008	07/08/2008

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Product Name: n/a
Project Name/Number: /

Disposition

Disposition Date: 07/08/2008

Effective Date (New): 01/01/2009

Effective Date (Renewal): 01/01/2009

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ARKS-125725118 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	ARKS-125725118		Yes

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Rate Information

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Product Name: n/a
Project Name/Number: /

Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125725118

07/08/2008

Comments:

Attachments:

ARKS-125725118.pdf

ARKS-125725118-a.pdf

ARKS-125725118-b.pdf

ARMS-125725118

LR



2828 E. TRINITY MILLS ROAD SUITE 150 CARROLLTON, TX 75006
TEL: (214) 390-1825 FAX: (214) 390-1975

104913

500.00

Kenneth J. Hill, CPCU
Regional Director, Government Relations

June 27, 2008

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

Approved until withdrawn
or revoked

JUL 08 2008

Attention: William R. Lacy, Director
Property and Casualty Division

Arkansas Insurance Department

By: *AK-Filed*

RE: Insurance Services Office, Inc.
CL-2008-OWEFO
Commercial Lines
Introduction of Multistate Water Exclusion Endorsements
State of Arkansas

Dear Mr. Lacy:

On behalf of those participating insurers that have authorized Insurance Services Office, Inc. to do so, we hereby file the captioned filing.

It is proposed that this revision will become effective in accordance with the following rule of application:

These changes are applicable to all policies written on or after January 1, 2009.

Companion rules filing CL-2008-OWERU is also submitted today under separate cover.

Please return an acknowledged copy of this cover letter for our records. An addressed, stamped envelope is enclosed for your convenience. We have also included an additional copy of this letter and envelope; we request that you return it now with a "received" stamp to confirm that you have received the filing.

Very truly yours,

Donald J. Beckel

Donald J. Beckel, CPCU, ARM
Assistant Regional Manager
Government Relations

RECEIVED

JUL 08 2008

DJB:dlb
Encl.

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

Property & Casualty Transmittal Document

<p>1. Reserved for Insurance Dept. Use Only</p> <p style="text-align: center;">Approved until withdrawn or revoked</p> <p style="text-align: center; font-size: 1.2em;">JUL 08 2008</p> <p>Arkansas Insurance Department By: <i>LK-Filed</i></p>	<p>2. Insurance Department Use only</p> <p>a. Date the filing is received:</p> <p>b. Analyst:</p> <p>c. Disposition:</p> <p>d. Date of disposition of the filing: RECEIVED</p> <p>e. Effective date of filing:</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">New Business</td> <td style="border: none; text-align: right;">JUL 08 2008</td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> <p>f. State Filing #: PROPERTY AND CASUALTY DIVISION</p> <p>g. SERFF Filing #: ARKANSAS INSURANCE DEPARTMENT</p> <p>h. Subject Codes</p>	New Business	JUL 08 2008	Renewal Business	
New Business	JUL 08 2008				
Renewal Business					

3. Group Name	Group NAIC #
----------------------	---------------------

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Insurance Services Office, Inc.	DE		13-3131412	

5. Company Tracking Number	CL-2008-OWEFO
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

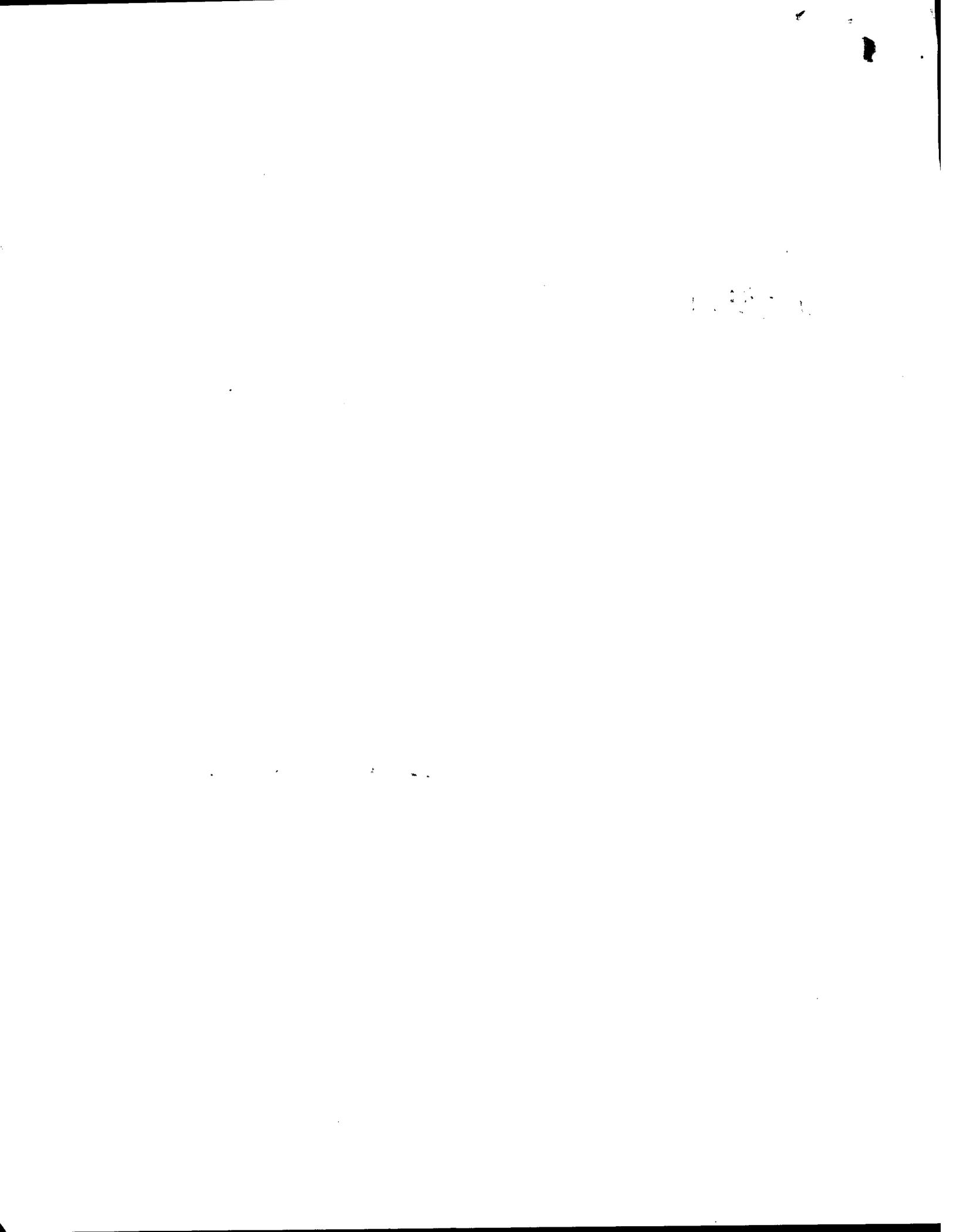
6. Name and address	Title	Telephone #s	FAX #	e-mail
Donald J. Beckel Insurance Services Office, Inc. 2828 E. Trinity Mills Rd., Ste. 150 Carrollton, TX 75006	Asst. Regional Manager	(214) 390-1825 Ext. 224	(214) 390-1975	DBECKEL@iso.com

