

SERFF Tracking Number: FEMC-125780866 State: Arkansas
First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: IM-2008-6
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Commercial Inland Marine
Project Name/Number: Jewelry Program Update/IM-2008-6

Filing at a Glance

Companies: Federated Mutual Insurance Company, Federated Service Insurance Company

Product Name: Commercial Inland Marine SERFF Tr Num: FEMC-125780866 State: Arkansas
TOI: 09.0 Inland Marine SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 09.0000 Inland Marine Sub-TOI Co Tr Num: IM-2008-6 State Status: Fees verified and received
Combinations
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins
Author: Sue Moldenhauer Disposition Date: 08/26/2008
Date Submitted: 08/19/2008 Disposition Status: Approved
Effective Date Requested (New): 10/01/2008 Effective Date (New): 10/01/2008
Effective Date Requested (Renewal): 10/01/2008 Effective Date (Renewal): 10/01/2008

State Filing Description:

General Information

Project Name: Jewelry Program Update
Project Number: IM-2008-6

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

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 08/26/2008

Deemer Date:

State Status Changed: 08/19/2008

Corresponding Filing Tracking Number:

Filing Description:

We wish to implement these changes to all policies with a written date of October 1, 2008 and after.

Company and Contact

Filing Contact Information

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

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

Filing Company Information

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

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

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: 50 per submission
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federated Mutual Insurance Company	\$50.00	08/19/2008	22008766
Federated Service Insurance Company	\$0.00	08/19/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/26/2008	08/26/2008

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Disposition

Disposition Date: 08/26/2008
Effective Date (New): 10/01/2008
Effective Date (Renewal): 10/01/2008
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	cover letter	Approved	Yes
Form	Burglary Exclusion	Approved	Yes
Form	Burglary Protective Safeguards	Approved	Yes
Form	Jewelry Dealer Coverage Form	Approved	Yes
Form	Processing Or Work Upon Property Of Others Coverage	Approved	Yes
Form	Unlocked show Window, Showcase Or Wall Case Theft Limitation	Approved	Yes
Form	Jewelry Dealer Coverage Form Declarations	Approved	Yes
Form	Jewelry Dealers Coverage Form Declarations	Withdrawn	Yes
Form	Designated Zip Code(s) Exclusion Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Burglary Exclusion	IM-F-132	(10-08)	Endorsement/Amendment/Conditions	Replaced Form #:0.00 IM-F-132 (04-04) Previous Filing #:		IM-F-132 (10-08).pdf
Approved	Burglary Protective Safeguards	IM-F-133	(10-08)	Endorsement/Amendment/Conditions	Replaced Form #:0.00 IM-F-133 (04-04) Previous Filing #:		IM-F-133 (10-08).pdf
Approved	Jewelry Dealer Coverage Form	IM-F-134	(10-08)	Endorsement/Amendment/Conditions	Replaced Form #:0.00 IM-F-134 (04-04) Previous Filing #:		IM-F-134 (10-08).pdf
Approved	Processing Or Work Upon Property Of Others Coverage	IM-F-136	(10-08)	Endorsement/Amendment/Conditions	Replaced Form #:0.00 IM-F-136 (04-04) Previous Filing #:		IM-F-136 (10-08).pdf
Approved	Unlocked show Window, Showcase Or Wall Case Theft Limitation	IM-F-137	(10-08)	Endorsement/Amendment/Conditions	Replaced Form #:0.00 IM-F-137 (04-04) Previous Filing #:		IM-F-137 (10-08).pdf
Approved	Jewelry Dealer Coverage Form Declarations	IM-F-138	(10-08)	Policy/Coverage Form	Replaced Form #:0.00 IM-F-138 (04-04) Previous Filing #:		IM-F-138 (10-08).pdf
Withdrawn	Jewelry Dealers Coverage Form Declarations	IM-F-139	(04-04)	Policy/Coverage Form	Replaced Form #:0.00 Previous Filing #:		
Approved	Designated Zip Code(s) Exclusion Endorsement	IM-F-153	(10-08)	Endorsement/Amendment/Conditions		0.00	IM-F-153 (10-08).pdf

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BURGLARY EXCLUSION

This endorsement modifies the insurance provided under the following:

JEWELRY DEALER COVERAGE FORM

SECTION B. EXCLUSIONS

The following exclusion is added to item B.2.:

I. "Burglary"

This exclusion only applies to Covered Property at the following locations:

Loc Bldg Address

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BURGLARY PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

JEWELRY DEALERS COVERAGE FORM

A. CONDITION

As a condition of your insurance, you are required to use and maintain the Burglary Protective Safeguards shown in the Schedule. The safeguards listed are the ones you disclosed to us. The acceptance and pricing of your policy was based on you having and using these safeguards.

