

SERFF Tracking Number: FEMC-125726729 State: Arkansas  
First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$25  
Company Tracking Number: BP-2008-3 (R/R)  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: Div 9 Businessowners  
Project Name/Number: ISO Rewrite/BP-2008-3 (r/r)

## Filing at a Glance

Companies: Federated Mutual Insurance Company, Federated Service Insurance Company

Product Name: Div 9 Businessowners SERFF Tr Num: FEMC-125726729 State: Arkansas  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$25

Sub-TOI: 05.0002 Businessowners Co Tr Num: BP-2008-3 (R/R) State Status: Fees verified and received

Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins  
Author: Sue Moldenhauer Disposition Date: 07/09/2008  
Date Submitted: 07/09/2008 Disposition Status: Exempt from Review  
Effective Date Requested (New): 09/01/2008 Effective Date (New): 09/01/2008  
Effective Date Requested (Renewal): 09/01/2008 Effective Date (Renewal): 09/01/2008

State Filing Description:

## General Information

Project Name: ISO Rewrite  
Project Number: BP-2008-3 (r/r)

Reference Organization:  
Reference Title:  
Filing Status Changed: 07/09/2008  
State Status Changed: 07/09/2008  
Corresponding Filing Tracking Number:

Filing Description:

We wish to implement these changes to all policies with a written date of September 2, 2008 and after.

Status of Filing in Domicile: Authorized  
Domicile Status Comments: MN is a no file state

Reference Number:  
Advisory Org. Circular:

Deemer Date:

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## Company and Contact

### Filing Contact Information

Sue Moldenhauer, Property & Casualty Product skmoldenhauer@fedins.com  
 Specialist

121 E Park Square (800) 533-0472 [Phone]  
 Owatonna, MN 55060 (507) 444-6691[FAX]

### Filing Company Information

|                                    |                         |                              |
|------------------------------------|-------------------------|------------------------------|
| Federated Mutual Insurance Company | CoCode: 13935           | State of Domicile: Minnesota |
| 121 East Park Square               | Group Code: 7           | Company Type:                |
| PO Box 328                         |                         |                              |
| Owatonna, MN 55060                 | Group Name:             | State ID Number:             |
| (800) 533-0472 ext. [Phone]        | FEIN Number: 41-0417460 |                              |
|                                    | -----                   |                              |

|                                     |                         |                              |
|-------------------------------------|-------------------------|------------------------------|
| Federated Service Insurance Company | CoCode: 28304           | State of Domicile: Minnesota |
| 121 East Park Square                | Group Code: 7           | Company Type:                |
| PO Box 328                          |                         |                              |
| Owatonna, MN 55060                  | Group Name:             | State ID Number:             |
| (800) 533-0472 ext. [Phone]         | FEIN Number: 41-0984698 |                              |
|                                     | -----                   |                              |

## Filing Fees

|                  |  |
|------------------|--|
| Fee Required?    | Yes                                    |
| Fee Amount:      | \$25.00                                |
| Retaliatory?     | No                                     |
| Fee Explanation: | rate and rule filing=25 per submission |
| Per Company:     | No                                     |

| COMPANY                             | AMOUNT  | DATE PROCESSED | TRANSACTION # |
|-------------------------------------|---------|----------------|---------------|
| Federated Mutual Insurance Company  | \$25.00 | 07/09/2008     | 21310727      |
| Federated Service Insurance Company | \$0.00  | 07/09/2008     |               |

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## Correspondence Summary

### Dispositions

| Status             | Created By       | Created On | Date Submitted |
|--------------------|------------------|------------|----------------|
| Exempt from Review | Llyweyia Rawlins | 07/09/2008 | 07/09/2008     |

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## Disposition

Disposition Date: 07/09/2008

Effective Date (New): 09/01/2008

Effective Date (Renewal): 09/01/2008

Status: Exempt from Review

Comment:

This line is exempt from filing ratesrules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

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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 Liability  
 Product Name: Div 9 Businessowners  
 Project Name/Number: ISO Rewrite/BP-2008-3 (r/r)

| Item Type           | Item Name          | Item Status                            | Public Access |
|---------------------|--------------------|--|---------------|
| Supporting Document | cover letter       | Accepted for<br>Informational Purposes | Yes           |
| Supporting Document | supporting doc     | Accepted for<br>Informational Purposes | Yes           |
| Rate                | State rates pages  | Accepted for<br>Informational Purposes | Yes           |
| Rate                | manual rules pages | Accepted for<br>Informational Purposes | Yes           |

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## **Rate Information**

Rate data does NOT apply to filing.

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## Rate/Rule Schedule

| Review Status:                      | Exhibit Name:      | Rule # or Page #:   | Rate Action | Previous State Filing Attachments Number: |
|-------------------------------------|--------------------|---|-------------|---|
| Accepted for Informational Purposes | State rates pages  | BP-SR-4,5,7-10  | Replacement | pruleq_ar_bo_b_state_rate_20080901.pdf    |
| Accepted for Informational Purposes | manual rules pages | BP-4,9,18,19,21,22,23,25,31,32,38,39,44,45,46,50,51,56,57 | Replacement | pruleq_ar_bo_b_rules_20080901.pdf         |

**Section II. Artisan Contractors Program****\* Rule 2. Coverage Enhancement Endorsements**

Dairy Equipment, Electrical, Heating, Air Conditioning, Refrigeration, Plumbing and Sheet Metal Contractors

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.021    | 1.021    | 1.000     |
| Silver         | 1.385    | 1.385    | 1.010     |
| Gold           | 1.829    | 1.829    | 1.077     |

All other Contractors

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.021    | 1.021    | 1.000     |
| Silver         | 1.385    | 1.385    | 1.010     |
| Gold           | 1.829    | 1.829    | 1.069     |

**Rule 3. Coverages and Endorsements****C. Additional Insured Endorsements**

| Classification   | Limit     |           |             |
|--|-----------|-----------|-------------|
|  | \$300,000 | \$500,000 | \$1,000,000 |
| Additional Insured – Designated Person or Organization   | \$40      | \$40      | \$40        |
| Additional Insured – Owners, Lessees or Contractors – With Additional Insured Requirement in Construction Contract | \$40      | \$40      | \$40        |
| Additional Insured - Owners, Lessees or Contractors - Completed Operations   | \$100     | \$100     | \$100       |

Additional Insured - Owners, Lessees or Contractors (Form B) (BP-F-50)

| Insured's Portion of the Project | Premium |
|----------------------------------|---------|
| \$1 - 100,000                    | \$75    |
| \$100,001 - \$250,000            | \$150   |
| \$250,001 - or more              | \$350   |

**D. Other Optional Liability Endorsements****6. Blanket Waiver of Transfer of Rights of Recovery****c. Premium Determination.**

Charge \$100.

**Section III. Retail / Wholesale Program**

\* **Rule 2. Coverage Enhancement Endorsements**

Auto Parts and Supplies – Wholesale and Auto Parts Stores

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.005    | 1.005    | 1.000     |
| Silver         | 1.398    | 1.398    | 1.050     |
| Gold           | 1.880    | 1.880    | 1.177     |

Grocery Stores, Health Food and Supplements – Retail and Meat, Fish and Poultry Stores

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.005    | 1.005    | 1.000     |
| Silver         | 1.451    | 1.451    | 1.050     |
| Gold           | 1.951    | 1.951    | 1.148     |

Lawn and Garden Equipment – Wholesale and Lawn and Garden Equipment Dealers

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.005    | 1.005    | 1.000     |
| Silver         | 1.398    | 1.398    | 1.050     |
| Gold           | 1.880    | 1.880    | 1.148     |

All other Retail / Wholesale / Service

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.005    | 1.005    | 1.000     |
| Silver         | 1.384    | 1.384    | 1.050     |
| Gold           | 1.863    | 1.863    | 1.148     |

**Rule 3. Coverages and Endorsements**

A. Accounts Receivable

4. Premium Determination.

The base rate is .08.