7. Signature of authorized filer	<i>Donald J. Beckel</i>
8. Please print name of authorized filer	Donald J. Beckel

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

9. Type of Insurance (TOI)	35.0
10. Sub-Type of Insurance (Sub-TOI)	35.0002
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Commercial Lines
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: 1/1/2009 Renewal: 1/1/2009
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	Not Applicable
17. Reference Organization # & Title	Not Applicable
18. Company's Date of Filing	6/27/08
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

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Property & Casualty Transmittal Document---

20.	This filing transmittal is part of Company Tracking #	CL-2008-OWEFO
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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This filing introduces endorsements to replace the current Water Exclusion in ISO policies for various commercial lines of business.

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]
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Check #: 104913
Amount: \$500.00

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 #		CL-2008-OWEFO		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)		CL-2008-OWERU		
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Water Exclusion Endorsement	AG 01 77 08 08 ✓	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Below Ground Water And Backup Of Sewer And Drain Coverage	AG 04 01 08 08 ✓	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AG 04 01 09 07	
03	Livestock Coverage	AG 04 08 08 08 ✓	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AG 04 08 09 07	
04	Poultry Coverage	AG 04 09 08 08 ✓	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AG 04 09 09 07	
05	Water Exclusion Endorsement	BP 01 59 08 08 ✓	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Water Back-Up And Sump Overflow	BP 04 53 08 08 ✓	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BP 04 53 01 06	
07	Contractors' Installation, Tools And Equipment Coverage	BP 07 01 08 08 ✓	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	BP 07 01 01 06	
08	Water Exclusion Endorsement	CP 10 32 08 08 ✓	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Below Ground Water And Backup Of Sewer And Drain Coverage	OP 04 01 08 08 ✓	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	OP 04 01 07 02	
10	Water Exclusion Endorsement	OP 01 49 08 08 ✓	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Introduction of Multistate Water Exclusion Endorsements

Applicability

This filing applies to the following:

- ◆ Agricultural Capital Assets (Output Policy)
- ◆ Businessowners
- ◆ Capital Assets Program (Output Policy)
- ◆ Commercial Property

About This Filing

This filing introduces endorsements to replace the current Water Exclusion in ISO policies for various commercial lines of business.

New Forms

We are introducing:

- ◆ AG 01 77 08 08 - Water Exclusion Endorsement
- ◆ BP 01 59 08 08 - Water Exclusion Endorsement
- ◆ CP 10 32 08 08 - Water Exclusion Endorsement
- ◆ OP 01 49 08 08 - Water Exclusion Endorsement

Revised Forms

We are revising:

- ◆ AG 04 01 09 07 - Below Ground Water And Backup Of Sewer And Drain Coverage
- ◆ AG 04 08 09 07 - Livestock Coverage
- ◆ AG 04 09 09 07 - Poultry Coverage
- ◆ BP 04 53 01 06 - Water Back-Up And Sump Overflow
- ◆ BP 07 01 01 06 - Contractors' Installation, Tools And Equipment Coverage

◆ **OP 04 01 07 02** - Below Ground Water And Backup Of Sewer And Drain Coverage

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the **08 08** editions. Concurrent with implementation, the **08 08** editions will supersede the prior editions.

Related Filing(s)

Rules Filing CL-2008-OWERU

Background

In *In re Katrina Canal Breaches Litigation*, 466 F. Supp. 2d 729 (E.D.La. 2006), the United States District Court for the Eastern District of Louisiana examined the applicability of water damage exclusions, which contained the undefined term "flood", in several different homeowners insurance policies. With respect to the applicability of the exclusion(s) to the damage(s) at issue in this case, the court stated, in part:

It is the considered opinion of this Court that because the policies are all-risk, and because "flood" has numerous definitions, it reasonably could be limited to natural occurrences. Simply put, the language of the ISO Water Damage Exclusion chosen by the insurer is unclear. Indeed, the broad definition defendants seek to employ-that is that the term "flood" means the inundation of usually dry land by water - makes the remaining part of the exclusion superfluous. The ensuing words "waves, tidal water, overflow of a body of water or spray from any of these, whether or not driven by wind" all are instances relating to natural events which can cause inundation of usually dry land. Thus, to use the broadest definition of the term "flood" in interpreting the exclusion, would render the rest of the clause useless.

Subsequently, the United States Fifth Circuit Court of Appeals overturned, in part, the decision of the Eastern District Court in *In re Katrina Canal Breaches Litigation*, 495 F.3d 191 (5th Circ. 2007), *cert. denied*, 128 S. Ct. 1230 (2008), and *cert. denied*, 128 S. Ct. 1231 (2008). In its ruling, the court stated, in part:

In sum, we conclude that the flood exclusions in the plaintiffs' policies are unambiguous in the context of the facts of this case. In the midst of a hurricane, three canals running through the city of New Orleans overflowed their normal boundaries. The flood control measures, i.e., levees, that man had put in place to prevent the canal's floodwaters from reaching the city failed. The result was an enormous and devastating

inundation of water into the city, damaging the plaintiffs' property. This event was a "flood" within that terms' generally prevailing meaning as used in the common parlance, and our interpretation of the exclusions ends there. The flood is unambiguously excluded from coverage under the plaintiffs' all-risk policies, and the district court's conclusion to the contrary was erroneous.

More recently, the Louisiana Supreme Court, in *Sher v. Lafayette Ins. Co.*, No. 07-C-2441 (consolidated with No. 07-C-2443), 2008 WL 928486 (La. Apr. 08, 2008), reversed a lower court's ruling that found the word "flood" ambiguous in the water exclusion of a commercial all-risk policy covering a five-unit apartment building. In its ruling, the court stated, in part:

The term "flood" is not defined in the policy. In such a case, the word should, as stated above [elsewhere in the decision], be given its plain, ordinary and generally prevailing meaning....

The plain, ordinary and generally prevailing meaning of the word "flood" is the overflow of a body of water causing a large amount of water to cover an area that is usually dry. This definition does not depend on locality, culture, or even national origin - the entire English speaking world recognizes that a flood is the overflow of a body of water causing a large amount of water to cover an area that is usually dry land. Contrary to the court of appeal's reasoning, this definition does not change or depend on whether the event is a natural disaster or a man-made one - in either case, a large amount of water covers an area that is usually dry. The plain, ordinary and generally prevailing meaning is all-inclusive. Further, of the examples of high water contained in the exclusion and described by the court of appeal as "natural disasters", only one, tides, is exclusively natural - waves, tidal waves, and the overflow of water may be either natural or man-made, [FN2] as may be "floods"....