B. BURGLARY ALARM GUIDELINES

Your "premises" and/or safe/vault alarm systems must be operational at all times, connected and in the on position when your "premises" are closed and unoccupied.

If your "premises" and/or safe/vault alarm systems are not operational, and you have knowledge they are not operational, you must follow these guidelines until they are operational:

1. Notify your alarm company immediately to arrange for repair or replacement;
2. Notify your local police department immediately, explain your situation and request additional patrols. If your "premises" are in an enclosed mall, contact mall security immediately, explain your situation and request additional patrols;

3. Place as much of your covered property as you can in your safe(s) or vault(s) when your "premises" is closed to business;
4. Leave the lights on when your "premises" is closed to business; and
5. You must make a reasonable attempt to hire a trained security guard to stay in your "premises" when closed to business, unless your lease or civil authority prohibits this.

C. COMPLIANCE STATEMENT

Loss or damage to Covered Property caused by the peril of "burglary" under the Jewelry Dealer Coverage Form will be excluded at the "premises" involved if you fail to:

1. Use and maintain the Burglary Protective Safeguards, shown in the schedule, in complete working order; and
2. Follow the Burglary Alarm Guidelines shown above when your "premises" and/or safe/vault burglary alarm systems are not operational and you have knowledge they are not operational.

(See Schedule)

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FEDERATED INSURANCE COMPANIES

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JEWELRY DEALER COVERAGE FORM

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

Throughout this form, 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.

Others words and phrases that appear in quotation marks have special meanings. Refer to **SECTION H. DEFINITIONS.**

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from any of the Covered Causes of Loss for only those Coverage(s) described the Declarations and for which a Limit of Insurance is shown.

1. Covered Property

Covered Property, as used in this Coverage Form, means:

- a. Your "jewelry stock".
- b. "Jewelry stock" sold but not yet delivered; and
- c. Property similar to your "jewelry stock" belonging to others that is in your care, custody or control, plus the cost of labor, material or services furnished or arranged by you on this property.

2. Property Not Covered

Covered Property, as used in this Coverage Form, does not include:

- a. Property sold under a deferred payment sales agreement once it leaves your custody.
- b. Contraband, or other property in the course of illegal transportation, sale or trade.
- c. Property on business premises that you own, lease or operate which are not shown in the Declarations.
- d. Property checked as baggage.
- e. Property being shipped, unless a Limit Of Insurance is shown for **B.1.** in the Declarations.
- f. Property while in or on a vehicle that is unattended when the cause of loss is "theft", unless a Limit of Insurance is shown for **B.2.** in the Declarations. An unattended vehicle has no person actually in or on the vehicle.

However, if we provide coverage for property being shipped, this clause does not apply while the property being shipped is in the custody of the U.S. Postal Service as Registered Mail or Express Mail, an armored car service, a private parcel delivery service, or a common air, rail, water, or land transportation service or carrier.

3. Covered Causes of Loss

Covered Causes of Loss means risks of direct physical loss or damage to the Covered Property except those causes of loss listed in SECTION B. EXCLUSIONS.

4. Additional Coverage

a. Collapse

(1) We will pay for direct physical loss or damage to Covered Property caused by collapse of a building or any part of a building, if the collapse is caused by one or more of the following:

- (a) The "Specified Causes of Loss";
- (b) Breakage of building glass;
- (c) Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (d) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (e) Weight of people or personal property;
- (f) Weight of rain that collects on a roof;

(g) 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 paragraphs **(a)** through **(f)**, 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.

(2) 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 only if:

(a) The collapse was caused by a cause of loss listed in paragraphs **(1)(a)** through **(1)(g)** of this Additional Coverage; and

(b) The property that collapses is inside a building.

The coverage stated in Paragraph **(2)** does not apply to property if marring and/or scratching is the only damage to that property caused by the collapse.

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

(3) This Additional Coverage will not increase the applicable Limit of Insurance on any Covered Property shown in the Declarations.

b. Preservation of Covered Property

If it is necessary to move Covered Property from your "premises" to preserve it from loss or damage by a Covered Cause of Loss, we will pay up to the On Your "Premises" Coverage Covered Property Limit of Insurance shown in the Declarations 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 Covered Property is first moved.

c. Limited Coverage for "Fungus", Wet or Dry Rot and Bacteria

We will pay for loss or damage by "fungus", wet or dry rot or bacteria as the result of a "Specified Cause of Loss", other than fire or lightning, 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 the occurrence.

