

SERFF Tracking Number: STLR-125716714 State: Arkansas
First Filing Company: Manufacturers Alliance Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: 08-0630-AR124
TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
Product Name: 08-0630-AR124
Project Name/Number: 2008 CF Multistate Forms/08-0630-AR124

Filing at a Glance

Companies: Manufacturers Alliance Insurance Company, Pennsylvania Manufacturers' Association Insurance Company, Pennsylvania Manufacturers Indemnity Company

Product Name: 08-0630-AR124 SERFF Tr Num: STLR-125716714 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines) Co Tr Num: 08-0630-AR124 State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins
Author: Sharon Ellison Disposition Date: 07/03/2008
Date Submitted: 07/01/2008 Disposition Status: Approved
Effective Date Requested (New): 11/01/2008 Effective Date (New): 11/01/2008
Effective Date Requested (Renewal): 11/01/2008 Effective Date (Renewal): 11/01/2008

State Filing Description:

General Information

Project Name: 2008 CF Multistate Forms Status of Filing in Domicile: Authorized
Project Number: 08-0630-AR124 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 07/03/2008 Deemer Date:
State Status Changed: 07/02/2008
Corresponding Filing Tracking Number:
Filing Description:
Along with the implementation of ISO's commercial property multistate (reference numbers CF-2007-OFR07, CF-2007-RRU07 and CF-2007-RLC07). We have adopted forms, loss costs and rules. (Insurance Services Office, Inc. - LI-CF-2008-060)

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Our revised company exception pages are filed as a Drawer filing under company filing number #08-0677-AR124, CF-CW-E-1 through CF-CW-E-3 (Edition 05.08) and CF-CW-EB-1 through CF-CW-EB-6 (Edition 05.08).

In addition, we are filing 2 new forms, 2 revised forms, withdrawing 4 forms and submitting 26 informational forms. Our total number of forms we are submitting for your review is 78 forms.

Please see attached filing memorandum for details. We intend to be bound by the governing procedures of your state and we will await your written response.

This filing is applicable to all policies effective on or after November 1, 2008.

Company and Contact

Filing Contact Information

Sharon Ellison, Sr. Regulatory Analyst Sharon_Ellison@pmagroup.com
 380 Sentry Parkway (610) 397-5356 [Phone]
 Blue Bell, PA 19422-0754 (610) 397-5100[FAX]

Filing Company Information

Manufacturers Alliance Insurance Company	CoCode: 36897	State of Domicile: Pennsylvania
380 Sentry Parkway	Group Code: 767	Company Type:
P. O. Box 3031		
Blue Bell, PA 19422-0754	Group Name:	State ID Number:
(610) 397-5462 ext. [Phone]	FEIN Number: 23-2086596	

Pennsylvania Manufacturers' Association	CoCode: 12262	State of Domicile: Pennsylvania
Insurance Company		
380 Sentry Parkway	Group Code: 767	Company Type:
P. O. Box 3031		
Blue Bell, PA 19422-0754	Group Name:	State ID Number:
(610) 397-5462 ext. [Phone]	FEIN Number: 23-1642962	

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Pennsylvania Manufacturers Indemnity
Company
380 Sentry Parkway
P. O. Box 3031
Blue Bell, PA 19422-0754
(610) 397-5462 ext. [Phone]

CoCode: 41424
Group Code: 767
Group Name:
FEIN Number: 23-2217934

State of Domicile: Pennsylvania
Company Type:
State ID Number:

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Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: Forms Filing \$50.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Manufacturers Alliance Insurance Company	\$50.00	07/01/2008	21192793
Pennsylvania Manufacturers' Association Insurance Company	\$0.00	07/01/2008	
Pennsylvania Manufacturers Indemnity Company	\$0.00	07/01/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	07/03/2008	07/03/2008

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Disposition

Disposition Date: 07/03/2008
Effective Date (New): 11/01/2008
Effective Date (Renewal): 11/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Property Filing Memorandum	Approved	Yes
Supporting Document	Equipment Breakdown Memo	Approved	Yes
Supporting Document	Informational Forms	Approved	Yes
Form	Equipment Breakdown Coverage	Approved	Yes
Form	Equipment Breakdown Coverage Schedule	Approved	Yes
Form	Building and Personal Property Coverage Form	Approved	Yes
Form	Equipment Breakdown Endorsement Schedule	Approved	Yes
Form	Causes of Loss - Special Form	Approved	Yes
Form	Civil Authority - Amendment	Approved	Yes
Form	Core Property Enhancements	Approved	Yes
Form	Utility Services - Direct Damage and Time Element	Approved	Yes
Form	Accessioning Cost for Library Books and Periodicals	Approved	Yes
Form	Accounts Receivable	Approved	Yes
Form	Back-Up of Sewers, Drains or Sumps	Approved	Yes
Form	Builders' Risk and Installation Floater	Approved	Yes
Form	Contract Penalty Clause	Approved	Yes
Form	Depositors Forgery	Approved	Yes
Form	Electronic Data - Amendment	Approved	Yes
Form	Incompatibility of Data and Media	Approved	Yes
Form	Laboratory Animals	Approved	Yes
Form	Limited Worldwide Property Coverage	Approved	Yes
Form	Lost Key Coverage	Approved	Yes
Form	Newly Acquired or Constructed Property - Amendment	Approved	Yes
Form	Personal Effects and Property of Others - Amendment	Approved	Yes

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Form	Property Off-Premises - Amendment	Approved	Yes
Form	Resident's Money and Security	Approved	Yes
Form	Sales Representative Samples	Approved	Yes
Form	Trade Show Exhibition	Approved	Yes
Form	Transit	Approved	Yes
Form	Unscheduled Fine Arts	Approved	Yes
Form	Miscellaneous Tools	Approved	Yes
Form	Guest Accomodation Expense Coverage	Approved	Yes
Form	Food Contamination Coverage	Approved	Yes
Form	Crime Coverage Enhancements	Approved	Yes
Form	Communicable Disease Expense	Approved	Yes
Form	Valuable Papers and Records - Amendment	Approved	Yes
Form	Graphic Arts Materials and Supplies	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Equipment Breakdown Coverage	PCP 10 12	05 08	Endorsement/Amendment/Conditions	New	0.00	PCP 10 12 EB Coverage.pdf
Approved	Equipment Breakdown Coverage Schedule	PCP 10 14	05 08	Declaration	New	0.00	PCP 10 14 EB Schedule.pdf
Approved	Building and Personal Property Coverage Form	PCP 00 40	06 05	Endorsement/Amendment/Conditions	Withdrawn	Replaced Form #:0.00 Previous Filing #: AR-PC-05-013768	PCP 00 40 Building and Personal Property Withdrawn.pdf
Approved	Equipment Breakdown Endorsement Schedule	PCP 10 02	06 05	Declaration	Withdrawn	Replaced Form #:0.00 Previous Filing #: AR-PC-05-013768	PCP 10 02 EB Schedule Withdrawn.pdf
Approved	Causes of Loss - Special Form	PCP 40 01	02 07	Endorsement/Amendment/Conditions	Withdrawn	Replaced Form #:0.00 Previous Filing #: AR-PC-07-023863	PCP 40 01 Causes of loss Withdrawn.pdf
Approved	Civil Authority - Amendment	PCP 40 14	06 05	Endorsement/Amendment/Conditions	Withdrawn	Replaced Form #:0.00 Previous Filing #: AR-PC-05-013768	PCP 40 14 Civil Authority Withdrawn.pdf
Approved	Core Property Enhancements	PCP 40 04	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 04 05 06 Previous Filing #:	PCP 40 04 Core Property.pdf

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				ons	AR-PC-06-020156	
Approved	Utility Services - Direct Damage and Time Element	PCP 40 48	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 48 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 48 Utility Services.pdf
Approved	Accessioning Cost for Library Books and Periodicals	PCP 40 06	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 06 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 06 Accessioning Cost for Library Books and Periodicals.pdf
Approved	Accounts Receivable	PCP 40 08	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 08 01 07 Previous Filing #: AR-PC-07-023863	PCP 40 08 Accounts Receivable.pdf
Approved	Back-Up of Sewers, Drains or Sumps	PCP 40 10	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 10 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 10 Back-up of Sewers, Drains or Sumps.pdf
Approved	Builders' Risk and Installation Floater	PCP 40 12	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 12 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 12 Builders' Risk and Installation Floater.pdf
Approved	Contract Penalty Clause	PCP 40 16	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 16 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 16 Contract Penalty Clause.pdf
Approved	Depositors Forgery	PCP 40 18	05 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 PCP 40 18 06 05 Previous Filing #:	PCP 40 18 Depositors Forgery.pdf

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Approval	Description	PCP	Year	Endorsement/Condition	Replacement Form #	Previous Filing #	File Name
Approved	Electronic Data - Amendment	PCP 40 20	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 20 06 05	AR-PC-05-013768	PCP 40 20 Electronic Data.pdf
Approved	Incompatibility of Data and Media	PCP 40 24	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 24 06 05	AR-PC-05-013768	PCP 40 24 Incompatibility of Data and Media.pdf
Approved	Laboratory Animals	PCP 40 26	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 26 06 05	AR-PC-05-013768	PCP 40 26 Laboratory Animals.pdf
Approved	Limited Worldwide Property Coverage	PCP 40 28	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 28 06 05	AR-PC-05-013768	PCP 40 28 Limited Worldwide Property Coverage.pdf
Approved	Lost Key Coverage	PCP 40 30	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 30 06 05	AR-PC-05-013768	PCP 40 30 Lost Key Coverage.pdf
Approved	Newly Acquired or Constructed Property - Amendment	PCP 40 32	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 32 10 06	AR-PC-05-013768	PCP 40 32 Newly Acquired or Constructed Property.pdf
Approved	Personal Effects and Property of Others - Amendment	PCP 40 34	05 08	Endorsement/Condition	Replaced Form #:0.00 PCP 40 34 06 05	AR-PC-05-013768	PCP 40 34 Personal Effects and Property of Others - Amendment.pdf