**Section IV. Auto Service Center Program**

**Rule 2. Coverage Enhancement Endorsements**

All Auto Service Center Risks

\*

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.016    | 1.016    | 1.000     |
| Silver         | 1.369    | 1.369    | 1.050     |
| Gold           | 1.709    | 1.709    | 1.123     |

**Rule 3. Coverages and Endorsements**

A. Liability Coverage for Faulty Work Performed by Your Service Technicians

4. Premium Determination.

The base rate is .25.

**Section V. Convenience Store Program****\* Rule 2. Coverage Enhancement Endorsements**

All Convenience Stores

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.029    | 1.029    | 1.000     |
| Silver         | 1.366    | 1.366    | 1.000     |
| Gold           | 1.866    | 1.866    | 1.000     |

**Rule 3. Coverage and Endorsements****B. Motor Fuel Sales****1. Premium Determination**

The base rate is 18.927.

**Section VI. Funeral Services Program**

\* **Rule 2. Coverage Enhancement Endorsement**

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.004    | 1.004    | 1.000     |
| Silver         | 1.430    | 1.430    | 1.075     |
| Gold           | 1.740    | 1.740    | 1.100     |

**Rule 3. Coverages and Endorsements**

C. Funeral Services Professional Liability

3. Premium Determination.

a. Rates:

| Number of Bodies | Rate Per Body |
|------------------|---------------|
| 0 - 100          | .35           |
| 101 - 300        | .28           |
| 301 - 600        | .22           |
| Over 600         | .17           |

The above rates are at basic limits of \$25,000 per claim, subject to an aggregate limit of \$75,000.

b. Increased Limits Factors:

| Liability Limits          | Factors |
|---------------------------|---------|
| \$300,000 / \$600,000     | 1.81    |
| \$500,000 / \$1,000,000   | 2.02    |
| \$1,000,000 / \$2,000,000 | 2.25    |

c. Minimum Premium:

| Liability Limits          | Premium |
|---------------------------|---------|
| \$300,000 / \$600,000     | \$91    |
| \$500,000 / \$1,000,000   | \$101   |
| \$1,000,000 / \$2,000,000 | \$113   |

d. Additional Charges for Cemetery Liability:

|                                      |      |
|--------------------------------------|------|
| Fenced Cemetery                      | 2.12 |
| Unfenced Cemetery                    | 2.65 |
| Memorial Garden (Fenced or Unfenced) | 2.12 |

## Section VII. Retail Jeweler Program

### \* Rule 2. Coverage Enhancement Endorsements

| Coverage Level | Building | Contents | Liability |
|----------------|----------|----------|-----------|
| Bronze         | 1.001    | 1.001    | 1.000     |
| Silver         | 1.278    | 1.278    | 1.075     |
| Gold           | 1.968    | 1.968    | 1.100     |

### Rule 3. Coverages and Endorsements

#### A. Retail Jeweler Appraisal Liability Coverage

##### 3. Premium Determination.

| Liability Limits      | Premium |
|-----------------------|---------|
| \$50,000 / \$100,000  | \$50    |
| \$100,000 / \$200,000 | \$60    |
| \$300,000 / \$600,000 | \$100   |

**Section I. General Rules (Continued)****Rule 11. Mandatory Forms and Coverages (Continued)****B. Mandatory Forms**

1. Attach Businessowners Common Policy Conditions Form BP-F-104 to all policies.
2. Attach Special Businessowners Property Coverage Form BP-F-101 to all policies. This form covers Buildings and Business Personal Property for risks of direct physical loss and damage.
3. Attach Liability Coverage Form BP-F-102 to all policies. This form provides liability coverage on a comprehensive occurrence basis for all operations and premises owned, operated or leased by the insured.
4. The following endorsements must be attached to all policies:
  - a. Employment-Related Practices Exclusion BP-F-223.
  - b. Exclusion – Asbestos or Lead IL-F-27.
  - c. Exclusion - Silica or Silica-Related Dust BP-F-226.
  - d. Fungi or Bacteria Exclusion BP-F-221.
  - e. Mobile Equipment Held for Sale Endorsement BP-F-216.
  - f. Arkansas Changes Endorsement BP-F-303 (AR).
  - g. Reserved for Future Use.
  - h. Exclusion of Loss Due to Virus or Bacteria BP-F-219.

\*

**Section I. General Rules (Continued)**

**Rule 16. Additional Rule(s) (Continued)**

D. Ungraded Risks

Buildings which do not meet the criteria described in B. and C. for Grade assignment are rated and coded as ungraded risks. Do not classify as Grade 10.

E. Rate Modification

For buildings which are eligible under section B. of the Additional Rule, and for personal property inside such buildings, modify the applicable Building and Business Personal Property rates by the factor from the following table. Do not apply a factor if the policy excludes Windstorm or Hail coverage. Refer to Division Five – Fire and Allied Lines for Earthquake coverage rating if Earthquake Coverage has been added.

\*

***BOP BCEG Factors***

| <b>Federated Territory</b> |                     |
|----------------------------|---------------------|
| <b>Grade</b>               | <b>Entire State</b> |
| 1                          | 0.97                |
| 2                          | 0.97                |
| 3                          | 0.97                |
| 4                          | 0.98                |
| 5                          | 0.98                |
| 6                          | 0.98                |
| 7                          | 0.98                |
| 8                          | 0.99                |
| 9                          | 0.99                |
| 10                         | 1.00                |
| Ungraded - (99)            | 1.00                |

**Section I. General Rules (Continued)****Rule 19. Optional Liability Coverages and Endorsements (Continued)**

2. Additional Insured – Lessor of Leased Equipment
  - a. Description of Coverage. This endorsement is used to include as an additional insured a designated person or organization leasing equipment to the insured for liability that involves contributory negligence and arises out of an occurrence that takes place during the term of the lease. A separate endorsement should be attached for each lessor named as an additional insured.
  - b. Form. Use Form BP-F-237.
3. Additional Insured – Vendors
  - a. Description of Coverage. This endorsement is used to include as additional insured specified vendors of our insured's products, but only with respect to liability arising out of the vendor's sale or distribution of the named insured's products.
  - b. Form. Use Form BP-F-238.
4. Additional Insured
  - a. Description of Coverage. This endorsement is used to include third parties as additional insureds where the specific interest of the third party can be filled in on the endorsement.
  - b. Form. Use Form BP-F-239.
5. Additional Insured – Grantor of Franchise
  - a. Description of Coverage. This endorsement covers specified third parties with respect to their liability as the grantor of a franchise to the insured.
  - b. Form. Use Form BP-F-240.

**C. Optional Liability Endorsement**

1. Comprehensive Business Liability Exclusion (All Hazards in Connection with Designated Premises, Operations or Products.)
  - a. Description of Coverage. This endorsement excludes specific projects, location hazards, operations or equipment, if clearly separable and definable.
  - b. Form. Use Form BP-F-222.
2. Amendment of Coverage Territory - Worldwide Coverage
  - a. Description of Coverage. This endorsement extends the coverage territory beyond the United States of America, including its territories and possessions, Puerto Rico and Canada to anywhere in the world.
  - b. Form. Use Form BP-F-218.
- # 3. Executive Personal Liability coverage
  - a. Description of Coverage. This endorsement provides coverage for Named Insureds which includes Contingent Workers' Compensation Coverage, Not-For-Profit Personal Liability Coverage and Personal Executive Coverage.
  - b. Form. Use Form BP-F-211.

## Section I. General Rules (Continued)

### C. Optional Liability Endorsement (Continued)

- # 4. Electronic Data Liability - Limited Coverage
- a. Description of Coverage. This endorsement provides \$50,000 of coverage for loss of computerized or electronically stored data or software, which results from physical injury to tangible property.
  - b. Form. Use Form BP-F-217.