As used in this Limited Coverage, the term loss or damage means:

(1) 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;

(2) The cost of testing performed after the 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.

The most we will pay for all loss or damage under this Limited Coverage is \$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) 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 the 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.

The terms of this Limited Coverage do not increase or reduce the Coverage provided under the Additional Coverage - Collapse.

The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property shown in the Declarations.

d. Inventory Expenses

We will pay for reasonable expenses incurred by you for any inventory conducted at our request to assist us in determining the amount of a covered loss.

The most we will pay under this Additional Coverage is \$5,000 per occurrence. No deductible applies.

The coverage provided under this Additional Coverage does not increase the applicable Limit of Insurance on any Covered Property shown in the Declarations.

e. Earth Movement

We will pay for direct physical loss or damage to Covered Property caused by:

- (1) Earthquake, including any earth sinking, rising or shifting related to such event; and
- (2) Volcanic eruption, measuring the eruption, explosion or effusion of a volcano.

All earthquake shocks or volcanic eruptions that occur within any 168-hour period will constitute a single earthquake or volcanic eruption. The expiration of this policy will not reduce the 168-hour period. We will not pay for loss or damage caused by or resulting from any earthquake or volcanic eruption that begins before the inception of this insurance.

To the extent that the Earth Movement Exclusion might conflict with coverage provided under this Additional Coverage, the Earth Movement Exclusion does not apply.

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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.
 - a. Earth Movement, except as provided in the Additional Coverage for Earth Movement. But if earth movement results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - (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 mine 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; or

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

- (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 of or damage to Covered Property.

b. 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 form.

c. 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.

- d. 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.

- e. Water**
- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by rain or not;
 - (2) Mudslide or mudflow; or
 - (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 paragraphs (1) through (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.

We will pay for the loss or damage caused by water, as described in paragraphs (1) through (4) above, if the Covered Property is away from your "premises".

- f. "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 result in a "specified cause of loss", we will pay for the loss or damage caused by the "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage for "Fungus", Wet or Dry Rot and Bacteria with respect to loss or damage by a Covered Cause of Loss other than fire or lightning.

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

a. Collapse
Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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

c. Disappearance
Disappearance, including:

- (1) Property that is missing, but there is no physical evidence to show what happened to the property or how or when the loss occurred; or
- (2) Shortage of property disclosed on taking inventory; or
- (3) Unexplained loss or damage; or
- (4) Any disappearance or loss under unknown, puzzling or baffling circumstances or under circumstances that are difficult to understand or explain; or
- (5) Misplaced or lost property; or
- (6) Shortage of property from a package received or sent in good condition with unbroken seals.

d. Dishonesty
Dishonest, fraudulent or criminal acts by you, anyone else with an interest in the property, businesses or individuals that share or occupy your "premises", any of your or their partners, "members", officers, "managers", employees (including leased employees), directors, trustees, authorized representatives or anyone else 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.

We do cover loss or damage caused by dishonest, fraudulent or criminal acts committed by:

- (1) The U.S. Postal Service;
- (2) An armored car service;
- (3) A private parcel delivery service or a common air, rail, water, or land transportation service or carrier; or

- (4) A person you hire or use as a porter or helper, who is not on your payroll, while you are away from your "premises";

provided an applicable limit of insurance is shown in the Declarations.

e. False Pretense

- (1) Voluntarily parting with any property by you or anyone else to whom you have delivered or entrusted the property if induced to do so by:

(a) Any fraudulent scheme, trick, device or false pretense; or

(b) The acceptance of:

(i) Counterfeit money or fraudulent money orders;

(ii) Checks or promissory notes which are not paid upon presentation; or

(iii) Credit/Debit cards or card numbers that are illegally obtained and/or used.