[FN2. Waves may be caused by high wind, boats, or even cars driven in high water. Tidal waves are caused by seismic events, such as earthquakes, underwater landslides (which may be natural or man-made), or underground nuclear testing. Water may overflow its natural boundaries because of seasonal rising of the water level, damming, levee breakage, or other natural and man-made causes.]

Furthermore, use of the restrictive definition would lead to absurd results. Using the court of appeal's definition, a homeowner whose house is located outside a protective levee would be excluded from recovering flood damages to his property, while a homeowner whose house is located inside the levee system would be able to recover under the same

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policy for the same flood water simply because it flowed through a breach in the levee.

Explanation of Changes

Water Exclusion Endorsements AG 01 77, BP 01 59, CP 10 32 And OP 01 49

After considering issues raised in recent litigation surrounding the Water Exclusion and to reinforce the scope of the provision, we are introducing the aforementioned endorsements, which will replace the current Water Exclusions found in the commercial lines policies addressed in this filing.

The endorsements introduce:

- ◆ Language reinforcing the scope of the water exclusion regardless of the cause, that is, water damage caused by an act of nature or otherwise caused. Specific mention is made of various boundary or containment systems such as dams and levees to further highlight this point;
- ◆ Additional references including references to tsunami and storm surge, in order to reinforce the application of the exclusion with respect to such events; and
- ◆ Reference to waterborne material, which has been positioned to apply uniformly to all aspects of the exclusion.

Additionally, we are:

- ◆ Revising the exclusionary provision relating to sump backup and overflow, to also refer to sump pumps and related equipment, and to reinforce that such provision applies regardless of the means or direction of discharge. The revised language comports with current language in ISO personal lines property policies; and
- ◆ Making minor editorial changes.

The aforementioned revisions will be incorporated into the base policy forms with the next general revision to each line of business program.

Below Ground Water And Backup Of Sewer And Drain Coverage Endorsements AG 04 01 And OP 04 01;

Water Back-Up And Sump Overflow Endorsement BP 04 53;

Livestock Coverage Endorsement AG 04 08 and Poultry Coverage Endorsement AG 04 09;

Contractors' Installation, Tools And Equipment Coverage Endorsement BP 07 01

We are revising the endorsements listed above to reflect the changes being made to the Water Exclusion. In addition, in AG 04 08 and AG 04 09, we are making minor editorial changes to effect consistency between the two endorsements.

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Important Note

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

A. The exclusion in Paragraph **B.** replaces the **Water Exclusion** in this Coverage Part.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

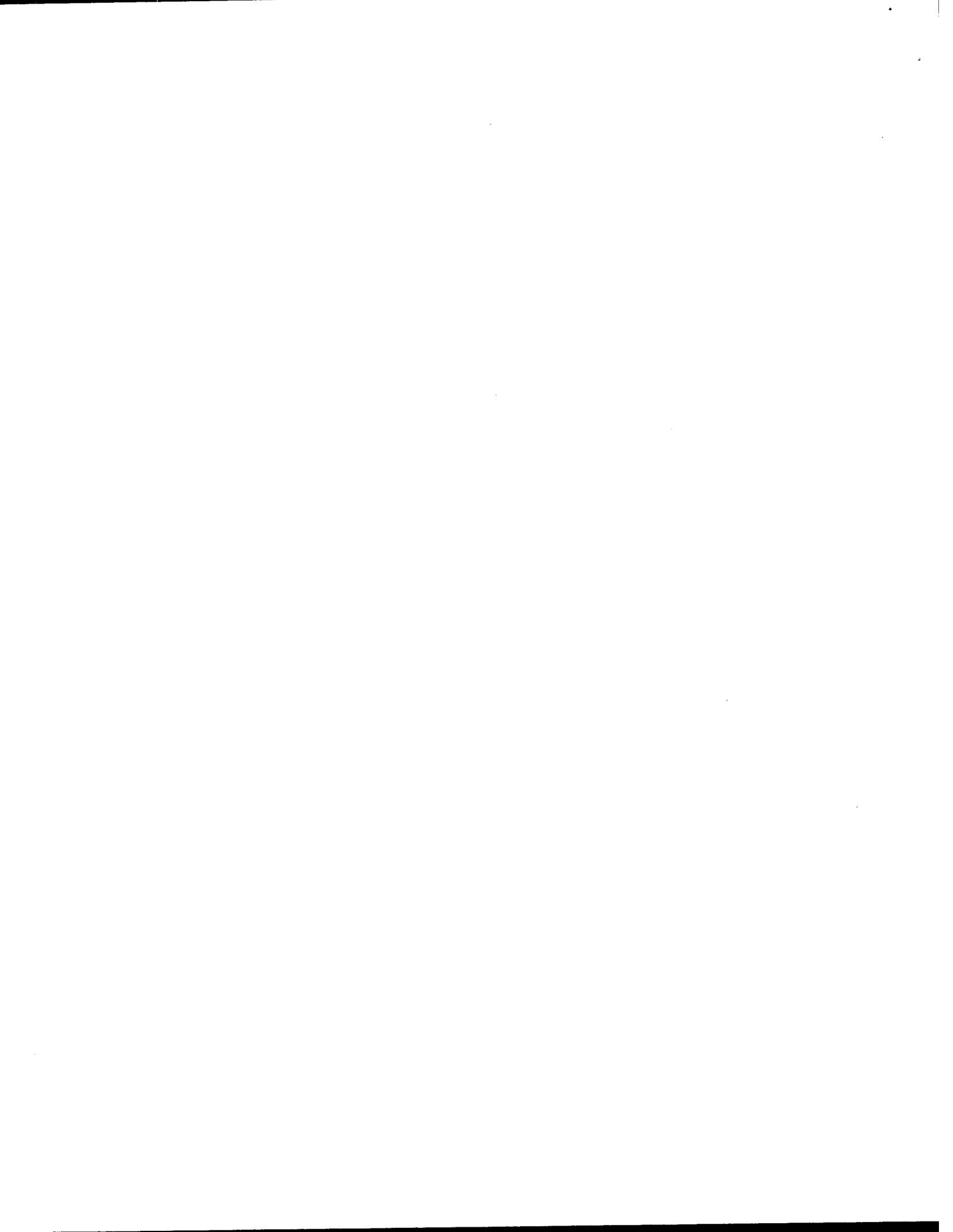
5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This exclusion does not apply to "accounts receivable", "computers", property on exhibition, "fine arts", "mobile equipment", property in transit, salespersons' samples or "valuable papers and records".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The exclusion in Paragraph B. replaces the **Water Exclusion** under **Section I – Property**.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs 1. through 5., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water Exclusion** in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

A. The exclusion in Paragraph B. replaces the **Water Exclusion** in this Coverage Part.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs 1. through 5., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This exclusion does not apply to "accounts receivable", "computers", property on exhibition, "fine arts", "mobile equipment", property in transit, salespersons' samples or "valuable papers and records".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BELOW GROUND WATER AND BACKUP OF SEWER AND DRAIN COVERAGE

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

A. We will pay for direct physical loss or damage to Covered Property caused by or resulting from water or waterborne material:

1. Which backs up through or overflows or is otherwise discharged from a sewer or drain;
2. Which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its ~~appurtenant~~ related equipment. However, we will not pay the cost of repairing or replacing a sump pump or its ~~appurtenant~~ related equipment in the event of mechanical breakdown; or
3. Under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings.