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Approval	Description	PCP	Year	Endorsement	Replacement	Filing #	File Name
Approved	Property Off-Premises - Amendment	PCP 40 36	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 36 06 05 Previous Filing #: AR-PC-05-013768	Others.pdf PCP 40 36 Property Off-Premises - Amendment. pdf
Approved	Resident's Money and Security	PCP 40 38	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 38 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 38 Resident's Money and Security.pdf
Approved	Sales Representative Samples	PCP 40 40	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 40 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 40 Sales Representative Samples.pdf
Approved	Trade Show Exhibition	PCP 40 42	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 42 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 42 Trade Show Exhibition.pdf
Approved	Transit	PCP 40 44	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 44 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 44 Transit.pdf
Approved	Unscheduled Fine Arts	PCP 40 46	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 46 06 05 Previous Filing #: AR-PC-05-013768	PCP 40 46 Unscheduled Fine Arts.pdf
Approved	Miscellaneous Tools	PCP 40 50	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00 PCP 40 50 05 06 Previous Filing #: AR-PC-06-020156	PCP 40 50 Miscellaneous Tools.pdf
Approved	Guest	PCP 40 52	05 08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #:0.00	PCP 40 52

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	Accommodation Expense Coverage	52		nt/Amendment/Conditions	PCP 40 52 05 06	Replaced Form #:0.00 Previous Filing #: AR-PC-06-020156	Guest Accommodation Expense Coverage.pdf
Approved	Food Contamination Coverage	54	05 08	Endorsement/Amendment/Conditions	PCP 40 54 05 06	Replaced Form #:0.00 Previous Filing #: AR-PC-06-020156	PCP 40 54 Food Contamination Coverage.pdf
Approved	Crime Coverage Enhancements	56	05 08	Endorsement/Amendment/Conditions	PCP 40 56 10 06	Replaced Form #:0.00 Previous Filing #: AR-PC-07-023863	PCP 40 56 Crime Coverage Enhancements.pdf
Approved	Communicable Disease Expense	58	05 08	Endorsement/Amendment/Conditions	PCP 40 58 05 06	Replaced Form #:0.00 Previous Filing #: AR-PC-06-020156	PCP 40 58 Communicable Disease Expense.pdf
Approved	Valuable Papers and Records - Amendment	62	05 08	Endorsement/Amendment/Conditions	PCP 40 62 10 06	Replaced Form #:0.00 Previous Filing #: AR-PC-07-023863	PCP 40 62 Valuable Papers and Records - Amendment.pdf
Approved	Graphic Arts Materials and Supplies	64	05 08	Endorsement/Amendment/Conditions	PCP 40 64 11 06	Replaced Form #:0.00 Previous Filing #: AR-PC-07-023863	PCP 40 64 Graphic Arts Materials and Supplies.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form or Special Form.

Additional Coverage-- Equipment Breakdown

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

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

also apply to the direct physical loss or damage that is the direct result of an "accident." The Equipment Breakdown Additional Coverage does not increase the Limits of Insurance.

a. Expediting Expenses

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

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

The most we will pay under this coverage is \$250,000 unless a different amount is otherwise shown in an Equipment Breakdown Schedule.

b. Hazardous Substances

We will pay for the additional cost to repair or replace your Covered Property that has been damaged as a direct result of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such Covered Property. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless a different amount is otherwise shown in an Equipment Breakdown Schedule.

c. Data Restoration

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

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless a different amount is otherwise shown in an Equipment Breakdown Schedule.

d. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to apply to the coverage provided by this endorsement.

The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless a different amount is otherwise shown in an Equipment Breakdown Schedule.

3. EXCLUSIONS

All exclusions in the Causes of Loss - Basic Form, Causes of Loss - Broad Form or Causes of Loss – Special Form, whichever is attached to the policy apply, except as modified below and to the extent that coverage is specifically provided by this Equipment Breakdown Additional Coverage.

a. The exclusions are modified as follows:

(1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion **B.2.**: Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an "accident" results, we will pay for the resulting loss, damage or expense.

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

However, if electrical "covered equipment" requires drying out because

of water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property.

(3) If the Causes of Loss – Special Form applies, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

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

b. We will not pay for loss, damage or expense caused by or resulting from:

(1) any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense;

(2) any of the following tests:

a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment;

(3) change in temperature or humidity, whether or not resulting from an "accident"; or

(4) contamination by a refrigerant resulting from an "accident."

c. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up,

removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins.

- d. We will not pay under this endorsement for any loss or damage to animals.

4. DEFINITIONS

The following are added to **G. DEFINITIONS**:

- a. "Boilers and vessels," when it appears in an Equipment Breakdown Schedule means:

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

- b. "Covered equipment" unless otherwise defined in an Equipment Breakdown Schedule, means Covered Property:

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

None of the following is "covered equipment":

- (a) structure, foundation, cabinet, compartment or air supported structure or building;
- (b) insulating or refractory material;
- (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "vehicle" or any equipment mounted on a "vehicle";

- (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

- (g) dragline, excavation or construction equipment; or

- (h) equipment manufactured by you for sale.

- c. "Data" means information or instructions stored in digital code capable of being processed by machinery.

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

- e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

- f. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

- g. "Production machinery," when it appears in an Equipment Breakdown Schedule means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

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

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

- B.** The Building and Personal Property Coverage Form is modified as follows.

The definitions stated above also apply to section **B.** of this endorsement.

1. DEDUCTIBLE

The deductible shown in the Declarations applies unless a separate Equipment Breakdown deductible is shown in an Equipment Breakdown Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** is deleted and replaced with the following:

a. Deductibles for Each Coverage – Direct Coverages, Indirect Coverages,

(1) Unless the Equipment Breakdown Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident.”

(2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Equipment Breakdown Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.

(3) If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident,” only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

(1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Equipment Breakdown Schedule.

(2) Unless more specifically indicated in the Equipment Breakdown Schedule:

(a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and

(b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Equipment Breakdown Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

(2) Time Deductible

If a time deductible is shown in the Equipment Breakdown Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the “accident.” If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

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

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no

“accident” occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the “accident” or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration.

The number indicated in the Equipment Breakdown Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form and the Common Policy Conditions.

a. Suspension

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

- (1)** your last known address; or
- (2)** the address where the “covered equipment” is located.

Once suspended in this way, your insurance can only be reinstated by us by an endorsement that applies to that “covered equipment.” If we suspend

your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a pro-rata premium refund.

b. Jurisdictional Inspections

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

c. Environmental, Safety and Efficiency Improvements

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

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

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

COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Equipment Breakdown Coverages are subject to the Limits of Insurance shown in the Declarations of your policy, except as specifically shown below.

These coverages, limits, deductibles and other conditions apply to all of the locations covered by your policy.

Coverages	Limits

Equipment Breakdown Limit	\$
Business Income	\$
Extra Expense	\$
Expediting Expenses	\$
Hazardous Substances	\$
Data Restoration	\$

Deductibles	

Combined, All Coverages	\$
Direct Coverages	\$
Indirect Coverages	\$
	or
	or
	hrs
	times ADV

Other Conditions

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (including Equipment Breakdown)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. **Definitions**.

A. Coverage

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

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property

located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under Additional Coverages – Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or

floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph n., does not apply to your "stock" of prepackaged software.

- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.
- q. The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops;

- (2) Fences, radio or television antennas (including satellite dishes) and their leadin wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), 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.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$ 10,000
Debris Removal Expense Payable	\$ 10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example #2

Limit of Insurance	\$	90,000
Amount of Deductible	\$	500
Amount of Loss	\$	80,000
Amount of Loss Payable	\$	79,500
		(\$80,000 - \$500)
Debris Removal Expense	\$	30,000
Debris Removal Expense Payable		
Basic Amount	\$	10,500
Additional Amount	\$	10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and

- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results 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 on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

(3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.

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

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data.

- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage—Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Electronic Data includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- 5. Coverage Extensions**
- Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.
- If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- a. Newly Acquired Or Constructed Property**
 - (1) Buildings**
If this policy covers Building, you may extend that insurance to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.
 - (2) Your Business Personal Property**
 - (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-Owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

C. Limits Of Insurance

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

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

1. All Coverages Except Additional Coverage Equipment Breakdown

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible:	\$	250
Limit of Insurance – Bldg. 1:	\$	60,000
Limit of Insurance – Bldg. 2:	\$	80,000
Loss to Bldg. 1:	\$	60,100
Loss to Bldg. 2:	\$	90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$	60,100
-	250
<hr/>	
\$	59,850

Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850

Example No. 2:

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$	70,000
(exceeds Limit of Insurance plus Deductible)		
Loss to Bldg. 2:	\$	90,000
(exceeds Limit of Insurance plus Deductible)		
Loss Payable – Bldg. 1:	\$	60,000
(Limit of Insurance)		
Loss Payable – Bldg. 2:	\$	80,000
(Limit of Insurance)		
Total amount of loss payable:	\$	140,000

2. Additional Coverage Equipment Breakdown Deductible

The deductible in the Declarations applies to the Additional Coverage Equipment Breakdown, unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

a. Deductibles for Each Coverage

- (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- (2) Unless more specifically indicated in the Schedule:
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and

- (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

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

(2) Time Deductible

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

(3) Multiple of Average Daily Value (ADV)

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

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration.

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

(4) Percentage of Loss Deductibles

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

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction.

The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations or in a Schedule for the Additional Coverage Equipment Breakdown, the following condition applies.

- a. 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 Declarations is greater than the Limit of Insurance for the property.