- (2) Your obtaining Covered Property from a seller who did not have legal ownership;

(3) Conversion of Covered Property.

f. Insufficient or defective packaging

g. Internal Cause

A fault, weakness, hidden or latent defect that is inherent within the property that causes it to break, spoil, become defective or destroy itself.

h. Neglect

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

i. Other Types of Loss

(1) Deterioration, rust, corrosion or decay;

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

(3) Dampness or dryness of atmosphere;

(4) Changes in or extremes of temperature; or

(5) Wear and tear, marring or scratching.

j. Processing Or Work Upon Property

This means loss or damage to property caused by being worked on or as a result of being worked on. This includes repairing, adjusting, constructing, manufacturing, processing, servicing, or testing.

k. Vacancy Or Unoccupancy

Theft or attempted theft from your "premises" if the "premises" where the loss of damage occurs has been vacant or unoccupied for more than 60 consecutive days before the loss or damage occurs.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if an excluded cause of loss, that is listed in 3.a. or 3.b., 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 B.1. above to produce the loss or damage.

b. Faulty, inadequate or defective:

(1) Design, specifications, workmanship, repair, or manufacture; or

(2) Materials used in repair or manufacture.

C. LIMITS OF INSURANCE

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

2. A "burglary" limitation amount applies to property you leave out of your safe(s) and vault(s) when your "premises" is closed to business. This Out of Safe Or Vault "Burglary" Limitation amount is shown in the Declarations. If a limitation amount is not shown in the Declarations, you have no coverage for out of safe or vault "burglary" loss or damage when your "premises" is closed to business.

This "burglary" limitation amount is not in addition to the On Your "Premises" Coverage - Covered Property Limit of Insurance shown in the Declarations.

3. On Your "Premises" Covered Property Limit - Seasonal Increase

a. The Limit of Insurance for A.1.a. Covered Property on your "premises" will automatically increase by 25% to provide for seasonal variations. This increase does not apply to the Out of Safe Or Vault Burglary Limitation.

b. This increase will apply only if the Limit of Insurance shown for Covered Property on your "premises" is at least 100% of your average monthly values, at your cost, during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.
4. The following limitations are applicable to coverage shown on the Jewelry Dealer Coverage Form Declarations for **B. Off Your "Premises" Coverage - 5. Covered Property Otherwise Away From Your "Premises" And Not Included Above:**
- a. If a Limit of Insurance is shown for **B.5.** in the Declarations, this coverage item will not apply if coverage for the loss or damage is available under **B.1. Covered Property Being Shipped, B.2. Covered Property While In Or On A Vehicle That Is Unattended When The Cause Of Loss is "Theft" With Visible Signs of Forcible Entry, or B.3. Covered Property In A Safe Or Vault Of A Bank, Trust Or Safe Deposit Company, whether or not a Limit of Insurance is shown for B.1., B.2. or B.3.** in the Declarations.
 - b. If a Limit of Insurance is shown for **B.5.** in the Declarations and for **B.4. Covered Property Away From Your "Premises" In The Care, Custody Or Control Of The Following Scheduled Individuals** and if coverage for the loss or damage is provided under both **B.4 and B.5.**, the most we will pay for any one loss or damage is the applicable **B.4. limit or the B.5. limit, whichever is greater.**

D. DEDUCTIBLE

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

The Deductible will not apply to loss or damage caused by fire or lightning unless a specific fire or lightning Deductible is shown in the Declarations.

The Deductible shown in the Declarations for **B.1.a. Registered Mail** will not apply if you declare to the U.S. Postal Service the full value of Covered Property being shipped.

The Deductible shown in the Declarations for **B.1.b. Express Mail** will not apply if you declare to the U.S. Postal Service the full value of the Covered Property being shipped and you purchase from the U.S. Postal Service the maximum amount of coverage available.

E. LOSS CONDITIONS

1. The following is added to Loss Condition E. Loss Payment shown in the Commercial Inland Marine Conditions form:

E. Loss Payment

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

- a. Pay the value of lost or damaged property;
- b. Pay the cost of repairing or replacing the lost or damaged property;
- c. Take all or any part of the property at an agreed or appraised value; or
- d. Repair, rebuild or replace the property with other property of like kind and quality.

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.

2. Loss Condition F. Other Insurance shown in the Commercial Inland Marine Conditions form is deleted and replaced by the following:

F. Other Insurance

1. Your Covered Property

You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.

If there is other insurance covering the same loss or damage, other than that described in the paragraph above, we will pay only for the amount of covered loss or damage in excess of that amount due from that other insurance, whether you can collect on it or not.

2. Covered Property Belonging to Others:

If there is other collectible insurance covering the same covered loss or damage, we will pay as follows:

- a. Others not in the jewelry business

We will pay for the covered loss or damage before the other insurance. Our coverage is primary.

b. Others in the jewelry business

We will pay only for the amount of covered loss or damage in excess of the amount due from the other insurance.