B. The Coverage described in Paragraph **A.** does not apply to loss or damage resulting from an insured's failure to perform the routine maintenance or repair:

1. Of all sump pumps and their ~~appurtenant~~ related equipment; and
2. To keep sewers and drains free from obstructions.

C. The most we will pay for the ~~e~~Coverage provided under this endorsement is a total of \$50,000 per occurrence unless a different Limit of Insurance is shown in the Declarations.

D. With respect to the Coverage provided under this endorsement, the **Water** Exclusion—~~C.1.g.~~ is replaced by the following exclusion:

~~g.~~ **Water**

(1.) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal ~~waves~~ water, overflow of any body of water, or their spray from any of these, all whether or not driven by wind ~~or not~~; (including storm surge);

(2.) Mudslide or mudflow; or

3. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 3., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the abovewater, as described in Paragraphs 1. through 3. and 2. above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This exclusion does not apply to "accounts receivable", "computers", property on exhibition, "fine arts", "mobile equipment", property in transit, salespersons' samples or "valuable papers and records".

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POLICY NUMBER:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY)
AG 04 08 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIVESTOCK COVERAGE

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Covered Property		
(1) Blanket Class Basis:		
Class	Limit Of Insurance Per Animal	Limit Of Insurance Per Class
Cattle	\$	\$
Sheep	\$	\$
Swine	\$	\$
Goats	\$	\$
Horses	\$	\$
Mules	\$	\$
Donkeys	\$	\$
Other Animals	\$	\$
Total (1)		\$
(2) Scheduled Type Within Class Basis:		
Class	Type	Limit Of Insurance Per Class/Type
Cattle	1.	\$
	2.	\$
	3.	\$
Sheep	1.	\$
	2.	\$
	3.	\$
Swine	1.	\$
	2.	\$
	3.	\$
Goats	1.	\$
	2.	\$
	3.	\$
Horses	1.	\$
	2.	\$
	3.	\$
Mules	1.	\$
	2.	\$
	3.	\$

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Donkeys	1.		\$
	2.		\$
	3.		\$
Bees and Bee Larva	1.		\$
	2.		\$
	3.		\$
Insects (other than bees or bee larva)	1.		\$
	2.		\$
	3.		\$
Fish	1.		\$
	2.		\$
	3.		\$
Worms	1.		\$
	2.		\$
	3.		\$
Birds	1.		\$
	2.		\$
	3.		\$
Other Animals	1.		\$
	2.		\$
	3.		\$
Total (2)			\$
(3) Specifically Scheduled Animal Basis:			
Specific Animal		Limit Of Insurance	
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
Total (3)			\$
Grand Total			\$
Livestock In The Custody Of A Common Or Contract Carrier			\$
Coinsurance Percentage			%
Deductible			\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

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A. As used in this endorsement, the word loss includes death or destruction of "livestock".

B. For the purpose of this endorsement, Paragraph A.1. **Covered Property** is replaced by the following:

1. Covered Property, as used in this endorsement, means the following when a Limit of Insurance is shown in the Schedule:

- a. "Livestock" of a class shown in the Schedule with a Limit of Insurance per animal;
- b. "Livestock" of a class shown in the Schedule with a Limit of Insurance per class with a sublimit allowed for individual animals separately; or
- c. "Livestock" specifically described in the Schedule with a Limit of Insurance per individual animal.

However:

- a. We do not cover "livestock" while in the custody of a common or contract carrier, except to the extent provided under the Additional Coverage for Livestock In The Custody Of A Common Or Contract Carrier in this endorsement; and
- b. This Paragraph B.1. does not include "livestock" that have been slaughtered for use in a manufacturing or processing operation.

C. For the purpose of this endorsement, the following is added to Paragraph A.2. **Property Not Covered:**

- 1. "Livestock" while in:
 - a. Public stockyards, sales barns or sales yards; or
 - b. Packing plants or slaughterhouses.

D. For the purpose of this endorsement, Paragraph B. **Covered Causes Of Loss** is replaced by the following:

We will pay for direct loss caused by or resulting from, or made necessary by any of the following:

- 1. **Fire Or Lightning**
- 2. **Windstorm Or Hail**

This Cause of Loss does not include loss:

- a. Caused by or resulting from frost or cold weather; or
- b. Caused by or resulting from ice (other than hail), snow or sleet, whether driven by wind or not.

3. Explosion

This Cause of Loss includes loss caused by or resulting from explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages of such a vessel from which the gases of combustion pass.

This Cause of Loss excludes loss caused by or resulting from:

- a. Explosion of alcohol stills, steam boilers, steam generators, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- b. Electric arcing;
- c. Rupture or bursting of water pipes;
- d. Rupture, bursting or operation of pressure relief devices; or
- e. Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water.

But if explosion of alcohol stills, steam boilers, steam generators, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- 4. Riot or civil commotion, including:
 - a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.
- 5. Aircraft, meaning only loss or damage caused by or resulting from:
 - a. Contact of an aircraft, spacecraft or self-propelled missile with Covered Property or with a building or structure containing Covered Property; or
 - b. Objects falling from aircraft.
- 6. Smoke, causing sudden and accidental loss, including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This Cause of Loss does not include loss by smoke from agricultural smudging or industrial operations.

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7. Theft, including attempted theft and loss or damage of property from a known location when it is likely that the property has been stolen.

This Cause of Loss does not include loss caused by or resulting from theft:

- a. Discovered on taking inventory;
- b. Due to disappearance of any property unless there is evidence that the property was stolen; or
- c. Due to unauthorized instructions to transfer property to any person or to any place.

8. Sinkhole collapse, meaning loss caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This Cause of Loss does not include the:

- a. Cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

9. Volcanic action, meaning direct loss resulting from the eruption of a volcano when the loss is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or
- c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This Cause of Loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss to the Covered Property.