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

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

Example No. 1 (Underinsurance):

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 100,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 200,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When:	The value of property is:	
	Bldg. at Location No. 1	\$ 75,000
	Bldg. at Location No. 2	\$ 100,000
	Personal Property at Location No. 2	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is	90%
	The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$ 180,000
	The Deductible is	\$ 1,000
	The amount of loss is:	
	Bldg. at Location No. 2	\$ 30,000
	Personal Property at Location No. 2.	<u>\$ 20,000</u>
		\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- (3) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. Suspension

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

- (a) your last known address; or
- (b) the address where the "covered equipment" is located.

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

4. Jurisdictional Inspections

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

5. Environmental, Safety And Efficiency Improvements

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

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

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is \$ 100,000
The annual percentage increase is 8%
The number of days since the beginning of the policy year (or last policy change) is 146
The amount of increase is $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations. Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

(3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and

(4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s)

will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

4. "Accident" is defined in the Causes of Loss Form that is part of this Coverage Part.

5. "One accident" is defined in the Causes of Loss Form that is part of this Coverage Part.

6. "Covered equipment" is defined in the Causes of Loss Form that is part of this Coverage Part.

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN ENDORSEMENT SCHEDULE

Equipment Breakdown is subject to the Limits of Insurance shown in the Commercial Property Coverage Part Declarations except as specifically shown below.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages		Limits		

Expediting Expense	\$			
Hazardous Substances	\$			
Spoilage	\$			
Service Interruption	\$			
Data Restoration	\$			
Deductibles				

Combined, All Coverages	\$			
Direct Coverages	\$			
Indirect Coverages	\$			
	or		hrs	
	or		times ADV	
Spoilage	\$			
	or	% of	\$	minimum
		loss		
Other Conditions				

CAUSES OF LOSS - SPECIAL FORM (including Equipment Breakdown)

Words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;

- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b. (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means 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.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a. (1)** applies to these coverages.

This exclusion does not apply to the extent that coverage is provided for Service Interruption in the Additional Coverage Equipment Breakdown.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (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.

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

As respects the Additional Coverage Equipment Breakdown, if electrical "covered equipment" requires drying out because of Water as described in **B.1.g (1)** through **g. (3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- 1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
- 2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

d. (1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d. (1)** through **(7)** results in a "specified cause of loss", building glass breakage or an "accident", we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "accident".

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, 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.

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- n. Any of the following tests:
 - A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
- o. As respects the Additional Coverage Equipment Breakdown, for any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving data or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense. Under the Additional Coverage Equipment Breakdown, electronic data has

the meaning described under Property Not Covered, Electronic Data in the Building and Personal Property Coverage Form.

- p. As respects Service Interruption coverage provided in the Additional Coverage Equipment Breakdown, an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in F. 1. c.); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown.

- (2) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

- (4) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons;

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the

Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these; or

- (c) an agreement between you and your customer or supplier.

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown or the Contract Penalty Clause Endorsement.

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.

- (2) We will not pay for any loss caused by:

(a) Your canceling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph B.1.a., Ordinance Or Law;

(b) Paragraph B.1.c., Governmental Action;

(c) Paragraph B.1.d., Nuclear Hazard;

(d) Paragraph B.1.e., Utility Services; and

(e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an 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.

This limitation does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

This limitation does not apply to the extent that coverage is provided in the Additional Coverage Equipment Breakdown.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income coverage or Extra Expense coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. 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:

- a. Animals, and then only if they are killed or their destruction is made necessary.
- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or
- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.** does not apply to Business Income coverage or to Extra Expense coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. Additional Coverage – Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.5.** below.

1. With respect to buildings:

- a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:

- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;

- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **2.a.** through **2.e.**, we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in **1.a.** through **1.d.** do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in **2.a.**, **2.d.** and **2.e.**

- 3. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;if the collapse is caused by a cause of loss listed in **2.b.** through **2.f.**, we will pay for loss or damage to that property only if:
 - a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
 - b. The property is Covered Property under this Coverage Form.
- 4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - a. The collapse was caused by a Cause of Loss listed in **2.a.** through **2.f.** above;
 - b. The personal property which collapses is inside a building; and

- c. The property which collapses is not of a kind listed in **3.** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **4.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- 5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

- 1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **G.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.

6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.

a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by

"fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage – Equipment Breakdown

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

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in an Equipment Breakdown Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay up to \$250,000, unless otherwise shown in an Equipment Breakdown Schedule, the reasonable extra cost to:

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

b. Hazardous Substances

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

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

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

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in an Equipment Breakdown Schedule.

c. Spoilage

(1) We will pay:

- (a) for physical damage to "perishable goods" due to spoilage;

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

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

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

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

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in an Equipment Breakdown Schedule.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost data. Under this Additional Coverage Equipment Breakdown, electronic data has the meaning described under Property Not Covered, Electronic Data in the Building and Personal Property Coverage Form.

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in an Equipment Breakdown Schedule.

e. Service Interruption

- (1)** Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2)** Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident."
- (3)** The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

f. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by the Equipment Breakdown coverage.

The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule.

g. Business Income and Extra Expense From Dependent Properties

Any insurance provided under this coverage part for Business Income or Extra Expense from Dependent Properties is extended to the coverage provided by the Equipment Breakdown coverage.

The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is \$100,000.

h. Contract Penalties

Any insurance provided under this coverage part for Contract Penalties is extended to the coverage provided by the Equipment Breakdown coverage.

The most we will pay under this coverage, is \$100,000.

- 3.** The most we will pay for loss, damage or expense under this Additional Coverage Equipment Breakdown arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under the Additional Coverage Equipment Breakdown does not provide an additional amount of insurance.

G. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a.** You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b.** Loss or damage must be caused by or result from one of the following causes of loss:
 - (1)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **G.3.** does not increase the Limit of Insurance.

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means 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:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into manmade underground cavities.

- b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

3. "Boilers and vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this coverage part, but may appear in a Schedule.

4. "Covered equipment" means

- a. unless otherwise specified in a Schedule, Covered Property:
 - (1) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- b. None of the following is "covered equipment":
 - (1) structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) insulating or refractory material;
 - (3) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

- (5) "vehicle" or any equipment mounted on a "vehicle";
 - (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (7) dragline, excavation or construction equipment; or
 - (8) equipment manufactured by you for sale.
5. "Media" means material on which data is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
6. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

7. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this coverage part, but may appear in a Schedule.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CIVIL AUTHORITY - AMENDMENT

This endorsement modifies coverage provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

If you have purchased **BUSINESS INCOME COVERAGE**, Section **A. Coverage, 5. Additional Coverages, a. Civil Authority**, paragraph **(1)** is amended to the number of consecutive weeks shown in the COVERAGE SCHEDULE.

WITHDRAWN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CORE PROPERTY ENHANCEMENTS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following changes apply to Section **A. Coverage**:

1. Paragraph **1.a.(2)** is deleted in its entirety and replaced with the following:
 - (2) Fixtures, including outdoor fixtures, but not limited to:
 - (a) paved surfaces;
 - (b) Outside lighting fixtures.
2. Paragraph **1.a.(3)** is deleted in its entirety and replaced with the following:
 - (3) Permanently installed:
 - (a) Machinery;
 - (b) Equipment;
 - (c) Foundations; and
 - (d) Building Glass
3. Paragraph **1.a.(4)** is deleted in its entirety and replaced with the following:
 - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(e) Alarm, communication and monitoring systems; and

(f) Lawn maintenance and snow removal;

4. The first paragraph of **1.b. Your Business Personal Property** deletes 100 feet and replaces it with 1,000 feet.
5. Paragraphs **f., g. and m. of 2. Property Not Covered** are deleted in their entirety.

The following changes apply to Section **A.4. Additional**

Coverages:

6. Paragraph **(2)** of **b. Preservation of Property** deletes 30 days and replaces it with 75 days.
7. The first paragraph of **c. Fire Department Service Charge** deletes \$1,000 and replaces it with \$15,000.
8. The last paragraph of **d. Pollutant Clean Up And Removal** deletes \$10,000 and replaces it with \$25,000.
9. The following paragraphs are added to Section **A.4. Additional Coverages:**

Proof of Loss Preparation Coverage

We will pay up to \$5,000 to cover the cost of conducting an inventory appraisal, adjustment and preparation of loss information in connection with any loss covered under this policy. We will not pay for the services of a public adjuster.

Emergency Evacuation Expense

Emergency means imminent danger arising from an external event or condition on your premises which could cause loss of life or harm to your customers.

Emergency evacuation does not include:

- (1) A strike, bomb threat or false fire alarm unless the evacuation is ordered by civil authority;
- (2) A planned evacuation drill.

Only the following Exclusions apply to this Additional Coverage:

- (1) Governmental Action;
- (2) Nuclear Hazard;
- (3) War and Military Action.

The most we will pay under this Additional Coverage is \$100,000.

10. The following replaces the first two paragraphs of Section **A.5. Coverage Extensions**:

Except as otherwise provided, the following Extensions apply if a Coinsurance percentage of 80% or more is shown in the Property Declarations to property located in or on the building described in the Declarations, in the open, or in a vehicle within 1,000 feet of the described premises:

11. Section **A.5. Coverage Extensions**, paragraph **e. Outdoor Property** is deleted and replaced by the following:

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs, and plants (other than "stock" of trees, shrubs, or plants), including debris removal expense, caused by or resulting from any covered causes of loss.

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$500 for any one tree, shrub or plant.

The COINSURANCE Additional Condition does not apply to Outdoor Property.

A deductible applies as shown in the Declarations.

12. The following paragraphs are added to Section **A.5. Coverage Extensions**:

Arson Reward

We will reimburse you for an arson reward that you give to someone who discloses information that leads to the conviction of a person or persons for arson at the described premises in the Declarations that resulted in our paying a loss in excess of \$50,000 under this policy.

The most we will pay under this Coverage Extension is \$10,000.

Burglary Damage To Building

We will pay for damage caused directly by burglary, theft or attempted burglary or theft to:

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

Change in Temperature-Humidity

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to "stock" at the premises described in the policy Declarations caused by or resulting from:

- (1) mechanical or electrical breakdown of heating, cooling or humidity control equipment which is owned or used by you; or
- (2) a power failure beyond your control which causes a change in temperature or humidity.