### D. Optional Liability Endorsements – Additional Liability Charges

1. Boats
  - a. Description of Coverage. An additional charge is made when the insured owns or operates one or more boats.
  - b. Form. Use Form BP-F-210.
  - c. Premium Determination. Refer to State Rates. Premiums shown are not subject to further modification.
2. Waiver of Transfer of Rights of Recovery
  - a. Description of Coverage. This endorsement provides that the company's right to subrogation against designated persons or organizations may be waived under certain circumstances, prior to a loss.
  - b. Form. Use Form BP-F-212.
  - c. Premium Determination. Refer to State Rates. Premiums shown are not subject to further modifications.
3. Self-Service Car Wash
  - a. Description of Coverage. A separate charge must be made for each self-service car wash operated by the insured.
  - b. Premium Determination. Refer to State Rates. A charge is made for each self-service car wash bay. Premiums shown are not subject to further modification.
4. Playgrounds
  - a. Description of Coverage. An additional charge is made for playgrounds owned or operated by the insured.
  - b. Premium Determination. Refer to State Rate Pages. A premium is charged for each applicable location. The premium shown is not subject to further modification.
5. LP Gas Sales
  - a. Description of Coverage. Businesses which have an LP gas tank and LP gas fuel transfer equipment have an additional charge made at every location where the exposure exists.
  - b. Premium Determination. Refer to State Rate Pages. A premium is charged for each applicable location. The premium shown is not subject to further modification.
6. Self - Storage Facilities
  - a. Description of Coverage. This endorsement is added whenever coverage is provided on a self-storage warehouse rented to others.
    - (1) Customers property is added to Property Not Covered.
    - (2) Customer Goods Legal Liability Coverage is provided.
  - b. Form. Use Form BP-F-214.

## Section II. Artisan Contractors Program

### Rule 1. Eligibility

- A. The following types of contractors are eligible for this program, provided the majority of their receipts are derived from these operations:
1. Dairy equipment.
  2. Electrical.
  3. Fence erection.
  4. Glass dealers and glaziers.
  5. Heating, air conditioning or refrigeration.
  6. Painting and decorating.
  7. Plumbing.
  8. Sheet metal.
  9. Water conditioning
- B. In order to qualify for this program, the firm's annual receipts may not exceed \$3,000,000.

### Rule 2. Coverage Enhancement Endorsements

- A. All policies will be issued at one of the following levels of coverage:
1. Bronze (Basic)
  2. Silver (Better)
  3. Gold (Best)
- B. The following endorsements will apply for Artisan Contractors:
1. Bronze
    - a. Artisan Contractors – Bronze Property Extension Endorsement BP-F-110.
      - (1) Description of Coverage.
        - (a) This endorsement provides a \$10,000 limit on a Business Personal Property Floater which replaces the Property Off Premises Coverage Extension in the Businessowners Special Property Coverage Form.
        - (b) A \$50,000 limit is provided for loss to tools, equipment or mobile equipment that are borrowed, leased, rented or hired by the insured.
        - (c) Up to \$5,000 is available to reassemble construction forms or re-erect scaffolding lost or damaged in a covered loss.
      - (2) Premium Determination. This endorsement is added at no premium charge.
    - b. Additional Insured by Contract Endorsement BP-F-115.
      - (1) Description of Coverage. This endorsement provides automatic coverage for all entities that contractually require the insured to name them as additional insured.
      - (2) Premium Determination. This endorsement is added at no premium charge.

\*

**Section II. Artisan Contractors Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

## 2. Silver

## a. Artisan Contractors – Silver Property Extension Endorsement BP-F-111.

## (1) Description of Coverage.

- (a) There is a \$25,000 limit on a Business Personal Property Floater, which replaces the Property Off Premises Coverage Extension in the Businessowners Special Property Coverage Form.
- \* (b) Coverage is provided for loss of business income and extra expense subject to a limit of \$50,000 and a waiting period of 72 hours.
- \* (c) Employee tools are insured for \$10,000.
- (d) A \$50,000 limit is provided for loss to tools, equipment or mobile equipment that are borrowed, leased, rented or hired by the insured.
- (e) Up to \$5,000 is available to reassemble construction forms or re-erect scaffolding lost or damaged in a covered loss.
- (f) There is \$10,000 coverage for portable buildings at job sites.
- (g) Money and securities coverage is added for \$5,000.
- (h) There is \$10,000 coverage for losses due to employee dishonesty.
- (i) Coverage is provided for systems breakdown.
- # (j) There is \$2,500 coverage for losses due to forgery, alteration or acceptance of counterfeit money.
- # (k) There is \$25,000 of coverage for Business Income - Newly Acquired Locations.
- # (l) There is \$5,000 coverage for claims expense.

## (2) Premium Determination. Select the appropriate factor from the State Rates.

## b. Additional Insured by Contract Endorsement BP-F-115.

- (1) Description of Coverage. This endorsement provides automatic coverage for all entities that contractually require the insured to name them as additional insured.
- (2) Premium Determination. This endorsement is added at no premium charge.

## c. Liability Insurance for Damage to Your Product or Your Work – Silver Extension Endorsement BP-F-116.

- (1) Description of Coverage. This endorsement provides \$10,000 coverage for losses to the insured's product and work after work is completed.
- (2) Deductible. Coverage available under this endorsement is subject to a separate \$500 deductible per occurrence.
- (3) Eligibility. Coverage is provided for the following types of artisan contractors:
  - (a) Dairy Equipment.
  - (b) Electrical.
  - (c) Heating, air conditioning or refrigeration.
  - (d) Plumbing.
  - (e) Sheet metal.
- (4) Premium Determination. Select the appropriate factor from the State Rates.

## Section II. Artisan Contractors Program (Continued)

### Rule 2. Coverage Enhancement Endorsements (Continued)

#### 3. Gold

##### a. Artisan Contractors – Gold Property Extension Endorsement BP-F-112.

###### (1) Description of Coverage.

(a) There is a \$50,000 limit on a Business Personal Property Floater, which replaces the Property Off Premises Coverage Extension in the Businessowners Special Property Coverage Form.

(b) The limit for valuable papers and records is increased to \$25,000.

(c) The limit for accounts receivable is increased to \$25,000.

(d) Unlimited coverage is provided for loss of business income and extra expense subject to a waiting period of 72 hours.

(e) Reserved for Future Use.

(f) Employee tools are insured for \$25,000.

\*

(g) A \$50,000 limit is provided for loss to tools, equipment or mobile equipment that are borrowed, leased, rented or hired by the insured.

(h) Up to \$5,000 is available to reassemble construction forms or re-erect scaffolding lost or damaged in a covered loss.

(i) There is \$10,000 coverage for portable buildings at job sites.

(j) Money and securities coverage is added for \$10,000.

(k) There is \$25,000 coverage for losses due to employee dishonesty.

\*

(l) There is \$5,000 coverage for losses due to forgery, alteration or acceptance of counterfeit money.

(m) Coverage is provided for systems breakdown.

#

(n) There is \$100,000 of coverage for Business Income - Newly Acquired Locations.

#

(o) There is \$5,000 coverage for claims expense.

(2) Premium Determination. Select the appropriate factor from the State Rates.

##### b. Additional Insured by Contract Endorsement BP-F-115.

(1) Description of Coverage. This endorsement provides automatic coverage for all entities that contractually require the insured to name them as additional insured.

(2) Premium Determination. This endorsement is added at no premium charge.

##### c. Liability Insurance for Damage to Your Product or Your Work – Gold Extension Endorsement BP-F-117.

(1) Description of Coverage. This endorsement provides \$25,000 coverage for losses to the insured's product and work after work is completed.

(2) Eligibility. Coverage is provided for the following types of artisan contractors:

(a) Dairy Equipment.

(b) Electrical.

(c) Heating, air conditioning or refrigeration.

(d) Plumbing.