10. Collision Causing Death Of Covered Livestock

We will pay for loss of covered "livestock" caused by:

- a. Collision or overturn of a vehicle on which the "livestock" are being transported. Collision means accidental contact of that vehicle with another vehicle or object; or
- b. "Livestock" running into or being struck by a vehicle while the "livestock" are crossing, moving along or standing in a public road.

But we will not pay for loss if a vehicle owned or operated by an insured:

- a. Collides with the vehicle on which the "livestock" are being transported; or

b. Strikes "livestock" crossing, moving along or standing in a public road.

11. Vandalism, meaning willful and malicious damage to, or destruction of, "livestock".

12. Earthquake

13. Flood, ~~meaning only loss caused by or resulting from flood,~~ surface water, waves (including tidal wave and tsunami), tides, tidal waves, water, overflow of any body of water, or their spray from any of these, all whether or not driven by wind ~~or not.~~ (including storm surge).

14. Accidental Shooting

But we will not pay for loss if "livestock" are shot by:

- (a) You;
- (b) Any other insured;
- (c) Your employees; or
- (d) Other persons residing on the "covered location".

15. Drowning From External Causes

But we will not pay for loss resulting from the drowning of swine under 30 days old.

16. Electrocutation

17. Attack By Dogs Or Wild Animals

But we will not pay for loss:

- (a) To sheep; or
- (b) Caused by dogs or wild animals owned by you, your employees or other persons residing on the "covered location".

18. Loading/unloading accidents, meaning sudden, unforeseen and unintended events causing or necessitating death of covered "livestock" and occurring while they are being unloaded from or loaded onto vehicles used or to be used to transport them.

But we will not pay for loss caused by or resulting from disease.

E. For the purpose of this endorsement, **Debris Removal** Additional Coverage is replaced by the following:

DEBRIS-REMOVAL Debris Removal

- 1. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

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2. Except as provided in Paragraph E.4. below, the most we will pay under this Additional Coverage is 25% of:
 - a. The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - b. The deductible in this policy, if any, applicable to that loss or damage.
3. This Additional Coverage does not apply to costs to:
 - a. Extract "pollutants" from land or water; or
 - b. Remove, restore or replace polluted land or water.
4. Debris removal expense is included in the Limit of Insurance applying to the damaged property. But if:
 - a. The amount payable for the sum of direct physical loss or damage and debris removal expense exceeds the applicable Limit of Insurance; or
 - b. The debris removal expense exceeds the amount payable under the 25% limitation in Paragraph E.2. above;an additional 5% of the Limit of Insurance applying to the damaged property will be available to cover debris removal expense.

F. The following is added to Paragraph A.3. **Additional Coverages:**

LIVESTOCK IN THE CUSTODY OF A COMMON OR CONTRACT CARRIER
Livestock In The Custody Of A Common Or Contract Carrier

Coverage is extended to apply to "livestock" while in the custody of a common or contract carrier, for up to a total of \$10,000. However, if a higher limit is specified in the Schedule for Livestock in the Custody of a Common or Contract Carrier, the higher limit will apply instead of \$10,000.

G. For the purpose of this endorsement, the **Exclusions** Section is modified by the following:

1. **Earth Movement**

Paragraphs C.1.a.(1) and C.1.a.(5) do not apply.

If loss to "livestock" is caused by earthquake, this Earth Movement exclusion does not apply to such loss.

2. **Water**

Paragraph C.1.g.(1) does not apply.

3. **Smoke**

Paragraph C.2.c. does not apply.

4. **Explosion**

Paragraph C.2.e. does not apply.

5. **Collapse**

Paragraph C.2.o. does not apply.

H. For the purpose of this endorsement, the following are added to the **Exclusions** Section:

1. **Loss Or Damage Caused By Running Into Or Against Items Or Caused By Fright**

We will not pay for loss or damage to "livestock" when caused by running into streams, ponds or ditches, or against fences or other objects; or from smothering; or resulting directly or indirectly from fright.

2. **Freezing Or Smothering**

We will not pay for loss or damage to "livestock" when caused by freezing or smothering in blizzards or snowstorms.

I. For the purpose of this endorsement, Paragraphs 7.a. **Business Income** and 7.b. **Extra Expense** are replaced by the following:

a. **Business Income**

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at your "covered location" or if coverage is scheduled to your property at scheduled locations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to Business Personal Property in the open or Business Personal Property in a vehicle, the "covered location" or scheduled location includes the area within 1,000 feet of that "covered location" or scheduled location.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "covered location" or scheduled location is located, your "covered location" or scheduled location means:

- The portion of the building which you rent, lease or occupy; and
- Any area within the building or on the site at which the "covered location" or scheduled location is located, if the area services, or is used to gain access to, the "covered location" or scheduled location.

Business Income means the:

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

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

For manufacturing risks, Net Income includes the net sales value of production.

b. Extra Expense

Extra Expense means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay:

- (1) Any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
- (a) At your "covered location", or
 - (b) At replacement locations or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations.
- (2) Any Extra Expense to minimize the "suspension" of business if you cannot continue "operations".
- (3) Any Extra Expense to:
- (a) Repair or replace any property; or
 - (b) Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage.

J. For the purpose of this endorsement, the Limits Of Insurance provision is replaced by the following:

The most we will pay for loss in any one occurrence to any one animal not specifically declared and described in the Schedule or for which the Limit of Insurance per animal is not shown in the Schedule is the least of:

1. The actual cash value of the animal;
2. 120% of the total of the Limit of Insurance on each class and type divided by the number of the head of the class and type that you own at the time of loss. For this calculation, each horse, mule or head of cattle under one year of age at the time of loss is counted as 1/2 head; or

3. \$5,000.

Otherwise, the most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

K. For the purpose of this endorsement, the Deductible provision is replaced by the following:

We will not pay for loss, damage or expense in any one occurrence until the amount of loss, damage or expense exceeds the Deductible, if any, shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the Deductible, up to the applicable Limit of Insurance.

L. The following conditions are added to the Loss Conditions Section:

1. Additional Acquired Property

If this endorsement covers property specifically declared and described in the Schedule or property with separate Limits of Insurance per class shown in the Schedule, and if during the policy period you acquire additional "livestock", we will cover such property for up to 30 days. The most we will pay in a loss is the lesser of:

- a. The actual cash value of such property; or
- b. 25% of the total of the Limits of Insurance shown in the Schedule for:
 - (1) Specifically declared and described "livestock"; and
 - (2) "Livestock" with separate limits per class.

You must report such property within 30 days from the date acquired and pay any additional premium due. If you do not report such property, coverage will end 30 days after the date the property is acquired.

2. Valuation

In the event of loss to Covered Property, we will settle at actual cash value as of the time of loss, but we will not pay more than the amount necessary for replacement.