We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition.

We will also not pay for any loss or damage that results from the intentional decision or inability of a utility company or other source of power to provide sufficient power due to governmental order, the lack of fuel, or insufficiently installed generating capacity to meet demand.

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

Money and Securities

We will cover loss or damage to money and securities, meaning:

- (1) U.S. and Canadian currency, coins and bank notes;
- (2) Travelers checks, registered checks and evidence of debt issued in connection with credit or charge cards;
- (3) Negotiable or non-negotiable papers which represent money or other property.

We cover money and securities while at a covered location and while being carried by you to or from a covered location. We will also cover the acceptance by you, in the regular course of business, of counterfeit U.S. and Canadian currency.

The most we will pay in any one occurrence under this Extension is \$10,000.

Recharge of Fire Protection Equipment

We will pay expenses you incur to recharge automatic fire protection equipment. No deductible will apply when such equipment is discharged:

- (1) To fight a fire; or
- (2) As the result of a Covered Cause of Loss.

However, we will not pay for recharging costs if discharge occurred as a result of testing of the extinguisher or system.

The extension is included within the Limit of Insurance applicable to the covered Building or Personal Property shown in the Declarations. This extension does not increase the Limit of Insurance.

13. Paragraph **C. Limits Of Insurance** is deleted and replaced by the following:

C. Limits Of Insurance

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

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$25,000 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean Up and Removal;
3. Increased Cost of Construction; and
4. Electronic Data.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTILITY SERVICES – DIRECT DAMAGE AND TIME ELEMENT

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUILDERS' RISK COVERAGE FORM
- STANDARD PROPERTY POLICY
- BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
- EXTRA EXPENSE COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Utility Services Limit Of Insurance	Enter "X" for each applicable Property				
			Water Supply Property	Communi- cation Supply Property <small>(including overhead transmission lines)</small>	Commu- nication Supply Property <small>(not including overhead transmission lines)</small>	Power Supply Property <small>(including overhead transmission lines)</small>	Power Supply Property <small>(not including overhead transmission lines)</small>
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.							



A. Coverage

1. We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph C. if such property is indicated by an "X" in the Schedule.
2. Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph C. if such property is indicated by an "X" in the Schedule.

B. Exception

1. Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.
2. Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

C. Utility Services

1. **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. **Water mains.**

2. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- a. Communication transmission lines, including optic fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

3. **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

- D. If a Utility Services Limit Of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit of Insurance stated in the Declarations or in the Separation Of Coverage endorsement as applicable to the Covered Property.

If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit of Insurance on the Covered Property as shown in the Declarations or in the Separation Of Coverage endorsement. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

- E. The **Coinsurance** Additional Condition does not apply to this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACCESSIONING COST FOR LIBRARY BOOKS AND PERIODICALS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Accessioning Cost for Library Books and Periodicals

Whether written on an actual cash value or replacement cost basis, the value of books and periodicals in the library includes the book value less trade discounts and depreciation (if applicable), the cost of freight, the cost of labor required to make up purchase orders, index cards, and other expense associated with placing books and periodicals on the shelves.

The most we will pay under this extension is described in the COVERAGE SCHEDULE.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACCOUNTS RECEIVABLE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage, 5. Coverage Extensions:**

Accounts Receivable

(1) We will pay the following that result from Covered Causes of Loss to your records of accounts receivable located at the described premises shown in the Declarations:

- (a)** All amounts customers owe you but you are unable to collect;
- (b)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c)** Collection expenses in excess of your normal collection expenses that are made necessary by loss; and
- (d)** Other reasonable expenses that you incur to re-establish your records of accounts receivable.

(2) If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage that results from a Covered Cause of Loss while they are:

- (a)** In a safe place temporarily away from your premises; or
- (b)** Being taken to or returned from that place.

The most we will pay for Accounts Receivable coverage in either **(1)** or **(2)** above is shown in the COVERAGE SCHEDULE.

(3) Accounts Receivable coverage does apply to records of accounts receivable away from the described premises shown in the Declarations.

The most we will pay for Accounts Receivable coverage for records of accounts receivable located away from the described premises is shown in the COVERAGE SCHEDULE.

(4) Additional Exclusions

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

- (a)** Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.
- (b)** Bookkeeping, accounting or billing errors or omissions.

The COINSURANCE Additional Condition does not apply to Accounts Receivable coverage.

The deductible for Accounts Receivable coverage applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BACK-UP OF SEWERS, DRAINS OR SUMPS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Back-Up of Sewers, Drains or Sumps

We will pay for loss or damage to Covered Property at described premises caused by or resulting from water that backs up or overflows from a sewer, drain or sump. The opening for the sewer, drain or sump must be within the insured's described building.

Exclusion **B.1.g.(3)** of the Causes of Loss - Special Form, if applicable, does not apply to this Extension.

The most we will pay under this extension is described in the COVERAGE SCHEDULE.

The COINSURANCE Additional Condition does not apply to Back-up of Sewers, Drains or Sumps.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDERS' RISK AND INSTALLATION FLOATER

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Builders' Risk and Installation Floater

You may extend the insurance that applies to Your Business Personal Property to apply to materials, equipment, machinery and fixtures that are owned by you, or for which you are legally liable, that are to be installed by you or at your direction while the property is:

- (1)** at any one construction premises;
- (2)** in transit; or,
- (3)** at a temporary storage location.

You may also extend the insurance provided under this Extension to include the building under construction, scaffolding, construction forms and temporary structures, but only while at a specific job or project site.

However, we will not cover:

- (1)** property stored at a permanent warehouse or storage yard that you own, unless the property is a specific job or project site covered by this Extension;
- (2)** plans, blueprints, design or specifications; or,
- (3)** trees, grass, sod, shrubbery or plants.

The most we will pay for loss or damage under this extension is described in the **COVERAGE SCHEDULE**.

The **COINSURANCE** Additional Condition does not apply to this Builders' Risk and Installation Floater Extension.

The deductible applies as shown in the **Declarations**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACT PENALTY CLAUSE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Contract Penalty Clause Coverage

We will pay the contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property.

The most we will pay under this extension for penalties for all contracts is described in the COVERAGE SCHEDULE.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEPOSITORS FORGERY

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Depositors Forgery

We will cover financial loss which you incur when a written promise or order to pay money is forged or altered. Written promises mean checks, drafts, promissory notes and bills of exchange.

We will pay for this loss whether the promise or order is:

- (1)** made by or drawn by you;
- (2)** drawn upon you; or

- (3)** made or drawn by an agent of yours.

We will also pay for loss sustained by any bank in which you have a checking or savings account and which is included in your proof of loss. We will pay each bank as its respective interest appears.

The most we will pay in any one occurrence under this extension is described in the **COVERAGE SCHEDULE**. All loss caused by one or more persons, and involving a single act or series of acts, is considered one occurrence.

The **COINSURANCE** Additional Condition does not apply to Depositors Forgery.

The deductible applies as shown in the **Declarations**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC DATA - AMENDMENT

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Section **A. Coverage, 4. Additional Coverages, f. Electronic Data**, paragraph **(4)** is deleted and replaced with the following:

The most we will pay under this Additional Coverage – Electronic Data is the limit shown in the COVERAGE SCHEDULE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCOMPATIBILITY OF DATA AND MEDIA

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
4. Additional Coverages:

Incompatibility of Data and Media

If you have a loss to computers or data and media that is covered property caused by or resulting from a covered cause of loss, we will pay for the cost of:

1. modifying your computers;
2. replacing your data including program reinstatement; or

3. replacing your media;

in order to achieve compatibility with replacement equipment or data and media that is not compatible with previous equipment or data and media.

The most we will pay under this Additional Coverage is described in the **COVERAGE SCHEDULE**.

The deductible applies as shown in the **Declarations**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LABORATORY ANIMALS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Laboratory "Animals"

You may extend the insurance provided by this Extension to apply to laboratory "animals" used for experimental study in a science, testing and analysis, or for observation in a field of academic study. Laboratory "animals" are covered under this extension only if they are owned by you, or if you are legally responsible for them in the event of their death or destruction.

This extension of coverage covers laboratory "animals" against death or destruction, or death or destruction made necessary, as a result of the following causes of loss:

- (1)** Fire and lightning;
- (2)** Windstorm and hail;
- (3)** Explosion;

- (4)** Riot and civil authority;
- (5)** Vehicle collision;
- (6)** Resulting fire or explosion; and
- (7)** Earth movement and flooding, but only if applicable.

The most we will pay for loss or damage in any one occurrence under this Extension is described in the COVERAGE SCHEDULE, subject to a sublimit of \$500 for any one "animal."

"Animals" includes animals, birds and fish, and vermin but not moths or insects. This does not include the cost of animal disposal.

The COINSURANCE Additional Condition does not apply to Laboratory "Animals."

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED WORLDWIDE PROPERTY COVERAGE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Limited Worldwide Property Coverage

You may extend the insurance that applies to Your Business Personal Property to apply to any owned property outside the stated coverage territory for a period of not more than 30 consecutive days.

The most we will pay for any one occurrence under this extension is described in the COVERAGE SCHEDULE.

The COINSURANCE Additional Condition does not apply to Limited Worldwide Property Coverage.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOST KEY COVERAGE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Lost Key Coverage

We will reimburse you for the following costs as the result of the unexplained loss or theft of keys that are in your care, custody or control:

- a.** The actual cost of the lost key(s);
- b.** Adjustment of locks to accept new keys; and

- c.** The cost of new locks, including the cost of their installation.

A copy of the applicable police report must be provided as proof of loss.

The most we will pay under this extension is described in the **COVERAGE SCHEDULE**.