Even though you may have other insurance, the Deductible will still apply. But we do not pay more than the applicable Limit of Insurance shown in the Declarations.

F. GENERAL CONDITIONS

General Condition F. Valuation in the Commercial Inland Marine Conditions form is deleted and replaced by the following:

F. Valuation

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

The value of property will be the least of the following amounts:

1. Your original cost of the property covered. If you have valued this property higher or lower on your last physical inventory or as shown in your records, we will use that amount; or
2. The cost of reasonably restoring, repairing or rebuilding the property to its condition immediately before the loss or damage; or
3. The cost of replacing the property with substantially identical property; or
4. The actual cash value of the property; or
5. The amount shown on the memorandum or the amount for which you are legally liable; or
6. The unpaid part of an amount that you have loaned on pledged property. This includes the interest, at legal rate, earned as of the date of the loss; or
7. The applicable Limit of Insurance.

The value of the Covered Property does not include antique, historic or sentimental value.

G. OTHER CONDITIONS

1. Coverage Territory

We cover property wherever located within or between:

- a. The United States of America, including its territories and possessions;
- b. Canada; and
- c. Puerto Rico.

2. Records and Inventory

You will keep complete, accurate and reliable records of your business and retain them for three years after this coverage has expired. We may also examine and audit these records during the policy period and within three years after the coverage has expired.

These records will include:

- a. An itemized inventory of your Covered Property, including the quantity, description and value at your cost. This must be updated by taking a physical inventory at least every 12 months.
- b. Purchase invoices, sales receipts and related documents; and
- c. A detailed listing of property;
 - (1) Belonging to others not in the jewelry business;
 - (2) Belonging to others in the jewelry business; and
 - (3) Away from your "premises" for any reason.

You must keep and produce these records for us in a manner that will allow us to accurately determine and verify the existence of the property covered and the amount of the loss.

H. DEFINITIONS

1. Burglary means the illegal taking or removal of property from inside the "premises" by a person or persons unlawfully entering or leaving the "premises" when your "premises" is closed for business.
2. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungus.
3. "Jewelry Stock" means jewels, jewelry, pearls, watches, precious and semi-precious stones, findings, bullion, gold, silver, platinum and other similar precious metals and alloys, which are worn for personal adornment of an accessory of dress. Jewelry stock does not include numismatics or commemorative items made of precious metals or alloys.
4. "Manager" means a person serving in a directorial capacity for a limited liability company.
5. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
6. "Premises" means within 100 feet of that part of the building(s) you occupy at the location(s) described in the Declarations.

7. "Specified Causes of Loss" means 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; or 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) Covered Property in the open; or
 - (2) The interior of 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 a direct result of the breaking apart or cracking of plumbing, heating, air conditioning or other system or appliance (other than a sump pump system including its related equipment and parts), that is located on your "premises" and contains water or steam
8. "Theft" means the illegal taking or removal of property.

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROCESSING OR WORK UPON PROPERTY OF OTHERS COVERAGE

This endorsement modifies the insurance provided under the following:

JEWELRY DEALER COVERAGE FORM

The Limit of Insurance and the deductible amount are shown in the Declarations.

SECTION B. EXCLUSIONS

Exclusion **B.2.j.** is deleted and replaced with the following:

j. Processing Or Work Upon Property

This means loss or damage to your property caused by being worked on or as a result of being worked on. This includes repairing, adjusting, constructing, manufacturing, processing, servicing, or testing.

This exclusion does not apply to property of others that is in your care, custody or control or that you have entrusted to someone else for repairing, adjusting, constructing, manufacturing, processing, servicing, or testing.

Exclusion **B.3.b.** does not apply to coverage provided under this endorsement..

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FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNLOCKED SHOW WINDOW, SHOWCASE OR WALL CASE THEFT LIMITATION

This endorsement modifies the insurance provided under the following:

JEWELRY DEALER COVERAGE FORM

SECTION A. COVERAGE

The following item is added to part **A.2.**:

- g.** Property displayed in show windows, showcases, or wall cases that are not equipped with a locking device when the loss or damage is caused by "theft" when your "premises" is open for business.