M. For the purpose of this endorsement, the Coinsurance Condition is replaced by the following:

2. Coinsurance

If a Coinsurance percentage is shown in the Schedule, the following condition applies:

We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Schedule is greater than the Limit of Insurance for the property.

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Instead, we will determine the most we will pay using the following steps:

- Step 1. Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- Step 2. Divide the Limit of Insurance of the property by the figure determined in Step 1.;
- Step 3. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step 2.; and
- Step 4. Subtract the deductible from the figure determined in Step 3.

We will pay the amount determined in Step 4. or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POULTRY COVERAGE

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Item	Limit Of Insurance
Description Of Poultry:	\$
Eggs	\$
Market Transport Loss	\$
Housing Damage – Resultant Loss	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. For the purpose of this endorsement, Paragraph A.1. Covered Property is replaced by the following:

1. Covered Property, as used in this endorsement, means the following when a Limit of Insurance is shown in the Schedule:

a. "Poultry" described in the Schedule. However, this provision does not include "poultry" that have been slaughtered for use in a manufacturing or processing operation.

B. The following are added to Paragraph A.2. Property Not Covered:

1. Contaminated, diseased or sick "poultry". This provision does not apply if the contamination, disease or sickness is a direct result of a Covered Cause of Loss and results in loss.

2. "Poultry" not described in the Schedule. However, this provision does not include "poultry" that have been slaughtered for use in a manufacturing or processing operation.

C. The following are added to Paragraph A.3. Additional Coverages:

1. Eggs

Subject to the limit shown in the Schedule, we will pay for loss or damage to packed and crated eggs that are pending shipment to market. Such loss or damage must be the result of a Covered Cause of Loss.

2. Decrease In Value To Poultry

Subject to the limit shown in the Schedule, we will pay for the decrease in value to covered "poultry" when caused by:

a. Market Transport Loss

Damage or injury caused by the collision or overturn of a vehicle on which the "poultry" are being transported to market.

b. Housing Damage – Resultant Loss

Damage to the building in which covered "poultry" are housed or tended, when such damage is caused by a Covered Cause of Loss set forth under this endorsement.

You must ensure that the following are done in event of loss under this coverage:

(1) Take all reasonable steps to protect the "poultry" involved, including the repair of damaged property and relocation of "poultry" to temporary housing; and

(2) Make all reasonable efforts to sell the "poultry" involved at the current market value in order to minimize the loss.

We will not pay more than the current market value of the "poultry" at the time of loss.

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D. For the purpose of this endorsement, Paragraph **B. Covered Causes Of Loss** is replaced by the following:

We will pay for direct loss or damage to covered "poultry" caused by or resulting from, or made necessary by, any of the following:

1. Fire Or Lightning

2. Windstorm Or Hail

This Cause of Loss does not include loss or damage:

- a. Caused by or resulting from frost or cold weather;
- b. Caused by or resulting from ice (other than hail), snow or sleet, whether driven by wind or not; or
- c. To Covered Property within a building caused by rain, snow, sleet, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sleet, sand or dust enters.

3. Explosion

This Cause of Loss includes loss or damage caused by or resulting from explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages of such a vessel from which the gases of combustion pass.

This Cause of Loss excludes loss or damage caused by or resulting from:

- a. Explosion of alcohol stills, steam boilers, steam generators, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- b. Electric arcing;
- c. Rupture or bursting of water pipes;
- d. Rupture, bursting or operation of pressure relief devices; or
- e. Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water.

4. Riot or civil commotion, including:

- a. Acts of striking employees while occupying the "covered location"; and
- b. Looting occurring at the time and place of a riot or civil commotion.

5. Aircraft, meaning only loss or damage caused by or resulting from:

- a. Contact of an aircraft, spacecraft or self-propelled missile with Covered Property or with a building or structure containing Covered Property; or
- b. Objects falling from aircraft.

6. Smoke, causing sudden and accidental loss or damage, including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This Cause of Loss does not include loss or damage by smoke from agricultural smudging or industrial operations.

7. Sinkhole collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This Cause of Loss does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

8. Volcanic action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or
- c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This Cause of Loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Covered Property.

9. Collision Causing Death Of Covered Poultry

We will pay for loss to covered "poultry" caused by:

- a. Collision or overturn of a vehicle on which the "poultry" are being transported. Collision means accidental contact of that vehicle with another vehicle or object; or
- b. "Poultry" running into or being struck by a vehicle while the "poultry" are crossing, moving along or standing in a public road.

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But we will not pay for loss if a vehicle owned or operated by an insured:

- a. Collides with the vehicle on which the "poultry" are being transported; or
- b. Strikes "poultry" crossing, moving along or standing in a public road.

10. Vandalism, meaning willful and malicious damage to, or destruction of, covered "poultry" or packed and crated eggs.

11. **Earthquake**

12. Flood, ~~meaning only loss or damage caused by or resulting from flood,~~ surface water, waves (including tidal wave and tsunami), tides, tidal waveswater, overflow of any body of water, or their spray from any of these, all whether or not driven by wind ~~or not.~~ (including storm surge).

13. Theft, including attempted theft and loss or damage of covered "poultry" and eggs from a known location when it is likely that such property has been stolen.

This Cause of Loss does not include loss or damage caused by or resulting from theft:

- a. Discovered on taking inventory;
- b. Due to disappearance of any property unless there is evidence that the property was stolen; or
- c. Due to unauthorized instructions to transfer property to any person or to any place.

E. For the purpose of this endorsement, the **Exclusions** Section is modified by the following:

1. **Earth Movement**

Paragraphs **C.1.a.(1)** and **C.1.a.(5)** do not apply.

If loss or damage to "poultry" and eggs is caused by earthquake, the **Earth Movement** Exclusion does not apply to such loss.

2. **Water**

Paragraph **C.1.g.(1)** does not apply.

3. **Smoke**

Paragraph **C.2.c.** does not apply.

4. **Explosion**

Paragraph **C.2.e.** does not apply.

5. **Collapse**

Paragraph **C.2.o.** does not apply.

F. For the purpose of this endorsement, the following are added to the **Exclusions** Section:

1. **Sonic Boom**

We will not pay for loss or damage ~~that~~these results from sonic boom.

2. **Loss Or Damage Caused By Running Into Or Against Items Or Caused By Fright**

We will not pay for loss or damage to "poultry" when caused by running into streams, ponds or ditches, or against fences or other objects; or from smothering; or resulting directly or indirectly from fright.

3. **Freezing Or Smothering**

We will not pay for loss or damage to "poultry" when caused by freezing or smothering in blizzards or snowstorms.