The deductible applies as shown in the **Declarations**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY - AMENDMENT

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Section **A. Coverage, 5. Coverage Extensions, a. Newly Acquired or Constructed Property** is amended to the following:

Last paragraph of **(1) Buildings** is amended to the following:

The most we will pay for loss or damage under this Extension is \$1,000,000 in any one occurrence or the limit indicated on the COVERAGE SCHEDULE, whichever is greater.

Last paragraph of **(2) Your Business Personal Property**, paragraph **(a)** is amended to the following:

The most we will pay for loss or damage under this Extension is \$500,000 in any one occurrence or the limit indicated on the COVERAGE SCHEDULE, whichever is greater.

The number of days in paragraph **(3) Period of Coverage**, paragraph **(b)** is amended to 180.

This endorsement does not apply to Business Income and/or Extra Expense even if coverage is provided elsewhere in the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL EFFECTS AND PROPERTY OF OTHERS - AMENDMENT

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Section A. Coverage, 5. Coverage Extensions, paragraph b. Personal Effects and Property of Others is deleted and replaced by the following:

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees.
- (2) Personal Property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is described in the COVERAGE SCHEDULE, subject to a sublimit of \$2,500 for any one person's loss in any one occurrence. Our payment for loss or damage to personal property of others will only be to the extent of the owner's financial interest of the property.

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage.

We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

The COINSURANCE Additional Condition does not apply to Personal Effects and Property of Others.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY OFF-PREMISES - AMENDMENT

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Section A. Coverage, 5. Coverage Extensions,
d. Property Off-Premises, paragraph (3) is
amended to the limit shown in the COVERAGE
SCHEDULE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENT'S MONEY AND SECURITIES

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Resident's Money and Securities

You may extend the insurance provided by this extension to loss of money and securities belonging to your residents, but in your care, custody or control. This extension applies only while the money or securities are inside a building as a described premise, and only if loss or damage is caused by:

1. A covered cause of loss; or
2. The wrongful or unlawful taking of the money or securities.

"Money" means currency, coins, bank notes, bullion, travelers checks, registered checks and money orders. "Securities" means negotiable and non-negotiable instruments or contracts which represent money or other property, and includes tokens, tickets, revenue and other stamps, and credit card receipts. "Securities" does not include any property included in the definition of "money."

The most we will pay for loss or money or securities in any one occurrence under this Extension is shown in the COVERAGE SCHEDULE. However, we will not pay more than the "Per Person" limit shown for any one resident. In the event of loss under this extension, the value of your residents' money and securities will be calculated as the lesser of the following:

1. The cost to replace the money or securities at the time of loss; or
2. The actual cash value of the money or securities at the time of loss.

However, at your option, the cost of replacing securities may be calculated using the market value of the securities at the time the claim is settled.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SALES REPRESENTATIVE SAMPLES

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Sales Representative Samples

You may extend the insurance that applies to
Your Business Personal Property to apply to:

- (1)** Samples of your "stock" in trade (including containers); and
- (2)** Similar property of others;

but only while such property is in the custody of
your sales representative, or agents, or yourself
while acting as a sales representative, or while
in transit between your premises and your sales
representatives.

The most we will pay for this type of property is
described in the COVERAGE SCHEDULE.

The COINSURANCE Additional Condition does
not apply to Sales Representative Samples.

The deductible applies as shown in the
Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE SHOW EXHIBITION

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Trade Show Exhibition Coverage

You may extend the insurance that applies to Your Business Personal Property to apply to property located at a trade show away from a premises described in the Declarations. We will cover such property if the loss or damage is a result of a Covered Cause of Loss applying to your business personal property as shown in the Declarations. We will also pay for loss of or damage to Covered Property while it is in transit to or from a trade show.

The most we will pay for loss or damage under this extension is described in the COVERAGE SCHEDULE.

If there is other insurance covering the same loss or damage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance.

The COINSURANCE Additional Condition does not apply to this Exhibition coverage.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSIT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
4. Additional Coverages:

TRANSIT

1. We will pay for loss or damage to your business personal property that is covered property while your business personal property is in transit within the coverage territory applicable to this Coverage Part. The loss or damage must be caused by or result from the following:
 - a. a covered cause of loss other than loss or damage caused by or resulting from mechanical breakdown;
 - b. collision, derailment or overturn of transporting conveyance;
 - c. flood, earth movement, volcanic eruption, explosion or effusion;
 - d. voluntary parting with your property entrusted to a common carrier; or
 - e. any fraudulent, dishonest or criminal act done by a common carrier to whom the property is entrusted, unless instigated by you or your officers, partners or employees.
2. Property in transit includes property:
 - a. while in the custody of:
 - (1) any railroad (including while on ferries or in cars or transfers or lighters);
 - (2) public truckmen, private truckmen or land transportation companies;
 - (3) you or anyone else while in or on vehicles you own, lease or hire including while being loaded or unloaded at a location you do not own, occupy or rent;
 - (4) any air transportation company;
 - (5) any water transportation company while on inland waters of the continental United States, the Great Lakes or the St. Lawrence Seaway;
3. This Additional Coverage does not apply to the following:
 - a. the following property:
 - (1) portable computers including peripheral devices and software used with portable computers; or
 - (2) other portable office equipment.
in the care, custody or control of your officers, partners or employees (including your sales staff) unless such property is normally located at a premises you own, occupy or rent and is temporarily in transit between that premises and another premises you own, occupy or rent or another premises for repair or service or safe keeping or storage;
 - b. valuable papers and records; your records of accounts receivable, or money and securities;

- c. shipments by mail;
 - d. property covered under import or export Ocean Cargo policies;
 - e. intercoastal water shipments via the Panama Canal; or
 - f. coastwise water shipments to Alaska.
4. This Additional Coverage does not apply to property covered under the following Additional Coverages (if a part of this Coverage Part):

b. PRESERVATION OF PROPERTY;

or that would be covered except for the application of a deductible or exhaustion of a Limit of Insurance.

The most we will pay under this Additional Coverage is described in the COVERAGE SCHEDULE.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNSCHEDULED FINE ARTS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Unscheduled Fine Arts

The insurance that applies to **Your Business Personal Property** is extended to apply to objects of art, art glass windows, antique or period furniture, and other items that have artistic merit, antique value or historical worth owned by you or in your care, custody or control. We will not cover such property if held for sale, nor for loss or damage caused by repair, restoration or retouching.

If loss or damage occurs, we will pay the appraised value. If you do not have an appraisal, we will pay your cost at the time of purchase.

The most we will pay under this extension is described in the COVERAGE SCHEDULE.

The COINSURANCE Additional Condition does not apply to Unscheduled Fine Arts.

The deductible applies as shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISCELLANEOUS TOOLS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
5. Coverage Extensions:

Miscellaneous Tools

We will pay for loss to your small tools and small tools owned by your employees that results from a direct physical loss caused by a covered cause of loss.

The most we will pay for loss to your small tools is \$1,000 for any one item and no more than \$10,000 in any one occurrence. The most we will pay for loss to your employees' small tools is \$1,000 for any one employee and no more than \$10,000 in any one occurrence. We pay only that part of the loss over the deductible amount of \$500 in any one occurrence.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GUEST ACCOMMODATION EXPENSE COVERAGE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage, 5. Coverage Extensions:**

Guest Accommodation Expense Coverage

1. We will pay the actual expense you incur to reimburse guests for whom prearranged accommodations at a covered location cannot be honored because of direct physical loss or damage to Covered Property at the covered location described in the Declarations caused by or resulting from a Covered Cause of Loss.

We will reimburse you only for:

- a. Reasonable expenses incurred by a guest to secure other comparable hotel accommodations;
 - b. Reasonable extra expenses incurred by a guest to travel back and forth from the covered location to the replacement hotel; and
 - c. Amounts prepaid by a guest for activities away from the described hotel which are lost because other comparable hotel accommodations are unavailable.
2. We will reimburse you for the expenses listed above incurred by any guest between the date the guest's prearranged hotel accommodations are scheduled to begin at a covered location or are interrupted, whichever is later, and the earliest of the following dates:
- a. The date the guest's prearranged hotel accommodations at a covered location are scheduled to end; or
 - b. The date the damaged property at a covered location is repaired with reasonable speed and similar quality.

3. After a Covered Cause of Loss has occurred at a covered location, you must resume all or part of your hotel operations and resume honoring prearranged accommodations at the covered location as soon as possible. If you fail to do so, the amount we pay under this coverage extension will be reduced by the amount that could have been saved.

Guest Accommodation Expense Coverage covered under this Extension is not Extra Expense.

For each guest and each occurrence, we will not pay more than the Limit of Insurance shown in the COVERAGE SCHEDULE for Guest Accommodation Expense Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOOD CONTAMINATION COVERAGE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage**,
4. Additional Coverages:

Food Contamination

1. If as a result of "Food Contamination", a Board of Health orders a covered location to be closed for any period of time; or
2. Either you or any government body makes an announcement warning the public of a health hazard because of either there has been a discovery of or a suspicion that contaminated food has been served to your patrons at the covered location described in the Declarations:
3. We will pay for:
 - a. The actual cost you incur to clean your equipment in accordance with applicable Board of Health requirements;
 - b. The actual cost you incur to replace food declared contaminated by a Board of Health;
 - c. The actual cost you incur for necessary medical tests and vaccines for employees infected as a result of "food contamination".
4. If the Declarations show you have Business Income Coverage under Form CP 00 30, we will pay for:
 - a. The actual loss of business income at the covered location(s) described in the Declarations;
 - b. Paid leave for all of your employees until the site has been cleared by the Board of Health for reopening and
 - c. Extra advertising cost to restore your reputation.
5. Our limit of liability for this coverage is the Limit of Insurance shown in the COVERAGE SCHEDULE.
6. The deductible applies as shown in the Declarations.
7. The following definition is added to the DEFINITIONS section of the applicable Coverage Form.