(e) Sheet metal.

(3) Deductible. Coverage available under this endorsement is subject to a separate \$500 deductible per occurrence.

(4) Premium Determination. Select the appropriate factor from the State Rates.

## Section II. Artisan Contractors Program (Continued)

### Rule 3. Coverages and Endorsements (Continued)

#### B. Additional Insured Endorsements (Continued)

- \* 3. Additional Insured - Owners, Lessees or Contractors - Scheduled Person or Organization
  - a. Description of Coverage. This endorsement provides coverage for owners, lessees or contractors who have signed a contract or an agreement that requires them to be added as additional insureds on a policy covering a contractor or subcontractor with respect to liability arising out of the insured contractor's ongoing operations performed for that additional insured.
  - b. Form. Use Form BP-F-252.

#### C. Additional Insured Endorsements

The following may be added as additional insureds for the additional charge shown in the State Rates. The charges shown are not subject to further modification.

- 1. Additional Insured – Designated Person or Organization
  - a. Description of Coverage. This endorsement is used to include as an additional insured a designated person or organization for whom the insured is performing ongoing operations or for premises owned by or rented to the insured contractor.
  - b. Form. Use Form BP-F-250.
- 2. Reserved for Future Use.
- 3. Additional Insured – Owners, Lessees or Contractors – With Additional Insured Requirement in Construction Contract.
  - a. Description of Coverage. This endorsement provides coverage for specified third parties with respect to their liability as an owner, lessee or contractor for whom the insured is working when the insured is required to do so by the terms of the construction contract.
  - b. Form. Use Form BP-F-253.
- 4. Additional Insured – Owners, Lessees or Contractors (Form B)
  - a. Description of Coverage. This endorsement provides coverage for specified third parties with respect to their liability as an owner, lessee or contractor for whom the insured is working.
  - b. Form. Use Form BP-F-50.
  - c. Premium Determination. Refer to State Rates. The charge is based on the insured's portion of the project specified on the Additional Insured endorsement.
- 5. Additional Insured - Owners, Lessees or Contractors - Completed Operations
  - a. Description of Coverage. This endorsement provides coverage for specified third parties with respect to their liability as an owner, lessee or contractor for completed operations claims.
  - b. Form. Use Form BP-F-255.
  - c. Premium Determination. Refer to State Rates.

**Section III. Retail / Wholesale Program (Continued)**

**Rule 2. Coverage Enhancement Endorsements**

A. All policies will be issued at one of the following levels of coverage:

1. Bronze (Basic)
2. Silver (Better)
3. Gold (Best)

B. The following endorsements will apply for Retail/Wholesale and Service risks:

1. Bronze

The basic policy forms provide coverage at this level. No additional endorsements are needed.

2. Silver

Silver Property Extension Endorsement BP-F-121.

a. Description of Coverage.

- (1) The limit applicable to property off premises and in transit is increased to \$25,000.
- (2) The outdoor property limit is increased to \$25,000.
- \* (3) Coverage is provided for loss of business income and extra expense subject to a limit of \$50,000 and a waiting period of 72 hours.
- (4) Employee tools are insured for \$10,000.
- (5) Spoilage coverage is provided with a \$25,000 limit.
- (6) Coverage for false pretense is added with a limit of \$5,000.
- (7) Property leased, loaned or rented to others by the insured is covered subject to a \$10,000 limit.
- (8) Money and securities coverage is added for \$10,000.
- \* (9) There is \$10,000 coverage for losses due to employee dishonesty.
- \* (10) There is \$2,500 coverage for loss due to forgery, alteration or acceptance of counterfeit money.
- # (11) Coverage is provided for systems breakdown.
- (12) There is \$25,000 of coverage for Business Income - Newly Acquired Locations.

b. Premium Determination. Select the appropriate factor from the State Rates.

**Section III. Retail / Wholesale Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

## 3. Gold

## a. Gold Property Extension Endorsement BP-F-122.

## (1) Description of Coverage.

- (a) The amount of coverage available to pay for the costs of debris removal is increased to \$50,000.
- (b) The limits available for newly acquired property are increased to \$1,000,000 for buildings and \$500,000 for business personal property.
- (c) The limit applicable to property off premises and in transit is increased to \$50,000.
- (d) The outdoor property limit is increased to \$50,000.
- (e) The limit for valuable papers and records is increased to \$25,000.
- (f) Unlimited coverage is provided for loss of business income and extra expense subject to a waiting period of 72 hours.
- (g) Reserved for Future Use.
- (h) A limit of \$50,000 is provided for loss of business income or extra expense caused by direct physical loss or damage to dependent property.
- (i) Employee tools are insured for \$25,000.
- (j) Spoilage coverage is provided with a \$25,000 limit.
- (k) Coverage for false pretense is increased to \$10,000.
- (l) Property leased, loaned or rented to others by the insured is insured to \$25,000.
- (m) Money and securities coverage is added for \$25,000.
- (n) There is \$25,000 coverage for losses due to employee dishonesty.
- (o) There is \$5,000 coverage for losses due to forgery, alteration or acceptance of counterfeit money.
- (p) Coverage is provided for systems breakdown.
- (q) There is \$100,000 of coverage for Business Income - Newly Acquired Locations.

## (2) Premium Determination. Select the appropriate factor from the State Rates.

## b. Gold Liability Extension Endorsement BP-F-127.

- (1) Description of Coverage. This endorsement provides coverage for damage arising out of the insured's product and work after work is completed.
- (2) Deductible. Coverage available under this endorsement is subject to a separate \$500 deductible per occurrence.
- (3) Premium Determination. Select the appropriate factor from the State Rates.

## c. Extended Defense Protection Endorsement BP-F-128.

- (1) Description of Coverage. This endorsement provides coverage for civil proceedings, arbitration or mediation brought against the insured alleging that the insured's product and/or work are defective, although no bodily injury or property damage occurred. The available limit is \$25,000 per occurrence and \$25,000 aggregate per policy period.
- (2) Eligibility. This coverage is added only for automobile parts stores and automobile parts distributors.
- (3) Premium Determination. Select the appropriate factor from the State Rates.

**Section IV. Auto Service Center Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

## 2. Silver

## a. Auto Service Center - Silver Property Extension Endorsement BP-F-131.

## (1) Description of Coverage.

- (a) Coverage for personal property of others inside vehicles in the insured's possession for service, repair or storage is deleted.
- (b) Coverage for snowmobiles and utility trailers is limited to units owned by the insured or held for sale by the insured.
- \* (c) The outdoor property limit is increased to \$25,000.
- \* (d) Coverage is provided for loss of business income and extra expense subject to a limit of \$50,000 and a waiting period of 72 hours.
- \* (e) There is \$25,000 of coverage for Business Income - Newly Acquired Locations.
- (f) Coverage for false pretense is added with a limit of \$5,000.
- (g) Money and securities coverage is added for \$10,000.
- \* (h) There is \$10,000 coverage for losses due to employee dishonesty.
- (i) There is \$2,500 coverage for loss due to forgery, alteration or acceptance of counterfeit money.
- (j) Coverage is provided for systems breakdown.
- # (k) There is \$5,000 coverage for claims expense.

## (2) Premium Determination. Select the appropriate factor from the State Rates.

## b. Limited Short-Term Pollution Event Coverage – Silver Auto Service Center Endorsement BP-F-136.1.

- (1) Description of Coverage. This endorsement provides \$50,000 coverage for specified pollution incidents that occur during the policy period.
- (2) Deductible. A \$500 deductible applies to loss or damage covered by this endorsement.
- (3) Premium Determination. Select the appropriate factor from the State Rates.

**Section IV. Auto Service Center Program (Continued)**

**Rule 2. Coverage Enhancement Endorsements (Continued)**

3. Gold

a. Auto Service Center - Gold Property Extension Endorsement BP-F-132.

(1) Description of Coverage.