G. For the purpose of this endorsement, Paragraphs **7.a. Business Income** and **7.b. Extra Expense** are replaced by the following:

a. **Business Income**

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at your "covered location" or if coverage is scheduled to your property at scheduled locations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to Business Personal Property in the open or Business Personal Property in a vehicle, the "covered location" or scheduled location includes the area within 1,000 feet of that "covered location" or scheduled location.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "covered location" or scheduled location is located, your "covered location" or scheduled location means:

- The portion of the building which you rent, lease or occupy; and
- Any area within the building or on the site at which the "covered location" or scheduled location is located, if the area services, or is used to gain access to, the "covered location" or scheduled location.

Business Income means the:

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

For manufacturing risks, Net Income includes the net sales value of production.

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b. Extra Expense

Extra Expense means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay:

- (1) Any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - (a) At your "covered location", or
 - (b) At replacement locations or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations.
- (2) Any Extra Expense to minimize the "suspension" of business if you cannot continue "operations".
- (3) Any Extra Expense to:
 - (a) Repair or replace any property; or
 - (b) Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage.

H. For the purpose of this endorsement, Paragraph **F. Limits Of Insurance** is replaced by the following:

LIMITS OF INSURANCELimits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

I. The **Loss Conditions** Section is modified by the following:

1. The following is added to Paragraph **H.3. Duties In The Event Of Loss Or Damage** Loss Condition:

You must provide photographic evidence that satisfactorily documents any loss exceeding 100 or more "poultry" in any one occurrence.

2. The **Valuation Loss** Condition is replaced by the following:

In the event of loss to Covered Property, we will settle at actual cash value as of time of loss, but we will not pay more than the amount necessary for replacement, subject to the limit of insurance shown in the Schedule of this endorsement.

J. As used in this endorsement, and with respect to covered "poultry", the word loss means death of "poultry" resulting from a Covered Cause of Loss set forth under this endorsement, that occurs within 48 hours of the occurrence due to a Covered Cause of Loss.

Death includes destruction made necessary because of damage or injury caused by a Covered Cause of Loss. Such destruction must be ordered or recommended by a public health officer, attending veterinarian or our authorized representative and must take place within 48 hours of the occurrence due to a Covered Cause of Loss, unless a later time is authorized by our representative.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Limit Of Insurance
	\$
	\$
	\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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A. We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain, or
2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph 2. above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. The coverage described in Paragraph A. of this endorsement does not apply to loss or damage resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. The most we will pay for the coverage provided under this endorsement is \$5,000 per location, unless a higher Water Back-Up And Sump Overflow Limit of Insurance is indicated in the Schedule of this endorsement.

D. With respect to the coverage provided under this endorsement, the Water Exclusion B.1.g. Water in Section I – Property is replaced by the following exclusion:

g. Water

- (1.) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal wave water, overflow of any body of water, or their spray from any of these, all whether or not driven by wind or not (including storm surge);
- (2.) Mudslide or mudflow; or
- (3.) Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or
4. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1. or 3., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 4., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, sea-wall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

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But if ~~Water~~ any of the above, as ~~described~~ in Paragraphs ~~g.(1.)~~ through ~~g.(3)4.~~, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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POLICY NUMBER:

BUSINESSOWNERS
BP 07 01 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS' INSTALLATION, TOOLS AND EQUIPMENT COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Item	Limit Of Insurance	
Coverage Extension 1 – Contractors' Installation Coverage		
1. Property at each covered job site	\$	
2. Property in transit	\$ 5,000	
3. Property at a "temporary storage location"	\$ 5,000	
4. Property at all covered job sites combined	3 times the Limit of Insurance for property at each covered job site described in Item 1.	
Additional Premium:	\$	
Coverage Extension 2 – Contractors' Tools And Equipment		
1. Blanket Basis		
All Covered Property as described in Paragraph D.2.g.(2)(a)	\$	not in excess of \$2,000 for any one item
2. Scheduled Basis		
All Covered Property as described in Paragraph D.2.g.(2)(b)		
A.	\$	
B.	\$	
C.	\$	
D.	\$	
E.	\$	
Total Scheduled Property Limit Of Insurance	\$	
Additional Premium:	\$	

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Item	Limit Of Insurance
Coverage Extension 3 – Non-Owned Tools And Equipment	\$
Additional Premium:	\$
Coverage Extension 4 – Employee's Tools	\$
Additional Premium:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section I – Property is amended as follows:

A. With respect to coverage provided by this endorsement, the provisions of the Businessowners Coverage Form apply, unless modified by this endorsement.

B. Paragraph **A.6.b. Coverage Extensions** is amended as follows:

The Personal Property Off Premises Coverage Extension is amended by adding the following:

This extension does not apply to loss or damage to property covered under the following Coverage Extensions:

- (1) Coverage 1 – Contractors' Installation Coverage; and
- (2) Coverage 2 – Contractors' Tools And Equipment Coverage.

C. The following is added to Paragraph **A.4. Limitations**:

d. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

Miscellaneous tools and equipment including their:

- (1) Accessories, whether or not attached; and
- (2) Spare parts, that are specifically designed and intended for use in the maintenance and operation of the miscellaneous tools and equipment;

that you own, or that you do not own but that are in your care, custody or control, other than miscellaneous tools and equipment covered under Coverage 2 – Contractors' Tools And Equipment Coverage.

e. We will not pay for loss of or damage to materials, supplies, equipment, machinery and fixtures:

- (1) Owned by you; or
- (2) In your care, custody or control; intended for installation:
 - (1) By you; or
 - (2) At your direction;

caused by or resulting from theft. In addition, we will not pay for any loss that is a consequence of loss or damage to such property.

However, this limitation does not apply to:

- (1) Property insured under Coverage 1 – Contractors' Installation Coverage described in Paragraph **D.1.**;
- (2) Materials, supplies, equipment, machinery and fixtures held for sale by you; or
- (3) Business Income Coverage or Extra Expense Coverage.

D. Coverage Extensions

1. Coverage 1 – Contractors' Installation Coverage

a. The following is added to Paragraph **A.1.b.(2) Business Personal Property**:

This coverage also includes property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed.

b. In addition to Covered Property listed in Paragraph **A.1.b.**, you may extend the insurance that applies to Business Personal Property to apply to loss of or damage to the following property:

- (1) Materials, supplies, equipment, machinery, and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction; and
- (2) Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

This property is covered while:

- (1) At any job site you do not own, lease or operate;
- (2) Awaiting and during installation, or awaiting acceptance by the purchaser;
- (3) In transit; or
- (4) At a "temporary storage location".