"Food contamination" means an incidence of food poisoning to one or more of your guests, patrons or invitees as a result of:

 - a. Contaminated food you purchased; or
 - b. Food which you have improperly stored, handled or prepared.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME COVERAGE ENHANCEMENTS

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Coverage is broadened by adding Crime coverages to the Building and Personal Property Coverage Form and the Building and Personal Property Coverage Form (including Equipment Breakdown). The Commercial Property Coverage Part and all the provisions of the Property policy apply, including policy deductibles, unless otherwise specified in this endorsement.

The limit of insurance applies on a per occurrence basis per the COVERAGE SCHEDULE and applies separately to each of the crime coverages afforded under this endorsement.

Words and phrases that appear in quotation marks in this endorsement have special meaning. Refer to Section **C. Definitions** of this endorsement.

The following is added to Section **A. Coverage, 5. Coverage Extensions**:

A. Insuring Agreements

Coverage is provided under the Building and Personal Property Coverage Form and the Building and Personal Property Coverage Form (including Equipment Breakdown) for the following Insuring Agreements for which a Limit of Insurance is shown in the COVERAGE SCHEDULE and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition **B.1.b.** or **B.1.c.**, which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition **B.1.a.**:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you;
or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph **2.a.**, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

This coverage replaces the Depositors Forgery coverage endorsement.

3. Inside The Premises – Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

- b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.
- c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

This coverage replaces Money and Securities in the Core Property Enhancement endorsement.

4. Outside The Premises – Theft Of Money And Securities

We will pay for loss resulting directly from "theft" disappearance or destruction of "money" and "securities" outside the "premises" and in the care and custody of a "messenger" or an armored motor vehicle company.

B. Conditions

The following Conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable To All Insuring Agreements

a. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

b. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

- (3) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

c. Loss Sustained During Prior Insurance Not Issued By Us Or Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
 - (a) This insurance became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".
- (2) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
- (3) The insurance provided under this Condition is subject to the following:
 - (a) If loss covered under this Condition is also partially covered under Condition **B.1.b.**, the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition **B.1.b.**
 - (b) For loss covered under this Condition that is not subject to Paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i) This insurance as of its effective date; or
 - (ii) The prior cancelled insurance had it remained in effect.

C. DEFINITIONS

The following definitions are added to the **DEFINITIONS** section of the applicable Coverage Form.

- 1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- 2. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance

3. "Employee":

a. "Employee" means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Who you compensate directly by salary, wages or commissions; and
- (c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or
- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a.(2);

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
- (b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

(5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";

(7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or

(8) Any of your "managers", directors or trustees while:

- (a) Performing acts within the scope of the usual duties of an "employee"; or
- (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

b. "Employee" does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 3.a.

4. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

5. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

6. "Funds" means "money" and "securities".

7. "Manager" means a person serving in a directorial capacity for a limited liability company.

8. "Member" means an owner of limited liability company represented by its membership interest, who also may serve as a "manager".

9. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
10. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
11. "Occurrence" means:
- a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **B.1.b.** or **B.1.c.**
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **B.1.b.** or **B.1.c.**
 - c. Under All Other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **B.1.b.** or **B.1.c.**
12. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.
13. "Premises" means the interior of that portion of any building you occupy in conducting your business.
14. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
15. "Theft" means the unlawful taking of property to the deprivation of the Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXPENSE

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to Section **A. Coverage, 4. Additional Coverages:**

Communicable Disease Expense

1. We will pay for the actual expense you incur resulting from a “communicable disease event” that occurs at a covered location described in the Declarations.
2. We will not pay for any expense under this Additional Coverage that is caused by or results from or arises directly or indirectly from any of the following:
 - a. A fine or penalty;
 - b. Any suspension, lapse or cancellation of any license, lease or contract; or,
 - c. The cost of replacing any actual or suspected contaminated property.
3. Such coverage is available under this policy for expenses incurred as a result of a “communicable disease event” is provided only under this Communicable Disease Expense coverage section. We will not pay for any expense, loss or costs arising out of or related to any actual expense you incur due to a “communicable disease event” under any other coverage, form, or endorsement that is a part of this policy, unless that coverage, form or endorsement expressly states that coverage is provided thereby for an actual expense you incur due to a “communicable disease event”.
4. For the purposes of this Additional Coverage, expense is limited to:
 - a. The actual expense you incur to evacuate the covered location as a result of a “communicable disease event”; and
 - b. The actual expense you incur to disinfect the covered location of the “communicable disease”; and
 - c. The actual expense you incur to test the covered location to confirm elimination of the “communicable disease”.
5. This Coverage Extension does not create any Business Income coverage under any coverage form which provides coverage for Business Income.
6. The most we will pay under this Additional Coverage for any one occurrence is the Limit of Insurance shown in the Coverage Schedule that applies to this Endorsement for Communicable Disease Expense.
7. All other provisions of this policy apply to this Additional Coverage.

The following definitions are added to the **DEFINITIONS** section of the applicable Coverage Form.

“Communicable disease” means any disease caused by a biological agent that is directly or indirectly transmitted.

“Communicable disease event” means that an official public health authority has ordered a covered location to be evacuated and disinfected due to the occurrence of a “communicable disease” at a covered location.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VALUABLE PAPERS AND RECORDS - AMENDMENT

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Section **A. Coverage, 5. Coverage Extensions, c. Valuable Papers And Records (Other Than Electronic Data)** Paragraph **(4)** is amended to the following:

Under this Coverage Extension, the most we will pay to replace or restore the lost information is \$50,000 for any one occurrence or the limit shown on the COVERAGE SCHEDULE, whichever is greater. The amount of the cost to replace or restore such lost information is additional insurance.

We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of

blank material and labor are subject to the applicable Limit of Insurance for Your Business Personal Property and therefore the amount of such costs is not additional insurance.

This endorsement does not apply to Business Income and/or Extra Expense even if coverage is provided elsewhere in the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GRAPHIC ARTS MATERIALS AND SUPPLIES

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. Section **A. Coverage, 1. Covered Property**, the following is added to paragraph **b. Your Business Personal Property**: "**Graphic Arts Materials and Supplies**"

supplies" would have been used if they had not been damaged or destroyed, and they can be replaced or reproduced; or
2. Section **A. Coverage, 5. Coverage Extensions**, the following is added to paragraph **c. Valuable Papers And Records (Other Than Electronic Data)**:

Valuable Papers And Records (Other Than Electronic Data) does not include "**Graphic Arts Materials and Supplies**".

(b) Original production cost if your "**graphic arts materials and supplies**" would have been used if they had not been damaged or destroyed, and they cannot be replaced or reproduced; or

(c) Nothing

if your "**graphic arts materials and supplies**" would not have been used and they will not be replaced or reproduced.
3. The following is added to Section **C. Limits of Insurance**:

The applicable Graphic Arts limit of insurance is \$100,000 per occurrence, unless otherwise stated in the COVERAGE SCHEDULE.
4. The following is added to Section **E. Loss Conditions, 4. Loss Payment**:

"Graphic Arts Materials and Supplies"

We will determine the value of "**Graphic Arts Materials and Supplies**" as follows:

(a) Replacement or reproduction cost if your "**graphic arts materials and**
5. The following is added to Section **H. DEFINITIONS**:

"Graphic Arts Materials and Supplies" means negatives, positives, artwork, separations, plates, dies, molds, models, forms, stock, manuscripts including those which exist on electronic or magnetic media, other than prepackaged software programs, and other similar property usual to the graphic arts, printing, or publishing industry, whether owned by you or by others in your care, custody and control.

SERFF Tracking Number: STLR-125716714 State: Arkansas
First Filing Company: Manufacturers Alliance Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: 08-0630-AR124
TOI: 01.0 Property Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
Product Name: 08-0630-AR124
Project Name/Number: 2008 CF Multistate Forms/08-0630-AR124

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty	Review Status: Approved	07/03/2008
Comments:		
Attachment: 1NAIC Transmittal Document.pdf		
Satisfied -Name: Property Filing Memorandum	Review Status: Approved	07/03/2008
Comments:		
Attachment: Fire CTW filing memo.pdf		
Satisfied -Name: Equipment Breakdown Memo	Review Status: Approved	07/03/2008
Comments:		
Attachment: EB CTW form filing memo _05 08_.pdf		
Satisfied -Name: Informational Forms	Review Status: Approved	07/03/2008
Comments: Notices to Policyholders		
Attachments: CP P 010 06 07.pdf PCP 50 40 PHN.pdf		

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Group NAIC #
The PMA Insurance Group	767

4. Company Name(s)	Domicile	NAIC #	FEIN #
Pennsylvania Manufacturers' Association Insurance Company	PA	12262	23-1642962
Pennsylvania Manufacturers Indemnity Company	PA	41424	23-2217934
Manufacturers Alliance Insurance Company	PA	36897	23-2086596

5. Company Tracking Number	08-0630-AR124
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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
Sharon E. Ellison 380 Sentry Parkway P.O. Box 3031 Blue Bell, PA 19422	Sr. Regulatory Analyst	800-222-2749 x 5356	610-397-5100	sharon_ellison@pmagroup.com
7. Signature of authorized filer				
8. Please print name of authorized filer	Sharon E. Ellison			

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

9. Type of Insurance (TOI)	Commercial Property
10. Sub-Type of Insurance (Sub-TOI)	1,2,1,5.1
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
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: 11/01/2008 Renewal: 11/01/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	July 1, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	08-0630-AR124
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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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Along with the implementation of ISO's commercial property multistate (reference numbers CF-2007-OFR07, CF-2007-RRU07 and CF-2007-RLC07). We have adopted forms, loss costs and rules. (Insurance Services Office, Inc.- LI-CF-2008-060)

Our revised company exception pages are filed as a Drawer filing under company filing number #08-0677-AR124, CF-CW-E-1 through CF-CW-E-3 (Edition 05.08) and CF-CW-EB-1 through CF-CW-EB-6 (Edition 05.08)

In addition, we are filing 2 new forms, 2 revised forms, withdrawing 4 forms and submitting 26 informational forms. Our total number of forms we are submitted for your review is 78 forms. Please see attached filing memorandum for details.