- (a) Coverage for personal property of others inside vehicles in the insured's possession for service, repair or storage is deleted.
- (b) Coverage for snowmobiles and utility trailers is limited to units owned by the insured or held for sale by the insured.
- (c) The limit for debris removal is increased to \$50,000.
- (d) The limits available for newly acquired property are increased to \$1,000,000 for buildings and \$500,000 for business personal property.
- \* (e) The outdoor property limit is increased to \$50,000.
- (f) The limit for accounts receivable is increased to \$25,000.
- (g) Unlimited coverage is provided for loss of business income and extra expense subject to a waiting period of 72 hours.
- \* (h) There is \$100,000 of coverage for Business Income - Newly Acquired Locations.
- (i) Coverage for false pretense is increased to \$10,000.
- (j) Money and securities coverage is added for \$10,000.
- \* (k) There is \$25,000 coverage for losses due to employee dishonesty.
- (l) There is \$5,000 coverage for losses due to forgery, alteration or acceptance of counterfeit money.
- (m) Coverage is provided for systems breakdown.
- # (n) There is \$5,000 coverage for claims expense.

(2) Premium Determination. Select the appropriate factor from the State Rates.

b. Limited Short-Term Pollution Event Coverage – Gold Auto Service Center Endorsement BP-F-137.1.

- (1) Description of Coverage. This endorsement provides \$100,000 coverage for specified pollution incidents that occur during the policy period.
- (2) Deductible. A \$500 deductible applies to loss or damage covered by this endorsement.
- (3) Premium Determination. Select the appropriate factor from the State Rates.

**Section V. Convenience Store Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

## 2. Silver

Convenience Store - Silver Property Extension Endorsement BP-F-141.

## a. Description of Coverage.

- (1) The description of Covered Property was revised to include canopies and appurtenant structures as Buildings and to include aboveground tanks and underground tanks and related equipment in the description of Business Personal Property.
- (2) Several types of property were added to the Property Not Covered provisions.
- (3) Coverage for loss or damage to the contents of tanks and piping was restricted to specified perils, theft and collapse of a building or canopy.
- (4) The amount of coverage available to pay for the costs of debris removal is increased to \$50,000.
- (5) The limit applicable to property off premises and in transit is increased to \$25,000.
- (6) The outdoor property limit is increased to \$25,000.
- (7) The limit for accounts receivable is increased to \$25,000.
- (8) The paragraph providing Building Limit - Automatic Value Protection was revised to specifically state that this provision does not apply to aboveground tanks, underground tanks, pumps, piping and related dispensing equipment.
- \* (9) Coverage is provided for loss of business income and extra expense subject to a limit of \$50,000 and a waiting period of 72 hours.
- (10) Coverage is provided for contamination of gas and oil caused by surface water with a limit of \$25,000.
- (11) There is \$25,000 for contamination of liquid product caused by misdelivery of liquid product.
- (12) Coverage is provided for pumps, tanks, regulators, pipes, fittings and related equipment leased, loaned or rented to others. Coverage is limited to \$10,000.
- (13) Up to \$100,000 is available to cover the costs of foam or chemicals used to protect the premises.
- (14) There is \$250,000 coverage for property where the responsibility for insurance reverts back to the insured when a lessee no longer provides that insurance.
- (15) Spoilage coverage is provided with a \$25,000 limit.
- (16) Coverage for credit card invoices is added with a limit of \$10,000.
- (17) Money and securities coverage is added for \$10,000.
- (18) There is \$10,000 coverage for losses due to employee dishonesty subject to a \$1,000 deductible.
- \* (19) There is \$10,000 coverage for loss due to forgery, alteration or acceptance of counterfeit money.
- (20) Coverage is provided for systems breakdown.
- # (21) There is \$25,000 of coverage for Business Income - Newly Acquired Locations.
- # (22) There is \$5,000 coverage for claims expense.

## b. Premium Determination. Select the appropriate factor from the State Rates.

## Section V. Convenience Store Program (Continued)

### Rule 2. Coverage Enhancement Endorsements (Continued)

#### 3. Gold

Convenience Store - Gold Property Extension Endorsement BP-F-142.

##### a. Description of Coverage.

- (1) The description of Covered Property was revised to include canopies and appurtenant structures as Buildings and to include aboveground tanks and underground tanks and related equipment in the description of Business Personal Property.
- (2) Several types of property were added to the Property Not Covered provisions.
- (3) Coverage for loss or damage to the contents of tanks and piping was restricted to specified perils, theft and collapse of a building or canopy.
- (4) The amount of coverage available to pay for the costs of debris removal is increased to \$100,000.
- (5) The limit for Pollutant Clean Up and Removal was increased to \$100,000.
- (6) The limits available for newly acquired property are increased to \$1,000,000 for buildings and \$500,000 for business personal property.
- (7) The limit applicable to property off premises and in transit is increased to \$25,000.
- (8) The outdoor property limit is increased to \$50,000.
- (9) The limit for accounts receivable is increased to \$50,000.
- (10) The paragraph providing Building Limit - Automatic Value Protection was revised to specifically state that this provision does not apply to aboveground tanks, underground tanks, pumps, piping and related dispensing equipment.
- (11) Unlimited coverage is provided for loss of business income and extra expense subject to a waiting period of 72 hours.
- (12) Reserved for Future Use.
- (13) A limit of \$50,000 is provided for loss of business income or extra expense caused by direct physical loss or damage to dependent property.
- (14) Coverage is provided for contamination of gas and oil caused by surface water with a limit of \$25,000.
- (15) There is \$25,000 for contamination of liquid product caused by misdelivery of liquid product.
- (16) Coverage is provided for pumps, tanks, regulators, pipes, fittings and related equipment leased, loaned or rented to others. Coverage is limited to \$10,000.
- (17) Up to \$100,000 is available to cover the costs of foam or chemicals used to protect the premises.
- (18) There is \$250,000 coverage for property where the responsibility for insurance reverts back to the insured when a lessee no longer provides that insurance.
- (19) Spoilage coverage is provided with a \$25,000 limit.

\*

**Section V. Convenience Store Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

- (20) Coverage for credit card invoices is added with a limit of \$25,000.
  - (21) Coverage for false pretense is added at a limit of \$10,000.
  - (22) Money and securities coverage is added for \$25,000.
  - (23) There is \$25,000 coverage for losses due to employee dishonesty subject to a \$1,000 deductible.
  - \* (24) There is \$25,000 coverage for loss due to forgery, alteration or acceptance of counterfeit money.
  - (25) Coverage is provided for systems breakdown.
  - # (26) There is \$100,000 of coverage for Business Income - Newly Acquired Locations.
  - # (27) There is \$5,000 coverage for claims expense.
- b. Premium Determination. Select the appropriate factor from the State Rates.

**Rule 3. Coverages and Endorsements****A. Aggregate Deductible - Contaminated Petroleum Products**

1. Description of Coverage. This endorsement will be attached to limit the deductible to \$2,500 per occurrence for all losses arising from contaminated fuel products.
2. Form. Use Form BP-F-145.

**B. Motor Fuel Sales**

1. Description of Coverage. The liability rates for convenience stores are based on receipts for the sale of goods and services other than the sale of motor fuels. A separate charge, based on the number of gallons sold, must be made for motor fuels sold by the insured.
2. Premium Determination. Refer to the State Rates. Increase limits factors in Rule 15.B.2.b. and Property Damage Liability Deductible factors in Rule 13.B.2. apply. The charge is based on total gallons sold per 10,000 gallons.

**C. Blanket Waiver of Transfer of Rights of Recovery**

1. Description of Coverage. This endorsement provides that the company's right to subrogation may be waived when the insured has agreed by written contract to waive subrogation rights against a third party.
2. Form. Use Form BP-F-215.
3. Premium Determination. Refer to State Rates. The premium shown is not subject to further modification.