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c. Coverage provided under this Extension will end when one of the following first occurs:

- (1) This policy expires or is cancelled;
- (2) The property covered under this Extension is accepted by the purchaser;
- (3) Your interest in the property covered under this Extension ceases;
- (4) You abandon the project to be performed by you for the purchaser, with no intention to complete it; or
- (5) 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing.

d. In addition to Property Not Covered in Paragraph A.2. of the Businessowners Coverage Form, the following property is not covered with respect to this Extension:

- (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
- (2) Property stored at a permanent warehouse or storage yard that you own;
- (3) A plan, blueprint, design or specification;
- (4) Trees, grass, sod, shrubbery or plants; and
- (5) Machinery, tools, equipment, supplies or similar property that do not become a permanent part of the project. This includes contractors equipment and other tools belonging to a contractor or subcontractor.

e. With respect to this Extension, the following additional exclusions apply:

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) The cost to make good or replace faulty or defective materials or workmanship;
- (2) Testing. However, if testing results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion;
- (3) A fault, defect, deficiency, error or omission in a plan, blueprint, design or specification;

(4) The weight of a load when it exceeds the designed capacity of any property covered under this Extension to lift, move or support the load from any position; or

(5) Collision, upset or overturn of any property covered under this Extension to the extent of any loss of or damage to the tires or inner tubes of such property. But we will pay for the loss of or damage to the tires or inner tubes if the same accident causes other covered loss to the same property covered under this Extension.

f. Limits Of Insurance

(1) Unless a higher Limit of Insurance is shown in the Schedule for Coverage 1 – Contractors' Installation Coverage, the most we will pay for direct physical loss of or damage to Covered Property described in the Schedule caused by or resulting from any Covered Cause of Loss is \$3,000.

(a) The most we will pay for loss or damage in any one occurrence to Covered Property at each covered job site is the Limit of Insurance for property at each covered job site shown in the Schedule.

(b) The most we will pay for loss or damage in any one occurrence to Covered Property at all covered job sites combined is three times the Limit of Insurance shown in the Schedule for property at each covered job site.

2. Coverage 2 – Contractors' Tools And Equipment Coverage

a. You may extend the insurance that applies to Business Personal Property in Paragraph A.1.b. to apply to miscellaneous tools and equipment, including their:

(1) Accessories, whether or not attached; and

(2) Spare parts, that are specifically designed and intended for use in the maintenance and operation of property covered under this Extension;

that you own, or that you do not own but that are in your care, custody or control.

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b. With respect to this Extension, Paragraph A.2.a. is replaced by the following:

a. Aircraft, watercraft, their equipment or parts; automobiles; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use;

c. In addition to Property Not Covered in Paragraph A.2., the following property is not covered with respect to this Extension:

- (1) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
- (2) Property you have loaned, rented or leased to others;
- (3) Property that is or will become a permanent part of any building or structure; or
- (4) Property held for sale.

d. With respect to this Extension, Paragraph (1) of Exclusion B.1.b. **Earth Movement** does not apply to loss or damage caused directly or indirectly by earthquake.

e. With respect to this Extension, the Exclusion B.1.g. Water Exclusion of the Businessowners Coverage Form does not apply to loss or damage caused directly or indirectly by flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, overflow of any body of water, or their spray from any of these, all whether or not driven by wind or not (including storm surge).

f. With respect to this Extension the following additional exclusions apply:

We will not pay for loss or damage caused by or resulting from any of the following:

1. Theft of any property covered under this Extension from any unattended vehicle unless, at the time of theft, the vehicle's windows, doors and compartments were closed and locked, and there are visible signs that the theft was a result of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
2. The weight of a load when it exceeds the designed capacity of any property covered under this Extension to lift, move or support the load from any position.

3. Collision, upset or overturn of any property covered under this Extension to the extent of any loss of or damage to the tires or inner tubes of such property. But we will pay for the loss of or damage to the tires or inner tubes if the same accident causes other covered loss to the same property covered under this Extension.

g. Limits Of Insurance

(1) Unless a higher Limit of Insurance is shown in the Schedule for Coverage 2 – Contractors' Tools and Equipment Coverage, the most we will pay for the direct physical loss or damage to Covered Property on or away from the described premises caused by or resulting from any Covered Cause of Loss is \$3,000 subject to a limit for any one tool or piece of equipment.

(2) The property covered under this extension may be:

(a) Covered on a blanket basis for tools and equipment you own that are not:

- i. Individually described in the Schedule; and
- ii. In excess of \$2,000 on any one item;

if a blanket Limit of Insurance is shown in the Schedule; or

(b) Covered on a scheduled basis for each item of tools and equipment that you own that is specifically described in the Schedule, and for which a Limit of Insurance is shown.

(3) The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

3. Coverage 3 – Non-Owned Tools And Equipment Coverage

When a Limit of Insurance is shown in the Schedule, Covered Property includes contractors' non-owned tools and equipment leased or rented from others that are in your care, custody or control.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Coverage 3 – Non-Owned Tools And Equipment shown in the Schedule.

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4. Coverage 4 – Employees' Tools Coverage

When a Limit of Insurance is shown in the Schedule, Covered Property includes your Employees' Tools which are used in connection with your operations.

The most that we will pay for loss or damage in any one occurrence to Employees' Tools will not exceed the amount shown in the Schedule.

E. The following is added to Section H. Definitions:

"Temporary storage location" means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a job site:

1. That you do not own, lease or operate; and
2. Where work is in progress, or will begin in 30 days.

F. For the coverage provided by this endorsement, the definition of "specified causes of loss" in Paragraph H.12. Definitions is amended to include theft.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BELOW GROUND WATER AND BACKUP OF SEWER AND DRAIN COVERAGE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM COVERAGE FORM (OUTPUT POLICY)

A. We will pay for direct physical loss or damage to Covered Property caused by or resulting from water or waterborne material:

1. Which backs up through or overflows or is otherwise discharged from a sewer or drain;
2. Which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its ~~appurtenant~~ related equipment. However, we will not pay the cost of repairing or replacing a sump pump or its ~~appurtenant~~ related equipment in the event of mechanical breakdown; or
3. Under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings.

B. The Coverage described in Paragraph A. does not apply to loss or damage resulting from an insured's failure to perform the routine maintenance or repair:

1. Of all sump pumps and their ~~appurtenant~~ related equipment; and
2. To keep sewers and drains free from obstructions.

C. The most we will pay for the ~~e~~Coverage provided under this endorsement is a total of \$50,000 per occurrence, unless a different Limit of Insurance is shown in the Declarations.

D. With respect to the Coverage provided under this endorsement, the Water Exclusion-C.1.f. is replaced by the following exclusion:

WATER~~Water~~

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal waves, ~~water~~, overflow of any body of water, or their ~~spray from any of these~~, all whether or not driven by wind ~~or not~~; (including storm surge);
2. Mudslide or mudflow; or
3. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 3., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if ~~water~~ any of the above, as described in Paragraphs 1. through 3., D. above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This exclusion does not apply to "accounts receivable", "computers", exhibition floater, "fine arts", "mobile equipment", property in transit, salespersons' samples or "valuable papers and records".

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