We intend to be bound by the governing procedures of your state and we will await your written response.

This filing is applicable to all policies effective on or after **November 1, 2008**.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #: EFT
Amount: \$50.00

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

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

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 #	08-0630-AR124
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	08-0677-AR124

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	Core Property Enhancements	PCP 40 04 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 04 05 06	
02	Utility Services – Direct Damage and Time Element	PCP 40 48 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 48 06 05	
03	Building and Personal Property Coverage Form	PCP 00 40 06 05	[] New [] Replacement [X] Withdrawn		
04	Causes of Loss – Special Form	PCP 40 01 02 07	[] New [] Replacement [X] Withdrawn		
05	Civil Authority - Amendment	PCP 40 14 06 05	[] New [] Replacement [X] Withdrawn		
06	Equipment Breakdown Coverage Schedule	PCP 10 02 06 05	[] New [] Replacement [X] Withdrawn		
07	Equipment Breakdown Coverage	PCP 10 12 05 08	[X] New [] Replacement [] Withdrawn		
08	Equipment Breakdown Coverage Schedule	PCP 10 14 05 08	[X] New [] Replacement [] Withdrawn		
09	Commercial Property Multistate Advisory Notice to Policyholders	CP P 010 06 07	[X] New [] Replacement [] Withdrawn		
10	Accessioning Cost for Library Books and Periodicals	PCP 40 06 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 06 06 05	
11	Accounts Receivable	PCP 40 08 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 08 06 05	
12	Back-Up of Sewers, Drains or Sumps	PCP 40 10 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 10 06 05	
13	Builders' Risk and Installation Floater	PCP 40 12 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 12 06 05	
14	Contract Penalty Clause	PCP 40 16 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 16 06 05	

PC FFS-1

FORM FILING SCHEDULE

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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
15	Depositors Forgery	PCP 40 18 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 18 06 05	
16	Electronic Data- Amendment	PCP 40 20 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 20 06 05	
17	Incompatibility of Data and Media	PCP 40 24 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 24 06 05	
18	Laboratory Animals	PCP 40 26 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 26 06 05	
19	Limited Worldwide Property Coverage	PCP 40 28 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 28 06 05	
20	Lost Key Coverage	PCP 40 30 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 30 06 05	
21	Newly Acquired or Constructed Property - Amendment	PCP 40 32 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 32 06 05	
22	Personal Effects and Property of Others - Amendment	PCP 40 34 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 34 06 05	
23	Property Off-Premises - Amendment	PCP 40 36 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 36 06 05	
24	Resident's Money and Securities	PCP 40 38 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 38 06 05	
25	Sales Representative Samples	PCP 40 40 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 40 06 05	
26	Trade Show Exhibition	PCP 40 42 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 42 06 05	

FORM FILING SCHEDULE

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27	Transit	PCP 40 44 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 44 06 05	
28	Unscheduled Fine Arts	PCP 40 46 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 46 06 05	
29	Miscellaneous Tools	PCP 40 50 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 50 05 06	
30	Guest Accommodation Expense Coverage	PCP 40 52 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 52 05 06	
31	Food Contamination Coverage	PCP 40 54 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 54 05 06	
32	Crime Coverage Enhancements	PCP 40 56 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 56 10 06	
33	Communicable Disease Expense	PCP 40 58 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 58 05 06	
34	Valuable Papers and Records - Amendment	PCP 40 62 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 62 10 06	
35	Graphic Arts Materials and Supplies	PCP 40 64 05 08	[] New [X] Replacement [] Withdrawn	PCP 40 64 11 06	
36	Notice to Policyholders	PCP 50 40 05 08	[X] New [] Replacement [] Withdrawn		
			[] New [] Replacement [] Withdrawn		
			[] New [] Replacement [] Withdrawn		

**The PMA Insurance Group
Commercial Fire & Allied Lines
Filing Memorandum**

We are filing to introduce our independent Equipment Breakdown (Boiler and Machinery) endorsement and its corresponding schedule. These endorsements will be used in conjunction with the ISO Commercial Property forms. In addition, we will be implementing ISO multistate reference filing numbers CF-2007-OFR07, CF-2007-RRU07 and CF-2007-RLC07.

Please refer to the attached explanatory memorandum for specific information regarding Equipment Breakdown coverage which will now be provided in a stand-alone endorsement.

NEW FORMS:

- PCP 10 12 05 08 Equipment Breakdown Coverage
- PCP 10 14 05 08 Equipment Breakdown Coverage Schedule (formerly PCP 10 02)

WITHDRAWN FORMS:

We are withdrawing our forms that include equipment breakdown coverage within the form itself. The forms listed below are withdrawn and will be replaced by ISO forms CP 00 10 and one of the following: CP 10 10, CP 10 20 or CP 10 30. Independent endorsement PCP 40 14 is being withdrawn due to recent coverage changes in the above referenced ISO multistate filing.

- PCP 00 40 06 05 Building and Personal Property Coverage Form (including Equipment Breakdown)
- PCP 40 01 02 07 Causes of Loss – Special Form (including Equipment Breakdown)
- PCP 40 14 06 05 Civil Authority – Amendment

REVISED FORMS:

We are revising two independent forms, PCP 40 04 and PCP 40 48.

The Core Property Enhancement (PCP 40 04) is being revised to reflect the changes in the multistate filing regarding sign coverage.

Since our proprietary utility services endorsement is a combination of both ISO's utility services forms, CP 04 17 and CP 15 45 and ISO has made revisions in the multistate filing, we have revised our combined form Utility Services – Direct Damage and Time Element (PCP 40 48) to reflect the multistate changes.

- PCP 40 04 05 08 Core Property Enhancement
- PCP 40 48 05 08 Utility Services – Direct Damage and Time Element

**The PMA Insurance Group
Commercial Fire & Allied Lines
Filing Memorandum**

ADDITIONAL INFORMATION:

Other forms submitted with this filing were revised only to remove reference to PCP 00 40 and to reflect an updated edition date. They have been submitted as well for your review.

As a result of changing from an embedded form to a stand-alone equipment breakdown form, there is no change in coverage except for the form by which the coverage will be applied. There is no reduction in coverage.

We are also enclosing a notice to policyholders, PCP 50 40.

The content of the following previously approved rule pages remain unchanged; however, the pages are being provided to reflect the form referencing changes.

- CF-CW-E-1 through CF-CW-3 (Ed. 05 08)
- CF-CW-EB-1 through CF-CW-EB-6 (Ed. 05 08) - equipment breakdown rule pages.

This filing is applicable to all policies effective on or after **November 1, 2008**.

FORM EXPLANATORY MEMORANDUM

PMA INSURANCE GROUP

**EQUIPMENT BREAKDOWN COVERAGE
PCP 10 12 05 08**

**EQUIPMENT BREAKDOWN COVERAGE SCHEDULE
PCP 10 14 05 08**

This Company is introducing a new Equipment Breakdown (Boiler and Machinery) endorsement and schedule. This company is a member of ISO, but these forms are being filed independently. Equipment Breakdown Coverage is an endorsement and will be used with the ISO Commercial Property forms.

Coverage

Coverage is provided for "accidents" to "covered equipment". "Accident" is defined in terms of the exclusions and limitations in the property forms in order to eliminate any potential gaps in coverage and to provide as seamless an approach as possible between the Property and the Equipment Breakdown coverages. Those exclusions and limitations, briefly, are:

- mechanical breakdown
- artificially generated electric current
- steam explosion
- other loss or damage to steam equipment and water heating equipment.

Other coverages provided include:

- Expediting Expenses
- Hazardous Substances
- Data Restoration

In addition, any coverage provided under the Commercial Property Coverage Part for Business Income and Extra Expense extends to the Equipment Breakdown endorsement.

The limit for each of the above coverages, is \$250,000 unless otherwise shown in a Schedule, with the exception of Business Income and Extra Expense and Service Interruption. The limits for Business Income and Extra Expense are the limits shown in the Commercial Property Coverage Declarations for those coverages unless a different amount is shown in a Schedule.

Coverage to dry out electrical equipment is provided as an exception to the water exclusion.

Deductible

The endorsement is designed so that either the property deductible or a separate deductible can apply. If a separate deductible applies it is shown in a Schedule and may be combined for all Equipment Breakdown coverage, or separate for Property Damage (Direct Coverage) and Business Income/Extra Expense (Indirect Coverages) respectively.

Exclusions and Conditions

Typical Boiler and Machinery exclusions are included. Since this is an endorsement, the Loss Conditions and Additional Conditions in the Commercial Property Coverage Part will apply. In addition, a condition for Environmental, Safety & Efficiency Improvements is included. It covers the additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced, not to exceed 125% of what the cost would have been to replace with equipment of like kind and quality.

Other Conditions

The Equipment Breakdown Coverage Schedule includes a section labeled "Other Conditions." This section is used to indicate optional information referenced in the Equipment Breakdown Coverage Endorsement. Other brief provisions specific to the individual risk can also be indicated under Other Conditions.

COMMERCIAL PROPERTY COVERAGE PART MULTISTATE REVISION OF FORMS AND ENDORSE- MENTS ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes in your Commercial Property insurance. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

The material in this notice makes reference to form and endorsement numbers; **however, not all forms and endorsements are included in a particular policy.**

PROPERTY DAMAGE AND RELATED COVERAGE FORMS

1. Broadenings In Coverage

- **Outdoor Signs**

In form **CP 00 20**, the Limit of Insurance for signs attached to the building is increased from \$1,000 per sign to \$2,500 per sign in any one occurrence.

In forms **CP 00 10**, **CP 00 17**, **CP 00 18**, and **CP 00 99**, the Limit of Insurance for attached outdoor signs is increased from \$1,000 to \$2,500 per sign in any one occurrence. The Limit of Insurance for detached outdoor signs is increased from \$1,000 per-occurrence (in total) to \$2,500 per sign in any one occurrence. Further, coverage for detached outdoor signs is broadened to include all causes of loss otherwise covered under the applicable Causes of Loss form.