# **Section VI. Funeral Services Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

## 2. Silver

## a. Silver Property Extension Endorsement BP-F-151.

## (1) Description of Coverage.

- (a) Coverage for gravesite markers, structures, etc. owned by others is deleted.
- (b) Coverage for personal property off premises is expanded to cover property in the possession of salespersons and property at cemeteries and other locations where funeral services are performed, even though they may be owned or leased by the insured.
- (c) The limit applicable to property off premises and in transit is increased to \$25,000.
- (d) The limit for accounts receivable is increased to \$25,000.
- (e) The following Funeral Services Coverage Extensions were added:
  - \$2,500 for expenses to exhume a body to retrieve jewelry or other personal effects that were not removed prior to burial.
  - \$5,000 for loss or damage to fine arts.
  - \$5,000 for loss to furs and fur garments caused by theft.
  - \$5,000 for loss to jewelry caused by theft.
- (f) Coverage is provided for loss of business income and extra expense subject to a limit of \$25,000 and a waiting period of 72 hours.
- \* (g) The outdoor property limit is increased to \$25,000.
- (h) Spoilage coverage is provided with a \$25,000 limit.
- (i) Property leased, loaned or rented to others by the insured is covered subject to a \$10,000 limit.
- (j) Money and securities coverage is added for \$10,000.
- \* (k) There is \$10,000 coverage for losses due to employee dishonesty.
- \* (l) There is \$2,500 coverage for loss due to forgery, alteration or acceptance of counterfeit money.
- (m) Coverage is provided for systems breakdown.
- # (n) There is \$25,000 of coverage for Business Income - Newly Acquired Locations.
- # (o) There is \$5,000 coverage for claims expense.

## (2) Premium Determination. Select the appropriate factor from the State Rates.

## b. Silver Liability Extension Endorsement BP-F-156.

- (1) Description of Coverage. This endorsement provides a \$2,500 limit for medical payments coverage.
- (2) Premium Determination. Select the appropriate factor from the State Rates.

## 3. Gold

## a. Gold Property Extension Endorsement BP-F-152.

## (1) Description of Coverage.

- (a) Coverage for gravesite markers, structures, etc. owned by others is deleted.
- (b) The limits available for newly acquired property are increased to \$1,000,000 for buildings and \$500,000 for business personal property.
- (c) Coverage for personal property off premises is expanded to cover property in the possession of salespersons and property at cemeteries and other locations where funeral services are performed, even though they may be owned or leased by the insured.

## Section VI. Funeral Services Program (Continued)

### Rule 2. Coverage Enhancement Endorsements (Continued)

#### 3. Gold (Continued)

- \* (d) The limit applicable to property off premises and in transit is increased to \$50,000.
- (e) The outdoor property limit is increased to \$50,000.
- (f) The limit for valuable papers and records is increased to \$25,000.
- (g) The limit for accounts receivable is increased to \$50,000.
- (h) The insured may pay for loss or damage to property of others on a direct, primary basis; up to \$10,000 coverage is available on this basis.
- (i) The following Funeral Services Coverage Extensions were added:
  - \$2,500 for expenses to exhume a body to retrieve jewelry or other personal effects that were not removed prior to burial.
  - \$10,000 for loss or damage to fine arts.
  - \$10,000 for loss to furs and fur garments caused by theft.
  - \$10,000 for loss to jewelry caused by theft.
- (j) Unlimited coverage is provided for loss of business income and extra expense subject to a waiting period of 72 hours.
- (k) Reserved for Future Use.
- (l) A limit of \$25,000 is provided for loss of business income or extra expense caused by direct physical loss or damage to dependent property.
- (m) Spoilage coverage is provided with a \$25,000 limit.
- (n) Property leased, loaned or rented to others by the insured is insured to \$25,000.
- (o) Money and securities coverage is added for \$25,000.
- (p) There is \$25,000 coverage for losses due to employee dishonesty.
- \* (q) There is \$5,000 coverage for losses due to forgery, alteration or acceptance of counterfeit money.
- (r) Coverage is provided for systems breakdown.
- # (s) There is \$100,000 of coverage for Business Income - Newly Acquired Locations.
- # (t) There is \$5,000 coverage for claims expense.
- (2) Premium Determination. Select the appropriate factor from the State Rates.
- b. Gold Liability Extension Endorsement BP-F-157.
  - (1) Description of Coverage. This endorsement provides a \$5,000 limit for medical payments coverage.
  - (2) Premium Determination. Select the appropriate factor from the State Rates.

### Rule 3. Coverages and Endorsements

#### A. Cemetery or Memorial Garden

1. Description of Coverage. A liability charge is made for every cemetery or memorial garden owned and/or operated by the insured. The charge is based on the total area of the location in acres.
2. Premium Determination. The rate is shown in the Rate Pages.

**Section VII. Retail Jeweler Program (Continued)****Rule 2. Coverage Enhancement Endorsements (Continued)**

## 2. Silver

## a. Retail Jeweler - Silver Property Extension Endorsement BP-F-161.

## (1) Description of Coverage.

- (a) Coverage for jewelry stock is deleted.
- (b) The limit for theft losses to patterns dies and molds was increased to \$10,000.
- (c) Coverage for personal property off premises is expanded to cover property in the possession of salespersons.
- (d) The limit applicable to property off premises and in transit is increased to \$25,000.
- (e) The outdoor property limit is increased to \$25,000.
- (f) The limit for valuable papers is increased to \$25,000.
- (g) The limit for accounts receivable is increased to \$25,000.
- \* (h) Coverage is provided for loss of business income and extra expense subject to a limit of \$50,000 and a waiting period of 72 hours.
- (i) A limit of \$15,000 is provided for loss of business income or extra expense caused by direct physical loss or damage to dependent property.
- (j) Coverage was added for security guard charges in the event of a failure of the insured's alarm system; coverage is limited to \$1,000 per occurrence.
- (k) Up to \$2,500 is available for replacing or rekeying locks after the loss or theft of the insured's keys.
- (l) Employee tools are insured for \$10,000.
- (m) Spoilage coverage is provided with a \$25,000 limit.
- (n) Money and securities coverage is added for \$15,000.
- (o) There is \$15,000 coverage for losses due to employee dishonesty.
- \* (p) There is \$5,000 coverage for loss due to forgery, alteration or acceptance of counterfeit money.
- (q) Coverage is provided for systems breakdown.
- # (r) There is \$25,000 of coverage for Business Income - Newly Acquired Locations.
- # (s) There is \$5,000 coverage for claims expense.

## (2) Premium Determination. Select the appropriate factor from the State Rates.

## b. Retail Jeweler - Silver Liability Extension Endorsement BP-F-166.

## (1) Description of Coverage.

- (a) This endorsement provides a \$2,500 limit for medical payments coverage.
- (b) Ear piercing liability coverage is included.
- (c) Gemstone Treatment Liability Coverage is provided with a limit of \$50,000 per occurrence and \$100,000 aggregate.

## (2) Premium Determination. Select the appropriate factor from the State Rates.

\* Revision, # New

BP-56  
September 2008

**Section VII. Retail Jeweler Program (Continued)**

**Rule 2. Coverage Enhancement Endorsements (Continued)**

3. Gold

a. Retail Jeweler - Gold Property Extension Endorsement BP-F-162.

(1) Description of Coverage.