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IM-F-137 (10-08)

Policy Number:

Transaction Effective Date:

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

JEWELRY DEALER COVERAGE FORM DECLARATIONS

Insurance applies only for Coverage(s) for which a Limit Of Insurance is shown:

A. ON YOUR "PREMISES" COVERAGE

1. Location Building
 Address, City, State:

<u>Coverage</u>	<u>Limit of Insurance</u>	<u>Deductible</u>
a. Covered Property (Out of Safe Or Vault "Burglary" Limitation) Fire & Lightning All Other Covered Causes Of Loss		
b. Processing Or Work Upon Covered Property Of Others Coverage		

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JEWELRY DEALER COVERAGE FORM DECLARATIONS

Insurance applies only for Coverage(s) for which a Limit Of Insurance is shown:

B. OFF YOUR "PREMISES" COVERAGE

<u>Coverage</u>	<u>Limit of Insurance</u>	<u>Deductible</u>
1. Covered Property Being Shipped		
a. Registered Mail through the U.S. Postal Service in excess of any coverage purchased from the U.S. Postal Service.		
b. Express Mail through the U.S. Postal Service in excess of any coverage purchased from the U.S. Postal Service.		
c. Armored Car Service.		
d. Private Parcel Delivery Service Or Common Air, Rail, Water Or Land Transportation Service Or Carrier.		
2. Covered Property While In Or On A Vehicle That Is Unattended When The Cause Of Loss Is "Theft" With Visible Signs Of Forcible Entry.		
3. Covered Property In A Safe Or Vault Of A Bank, Trust Or Safe Deposit Company.		
4. Covered Property Away From Your "Premises" In The Care, Custody Or Control Of The Following Scheduled Individuals: Name(s)		

The most we will pay for any one loss involving two or more Scheduled Individuals is the sum of their limits or \$500,000, whichever is less.

5. Covered Property Otherwise Away From Your "Premises" And Not Included Above.

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JEWELRY DEALER COVERAGE FORM DECLARATIONS

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IM-F-138 (10-08)

Policy Number:

Transaction Effective Date:

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED ZIP CODE(S) EXCLUSION ENDORSEMENT

This endorsement modifies the insurance provided under the following:

JEWELRY DEALER COVERAGE FORM

SECTION A. COVERAGE

Item e. of **A.2.** Property Not Covered is deleted and replaced with the following:

- e. Property being shipped unless a Limit Of Insurance is shown for B.1. in the Declarations. However, no coverage is provided for Covered Property shipped by private parcel delivery service or common air, rail, water or land transportation service or carrier to or from the zip code area(s) listed below.

Zip Code Area(s):

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SERFF Tracking Number: FEMC-125780866 *State:* Arkansas
First Filing Company: Federated Mutual Insurance Company, ... *State Tracking Number:* EFT \$50
Company Tracking Number: IM-2008-6
TOI: 09.0 Inland Marine *Sub-TOI:* 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Commercial Inland Marine
Project Name/Number: Jewelry Program Update/IM-2008-6

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: FEMC-125780866 State: Arkansas
First Filing Company: Federated Mutual Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: IM-2008-6
TOI: 09.0 Inland Marine Sub-TOI: 09.0000 Inland Marine Sub-TOI Combinations
Product Name: Commercial Inland Marine
Project Name/Number: Jewelry Program Update/IM-2008-6

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 08/26/2008

Comments:

Attachment:

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

Satisfied -Name: cover letter **Review Status:** Approved 08/26/2008

Comments:

Attachment:

Cover Letter. forms.pdf

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	IM-2008-6 (Forms)
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21.	Filing Description [This area should be similar to the body of a cover letter and is free-form text]
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We are filing several revised forms. We deleted one and added one new forms.

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 #:

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.)

August 18, 2008

Arkansas Department of Insurance

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

- **COMMERCIAL LINES MANUAL**
- **Division Eight-Commercial Inland Marine**
 - **IM-F-132 (10-08) Burglary Exclusion**
 - **IM-F-133 (10-08) Burglary Protective Safeguards**
 - **IM-F-134 (10-08) Jewelry Dealer Coverage Form**
 - **IM-F-136 (10-08) Processing Or Work Upon Property Of Others Coverage**
 - **IM-F-137 (10-08) Unlocked Show Window, Showcase Or Wall Case Theft Limitation**
 - **IM-F-138 (10-08) Jewelry Dealer Coverage Form Declarations**
 - **IM-F-153 (10-08) Designated Zip Code(s) Exclusion End.**
 - **Withdraw IM-F-139 (04-04) Jewelry Dealers Coverage Form Declaration**

Filing #IM-2008-6 (Forms)

We submit for your approval the above-mentioned filing. See the explanatory memorandum attached detailing the changes.

We will implement these changes under prior approval provision for all policies written on or after October 1, 2008.

Thank you,

Sue Moldenhauer

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