- **Fire Department Service Charge (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 80, CP 00 99)**

The Fire Department Service Charge Additional Coverage is revised to enable purchase of a higher limit of coverage. This is a new coverage option which broadens a policy to which it applies.

- **Party Walls (CP 00 10, CP 00 17, CP 00 20, CP 00 99)**

Potential broadening of coverage: As revised, the above captioned forms identify the exposure (party walls) and convey loss adjusting procedures for it. Under this insurance, loss payment relating to a party wall reflects the insured's partial interest in that wall. However, if the owner of the adjoining building elects not to repair or replace that building (and the building insured under this insurance is being repaired or replaced), this insurance will pay the full value of the party wall subject to all other applicable policy provisions.

2. Other Changes

- **Additional Coverages - Various**

In forms **CP 00 10** and **CP 00 17**, revisions are made to reinforce that the amount of coverage for Electronic Data and Increased Cost of Construction Additional Coverages applies in addition to the Limits of Insurance for any other coverages under these forms.

In forms **CP 00 18** and **CP 00 99**, revisions are made to reinforce that the amount of coverage for Electronic Data applies in addition to the Limits of Insurance for any other coverages under these forms.

Forms **CP 00 40** and **CP 00 70** have been revised to make it more explicit that the amount of coverage under the Supplementary Payments Additional Coverage applies in addition to the Limit of Insurance under these forms.

BUSINESS INTERRUPTION COVERAGE FORMS

1. Broadenings In Coverage

- **Civil Authority Additional Coverage (CP 00 30, CP 00 32, CP 00 50)**

The basic coverage period for the Civil Authority Additional Coverage is increased from three weeks to four weeks.

If endorsement CP 15 32 was and is used to increase the coverage period, there may be no actual change in the coverage period under a particular policy.

2. Reduction Or Potential Reduction Of Coverage

- **Civil Authority Additional Coverage (CP 00 30, CP 00 32, CP 00 50)**

The use of a radius of one mile to circumscribe Civil Authority coverage is, from a technical (though not historical) perspective, a reduction in coverage -- that is, narrowing of the circumstances under which this coverage may apply. Optional endorsement CP 15 32 may be used to modify the radius.

3. Other Changes

- **Interruption In Computer Operations Additional Coverage (CP 00 30, CP 00 32, CP 00 50)**

Revisions are made to reinforce that the amount of coverage for the Interruption In Computer Operations Additional Coverage applies in addition to the Limits of Insurance for any other coverages under these forms.

CAUSES OF LOSS FORMS

1. Broadenings In Coverage

- **Utility Services Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

With respect to time element coverage, there is a broadening of coverage, in that on-premises failure is limited to situations where the failure involves equipment used to supply utility service from an off-premises source.

2. Reduction Or Potential Reduction Of Coverage

- **Utility Services Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

This exclusion newly applies to utility failure that originates at the described premises, when such failure involves equipment used to provide utility service supplied by an off-premises provider. With respect to time element coverage, the aforementioned statement is relevant to the covered building, since the current time element exclusion already includes failure originating on the described premises outside a covered building.

3. Other Changes

- **Product Errors (CP 00 70, CP 10 30)**

Coverage does not apply to loss or damage to any merchandise, goods or other product, caused by error or omission in any stage of the development, production or use of the product. But if the error or omission results in a covered cause of loss, the loss or damage attributable to the covered cause of loss is covered. Coverage intent is reinforced, with an explicit provision, in light of sporadic claims being asserted in contradiction of intent.

NOTE TO INSURER: With respect to individual insurers, impact may vary based on past claims and loss settlement history.

- **Collapse**

In forms CP 00 70 and CP 10 30, the exclusion for collapse and the Additional Coverage - Collapse (which builds back limited coverage) are revised to reinforce that relationship.

In form CP 10 20, the Additional Coverage - Collapse is revised to reinforce the applicability of such coverage with respect to certain perils that are not otherwise covered by the policy.

- **Artificially Generated Electrical Current Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

This exclusion has been revised to explicitly incorporate various terms that reflect current understanding of technology with respect to power sources and associated systems, such as electromagnetic energy (including electromagnetic pulse or waves) and microwaves, and the various risks presented by them.

ENDORSEMENTS

1. Broadenings In Coverage

- **Discretionary Payroll Expense Endorsement CP 15 04**

This endorsement enables covering the payroll expense of particular job classifications or employees regardless of whether such expense is necessary to resume operations. Such coverage may be provided for the entire period of restoration or limited to a specified maximum number of days.

2. Reduction Or Potential Reduction Of Coverage

- **Limitation On Loss Settlement - Blanket Insurance (Margin Clause) Endorsement CP 12 32**

Under this endorsement, loss payment on an individual property under the blanket is limited to its stated value plus a percentage of that value as shown in the Schedule. The margin does not increase the blanket Limit of Insurance. In the event of partial loss, this endorsement may reduce the amount of loss payment in comparison to a blanket policy without a margin clause.

3. Other Changes

- **Business Income - Landlord As Additional Insured (Rental Value)**

Endorsement **CP 15 03**, Business Income - Landlord As Additional Insured (Rental Value) provides coverage for loss of rental income for a landlord (the Additional Insured) under a tenant's policy. The amount of any payment made to the Additional Insured under this endorsement will be deducted from the Named Insured's business income loss.

- **Additional Insured and Loss Payee (Building Owner)**

Endorsement **CP 12 19**, Additional Insured - Building Owner, enables adding the building owner as an additional named insured under a tenant's Building Coverage.

Endorsement **CP 12 18**, Loss Payable Provisions, is revised to add an option, Building Owner Loss Payable, to identify the building owner and recognize that entity as a loss payee.

- **Building Glass Under Tenant's Policy**

Endorsement **CP 14 70**, Building Glass - Tenant's Policy, is introduced to enable coverage of building glass under a tenant's policy that does not otherwise cover the building. Coverage, if any, was previously identified by means of Declarations entry.

- **Windstorm Or Hail Percentage Deductible Endorsement CP 03 21**

The following editorial changes are made: The text of the endorsement no longer includes language pertaining to other causes or events that contribute concurrently or in any sequence to the loss, because the underlying policy addresses that concept. Language is added to make it more explicit that this endorsement does not affect the impact of the policy's Water Exclusion or any other exclusion in the policy, and does not affect the application of a Flood Deductible if the policy (or another policy) provides coverage for Flood.

- **Causes of Loss Exclusion Endorsements (CP 10 54 and CP 10 56)**

Under **CP 10 54**, a statement is added to reinforce the applicability of underlying policy exclusions.

Under **CP 10 56**, exclusionary language concerning seepage or leakage is added to conform to the provision in the underlying policy, with no change in coverage.

- **Dependent Properties - Time Element (CP 15 08, CP 15 09, CP 15 34)**

The revised description of Miscellaneous Locations makes it explicit that highways and other transportation conduits are not considered to be Miscellaneous Locations.

- **Electrical Apparatus And Electronic Commerce Endorsements**

Endorsements **CP 04 10** and **CP 04 30** are revised to reflect the changes to the Artificially Generated Electrical Current exclusion in the Causes of Loss forms.

- **Utility Services Coverage Endorsements (CP 04 17, CP 15 45)**

These endorsements are revised to remove the qualification that the utility service property be located off the described premises (or outside a covered building, in the case of time element). With respect to a policy that was and is endorsed to cover utility services, there is no change in coverage. The revision to the coverage endorsements simply recognizes the revision to the underlying exclusion.

- **Functional Replacement Cost Endorsement CP 04 38**

The section of the endorsement that addresses exclusion of pollution under Ordinance Or Law coverage is revised to include reference to fungus and other contaminants and to follow similar provisions of the Increased Cost of Construction Additional Coverage in the underlying policy.

COMMERCIAL PROPERTY

NOTICE TO POLICYHOLDERS

This Notice has been prepared in conjunction with the implementation of changes to your policy.

The forms below have the potential to broaden coverage in your policy; however, not all forms are included in your particular policy. These forms can be used on a monoline or package basis.

No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your declaration page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Please read your policy, and the endorsements attached to your policy, carefully.

WITHDRAWAL OF FORMS

The forms listed below are withdrawn and being replaced by either CP 00 10 and CP 10 10, CP 10 20 or CP 10 30.

- PCP 00 40 Building and Personal Property Coverage Form (including Equipment Breakdown)
- PCP 40 01 Causes of Loss – Special Form (including Equipment Breakdown)
- PCP 40 14 Civil Authority – Amendment

If you have purchased Equipment Breakdown coverage, the following forms may be a part of your policy:

- PCP 10 12 Equipment Breakdown Coverage
- PCP 10 14 Equipment Breakdown Coverage Schedule (formerly PCP 10 02)

Your equipment breakdown coverage is being provided in a stand-alone endorsement. Please note the following differences between the old form and the new updated form:

- **Spoilage** – Coverage is now provided in endorsement CP 04 40, Spoilage Coverage which will automatically attach to the policy.
- **Service Interruption** – Coverage may be provided in PCP 40 48, Utility Services-Direct Damage and Time Element endorsement.
- **Business Income From Dependent Properties** – If purchased, coverage may be provided in CP 15 08, Business Income from Dependent Properties endorsement.
- **Contract Penalties** – Coverage is now provided in endorsement PCP 40 16, Contract Penalty Clause which will automatically attach to the policy.

REVISION OF FORMS

- PCP 40 04 Core Property Enhancement
- PCP 40 48 Utility Services – Direct Damage and Time Element

REDUCTION OF COVERAGE

There is no reduction of coverage.

CHANGES IN COVERAGE

There is no change in coverage except for the form by which the coverage will be applied.

Other forms were revised to remove reference to PCP 00 40 and to reflect an updated edition date.