- (a) Coverage for jewelry stock is deleted.
- (b) The limit for theft losses to patterns dies and molds was increased to \$10,000.
- (c) The limits available for newly acquired property are increased to \$1,000,000 for buildings and \$500,000 for business personal property.
- (d) Coverage for personal property off premises is expanded to cover property in the possession of salespersons.
- (e) The limit applicable to property off premises and in transit is increased to \$50,000.
- (f) The outdoor property limit is increased to \$25,000.
- (g) The limit for valuable papers and records is increased to \$50,000.
- (h) The limit for accounts receivable is increased to \$50,000.
- (i) Unlimited coverage is provided for loss of business income and extra expense subject to a waiting period of 72 hours.
- (j) Reserved for Future Use.
- (k) A limit of \$25,000 is provided for loss of business income or extra expense caused by direct physical loss or damage to dependent property.
- (l) Coverage was added for security guard charges in the event of a failure of the insured's alarm system; coverage is limited to \$1,000 per occurrence.
- (m) Up to \$2,500 is available for replacing or rekeying locks after the loss or theft of the insured's keys.
- (n) Employee tools are insured for \$25,000.
- (o) Spoilage coverage is provided with a \$25,000 limit.
- (p) Money and securities coverage is added for \$25,000.
- (q) There is \$25,000 coverage for losses due to employee dishonesty.
- (r) There is \$10,000 coverage for losses due to forgery, alteration or acceptance of counterfeit money.
- (s) Coverage is provided for systems breakdown.
- (t) There is \$100,000 of coverage for Business Income - Newly Acquired Locations.
- (u) There is \$5,000 coverage for claims expense.

2) Premium Determination. Select the appropriate factor from the State Rates.

b. Retail Jeweler - Gold Liability Extension Endorsement BP-F-167.

(1) Description of Coverage.

- (a) This endorsement provides a \$5,000 limit for medical payments coverage.
- (b) Ear piercing liability coverage is included.
- (c) Gemstone Treatment Liability Coverage is provided with a limit of \$100,000 per occurrence and \$200,000 aggregate.

(2) Premium Determination. Select the appropriate factor from the State Rates.

SERFF Tracking Number: FEMC-125726729 State: Arkansas  
First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$25  
Company Tracking Number: BP-2008-3 (R/R)  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners  
Liability  
Product Name: Div 9 Businessowners  
Project Name/Number: ISO Rewrite/BP-2008-3 (r/r)

## Supporting Document Schedules

**Satisfied -Name:** cover letter **Review Status:** Accepted for Informational Purposes 07/09/2008

**Comments:**

**Attachment:**

Rates and Rules Cover Letter.pdf

**Satisfied -Name:** supporting doc **Review Status:** Accepted for Informational Purposes 07/09/2008

**Comments:**

**Attachments:**

BOP Memo.pdf

AL AZ AR CO CT DE GA ID IL IA KY ME MD MI MS MT NE NV NH NJ NC OK PA RI SC SD TN UT VA WV WI - Rules.pdf

2007 NAIC P C Trans Rate-Rule filing Sch PC-RRFS-1 (3-1-07).pdf

AR Form RF-1 Rev. 4-96 Rate Filing Abstract.pdf

NAIC P & C Transmittal Document PC TD-1 pages 1&2.pdf

July 9, 2008

Arkansas Department of Insurance

**FEDERATED MUTUAL INSURANCE COMPANY NAIC # 007-13935**  
**FEDERATED SERVICE INSURANCE COMPANY NAIC # 007-28304**

- **COMMERCIAL LINES MANUAL**
- **DIVISION NINE – BUSINESSOWNERS**
  - Commercial Lines Manual – Businessowners Policy Subdivision Pages: BP-4, BP-9, BP-18, BP-19, BP-21, BP-22, BP-23, BP-25, BP-31, BP-32, BP-38, BP-39, BP-44, BP-45, BP-46, BP-50, BP-51, BP-56 and BP-57 (09-08)
  - State Rate Pages: BP-SR-4, BP-SR-5, BP-SR-7 thru BP-SR-10 (09-08)

**Filing #BP-2008-3 (R/R)**

**We submit for your approval the above-mentioned filing. Please see the attached Explanatory Memorandum for further details.**

**The corresponding Endorsements for these Rules are contained in the Endorsements filing of the same date as this filing.**

**We will implement these changes under the Prior approval provision for all policies written or after September 1, 2008 or within 90 days of your approval.**

Thank you,

*Sue Moldenhauer*

**Property & Casualty Product Specialist  
Federated Mutual Insurance Company  
Federated Service Insurance Company**

**FEDERATED INSURANCE COMPANIES  
BUSINESS OWNERS POLICY COVERAGES (BOP)**

Explanatory Memorandum—Arkansas

Proposed Changes

In this filing, we are proposing changes to our Coverage Levels for some built in coverages.

Impact of Coverage Changes

Due to changing some coverages or coverage limits, the coverage level factors are changing. However, this is not a rate change because the only changes in the coverage level factors are a result of the actual coverage changes.

## **Explanatory Memorandum Rules**

Countrywide – All States except CA, FL, IN, KS, LA, MA, MN, MO, NM, NY, ND, OH, OR, TX, WA & WY

### **Section I. General Rules, Rule 11. B. Mandatory Forms and Coverages**

o The rule was revised to remove the War Liability Exclusion, BP-F-229 endorsement

### **Section I. General Rules, Rule 16. Additional Rules**

Editorial change to delete reference to code.

**This filing introduces the new rules:**

### **Section I. General Rules, Rule 19 Optional Liability Coverages and Endorsements**

A rule was added for the Executive Personal Liability Coverage and Electronic Data Liability – Limited Coverage

### **Section II. Artisan Contractors Program Rule 2 Coverage Enhancement Endorsements**

The rules for the coverages and limits for the Artisan Contractors endorsements were updated with the changes to those included in the form filing.

### **Section II. Artisan Contractors Program Rule 3 Coverages and Endorsements**

The rule was revised to change the form name

### **Section III – Retail/Wholesale Program Rule 2 Coverage Enhancement Endorsements**

The rules for the coverages and limits for the Retail/Wholesale Program endorsements were updated with the changes to those included in the form filing.

### **Section IV. Auto Service Center Program Rule 2 Coverage Enhancement Endorsements**

The rules for the coverages and limits for the Auto Service Center endorsements were updated with the changes to those included in the form filing.

### **Section V. Convenience Store Program Rule 2 Coverage Enhancement Endorsements**

The rules for the coverages and limits for the Convenience Store Program endorsements were updated with the changes to those included in the form filing.

### **Section VI. Funeral Services Program Rule 2 Coverage Enhancement Endorsements**

The rules for the coverages and limits for the Funeral Services Program endorsements were updated with the changes to those included in the form filing.

### **Section VII Retail Jewelers Program Rule 2 Coverage Enhancement Endorsements**

The rules for the coverages and limits for the Retail Jeweler Program endorsements were updated with the changes to those included in the form filing.

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)**

|           |   |                   |
|-----------|---|-------------------|
| <b>1.</b> | <b>This filing transmittal is part of Company Tracking #</b>  | BP-2008-3 (r/r)   |
| <b>2.</b> | <b>This filing corresponds to form filing number</b><br>(Company tracking number of form filing, if applicable) | BP-2008-3 (forms) |

Rate Increase                     
  Rate Decrease                     
  Rate Neutral (0%)

|           |  |  |
|-----------|--|--|
| <b>3.</b> | <b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b> |  |
|-----------|--|--|

|            |   |  |  |  |  |  |  |
|------------|---|--|--|--|--|--|--|
| <b>4a.</b> | <b>Rate Change by Company (As Proposed)</b> |  |  |  |  |  |  |
|------------|---|--|--|--|--|--|--|

| Company Name               | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
|----------------------------|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
| Federated Mutual Ins. Co.  | NA   | 0.0%                  | 0                                       | 285  | 0                                | 0.0%                              | 0.0%                              |
| Federated Service Ins. Co. | NA   | 0.0%                  | 0                                       | 0  | 0                                | 0.0%                              | 0.0%                              |

|            |  |  |  |  |  |  |  |
|------------|--|--|--|--|--|--|--|
| <b>4b.</b> | <b>Rate Change by Company (As Accepted) For State Use Only</b> |  |  |  |  |  |  |
|------------|--|--|--|--|--|--|--|

| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
|--------------|--|-----------------------|---|--|----------------------------------|------------------|------------------|
|              |  |                       |   |  |                                  |                  |                  |
|              |  |                       |   |  |                                  |                  |                  |

**5. Overall Rate Information (Complete for Multiple Company Filings only)**

|            |  | COMPANY USE | STATE USE |
|------------|--|-------------|-----------|
| <b>5a.</b> | <b>Overall percentage rate indication (when applicable)</b>            | NA          |           |
| <b>5b.</b> | <b>Overall percentage rate impact for this filing</b>                  | 0.0%        |           |
| <b>5c.</b> | <b>Effect of Rate Filing – Written premium change for this program</b> | 0           |           |
| <b>5d.</b> | <b>Effect of Rate Filing – Number of policyholders affected</b>        | 285         |           |

|           |   |          |
|-----------|---|----------|
| <b>6.</b> | <b>Overall percentage of last rate revision</b>                                       | -0.7%    |
| <b>7.</b> | <b>Effective Date of last rate revision</b>   | 4/1/2008 |
| <b>8.</b> | <b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b> |          |

| 9. | Rule # or Page # Submitted for Review                     | Replacement or Withdrawn?   | Previous state filing number, if required by state |
|----|---|---|--|
| 01 | BP-SR-4,5,7-10  | <input type="checkbox"/> New<br><input checked="" type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |
| 02 | BP-4,9,18,19,21,22,23,25,31,32,38,39,44,45,46,50,51,56,57 | <input type="checkbox"/> New<br><input checked="" type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |
| 03 |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn            |  |

**ARKANSAS INSURANCE DEPARTMENT  
RATE FILING ABSTRACT**

Form RF-1  
Rev. 4/96

Insurer Name: Federated Insurance Companies  
 NAIC Number: Mutual: 007-13935, Service: 007-28304  
 Name of Advisory Organization Whose Filing You Are Referencing \_\_\_\_\_  
 Co. Affiliation to Advisory Organization: Member      Subscriber      Service Purchaser  
 Reference Filing #: \_\_\_\_\_ Proposed Effective Date: 9/1/2008

Contact Person: Sue Moldenhauer  
 Signature: *Sue Moldenhauer*  
 Telephone No: 507-455-7876

| (1)<br>LINE OF INSURANCE<br>By Coverage | (2)<br>Indicated<br>% Rate<br>Level Change | (3)<br>Requested<br>% Rate<br>Level Change | FOR LOSS COSTS ONLY           |  |  |   |   |
|---|--|--|-------------------------------|--|--|---|---|
|   |  |  | (4)<br>Expected<br>Loss Ratio | (5)<br>Loss Cost<br>Modification<br>Factor | (6)<br>Selected<br>Loss Cost<br>Multiplier | (7)<br>Expense<br>Constant<br>(If Applicable) | (8)<br>Co. Current<br>Loss Cost<br>Multiplier |
| Businessowners                          | N/A  | 0.0%                                       | NA                            | N/A  | N/A  | N/A   | N/A   |
| <b>TOTAL OVERALL EFFECT</b>             | N/A  | 0.0%                                       | N/A                           | N/A  | N/A  | N/A   | N/A   |

NA Apply Lost Cost Factors to Future Filings? (Y or N)  
 10% Estimate Maximum Rate Increase for any Arkansas Insured (%)  
 0% Estimate Maximum Rate Decrease for any Arkansas Insured (%)

5 Year History

| Year | Policy Count | Rate Change History<br>%      Eff. Date | AR Earned<br>Premium (000) | Incurred<br>Losses (000) | Arkansas<br>Loss Ratio | Countrywide<br>Loss Ratio | A. Total Production Expense               | 19.00% |
|------|--------------|---|----------------------------|--------------------------|------------------------|---------------------------|---|--------|
| 2003 | 224          | 8.9%      4/1<br>5.3%      11/1         | 821,196                    | 59,767                   | 7.3%                   | 56.3%                     | B. General Expense                        | 12.10% |
| 2004 | 225          | -      -                                | 947,333                    | 391,653                  | 41.3%                  | 49.9%                     | C. Taxes, License & Fees                  | 3.60%  |
| 2005 | 268          | 5.1%      11/05                         | 1,063,657                  | 503,554                  | 47.3%                  | 51.7%                     | D. Underwriting Profit &<br>Contingencies | 3.69%  |
| 2006 | 267          | -5.1%      12/1/2006                    | 1,094,078                  | 1,104,474                | 101.0%                 | 69.0%                     | E. Other (explain)                        | 0.0%   |
| 2007 |              |   | 1,216,959                  | 490,755                  | 40.3%                  | 65.4%                     | F. TOTAL                                  | 38.39% |

## Property & Casualty Transmittal Document

|   |   |
|---|---|
| <b>1. Reserved for Insurance Dept. Use Only</b> | <b>2. Insurance Department Use only</b><br>a. Date the filing is received:<br>b. Analyst:<br>c. Disposition:<br>d. Date of disposition of the filing:<br>e. Effective date of filing:<br>f. State Filing #:<br>g. SERFF Filing #: |
|---|---|

|                                     |                     |               |               |
|-------------------------------------|---------------------|---------------|---------------|
| <b>3. Group Name</b>                | <b>Group NAIC #</b> |               |               |
|                                     |                     |               |               |
| <b>4. Company Name(s)</b>           | <b>Domicile</b>     | <b>NAIC #</b> | <b>FEIN #</b> |
| FEDERATED SERVICE INSURANCE COMPANY | MN                  | 13935         | 007-28304     |
| FEDERATED MUTUAL INSURANCE COMPANY  | MN                  | 28304         | 007-13935     |
|                                     |                     |               |               |
|                                     |                     |               |               |
|                                     |                     |               |               |

|                                   |                 |
|-----------------------------------|-----------------|
| <b>5. Company Tracking Number</b> | BP-2008-3 (r/r) |
|-----------------------------------|-----------------|

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

| 6. | Name and address   | Title  | Telephone #s           | FAX #            | e-mail   |
|----|--|--|------------------------|------------------|--|
|    | Sue Moldenhauer<br>121 E Park Square<br>Owatonna, MN 55060 | Property &<br>Casualty<br>Products<br>Specialist | 507-444-7035           | 507-444-<br>6691 | <a href="mailto:skmoldenhauer@fedins.com">skmoldenhauer@fedins.com</a> |
|    |  |  |                        |                  |  |
| 7. | Signature of authorized filer                              |  | <i>Sue Moldenhauer</i> |                  |  |
| 8. | Please print name of authorized filer                      |  | Sue Moldenhauer        |                  |  |

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

|   |  |
|---|--|
| <b>9. Type of Insurance (TOI)</b>   | Division Nine  |
| <b>10. Sub-Type of Insurance (Sub-TOI)</b>  | Businessowners   |
| <b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b> | NA   |
| <b>12. Company Program Title (Marketing title)</b>  | NA   |
| <b>13. Filing Type</b>  | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules<br><input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms<br><input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |
| <b>14. Effective Date(s) Requested</b>  | New: 09-01-2008                      Renewal: 09-01-2008   |
| <b>15. Reference Filing?</b>  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |
| <b>16. Reference Organization (if applicable)</b>   | NA   |
| <b>17. Reference Organization # &amp; Title</b>   | NA   |
| <b>18. Company's Date of Filing</b>   | 07-09-08   |
| <b>19. Status of filing in domicile</b>   | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved  |

## Property & Casualty Transmittal Document—

|            |  |                        |
|------------|--|------------------------|
| <b>20.</b> | <b>This filing transmittal is part of Company Tracking #</b> | <b>BP-2008-3 (r/r)</b> |
|------------|--|------------------------|

|            |   |
|------------|---|
| <b>21.</b> | <b>Filing Description</b> [This area should be similar to the body of a cover letter and is free-form text] |
|------------|---|

We are filing lots of revised rates and rules.

|  |
|--|
| <b>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

**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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