

SERFF Tracking Number: HNVR-125789878 State: Arkansas
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$50
 Company Tracking Number: CP-CW-08478-01F
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Commercial Property;Human Services
 Project Name/Number: Commercial Property;Human Services/CP-CW-08478-01F

Filing at a Glance

Companies: Hanover American Insurance Company, Massachusetts Bay Insurance Company, The Hanover Insurance Company

Product Name: Commercial Property;Human Services	SERFF Tr Num: HNVR-125789878	State: Arkansas
TOI: 01.0 Property	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)	Co Tr Num: CP-CW-08478-01F	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding
	Author: Ann-Marie Blute	Disposition Date: 08/26/2008
	Date Submitted: 08/25/2008	Disposition Status: Approved
Effective Date Requested (New): 09/25/2008		Effective Date (New): 09/25/2008
Effective Date Requested (Renewal): 09/25/2008		Effective Date (Renewal): 09/25/2008

State Filing Description:

General Information

Project Name: Commercial Property;Human Services	Status of Filing in Domicile:
Project Number: CP-CW-08478-01F	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 08/26/2008	
State Status Changed: 08/26/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

Effective September 25, 2008 for both new and renewal policies, our companies wish to file the attached new endorsements in our Commercial Property Program. The filing will apply to both monoline and package policies. The corresponding rates and rules are exempt from filing requirements and will be maintained in our offices in a "desk" filing.

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Hanover has created several new coverages designed to meet the unique needs of human service agencies. Human service agencies offer a wide range of services to families and individuals including: addiction services, developmental disabilities services, mental health services, community programs, and aging and youth services.

The attached optional endorsements include the Valuation of Donated Stock endorsement to be used in conjunction with the base ISO property form and the Human Services Property Broadening endorsement which includes key coverage modifications of the Hanover Property Special Broadening endorsement. A detailed Form Filing Memorandum explaining the coverage provided under the new endorsements has been included.

Finally, the appropriate filing transmittal forms have also been attached.

If you should have any questions or need additional information, please feel free to contact our office. Thank you for your time and attention to this matter.

Company and Contact

Filing Contact Information

Ann-Marie T. Blute, State Filings Consultant Ablute@hanover.com
 440 Lincoln Street (508) 855-3234 [Phone]
 Worcester, MA 01653 (508) 855-4786[FAX]

Filing Company Information

Hanover American Insurance Company	CoCode: 36064	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins Group	State ID Number:
(508) 855-1000 ext. [Phone]	FEIN Number: 04-3063898	

Massachusetts Bay Insurance Company	CoCode: 22306	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type: Property & Casualty
Worcester, MA 01653	Group Name: The Hanover Ins	State ID Number:

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Group

(508) 855-1000 ext. [Phone]

FEIN Number: 04-2217600

The Hanover Insurance Company
440 Lincoln Street

CoCode: 22292
Group Code: 88

State of Domicile: New Hampshire
Company Type: Property &
Casualty

Worcester, MA 01653

Group Name: The Hanover Ins
Group

State ID Number:

(508) 855-1000 ext. [Phone]

FEIN Number: 13-5129825

SERFF Tracking Number: *HNVR-125789878* State: *Arkansas*
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Filing Fees

Fee Required? *Yes*
 Fee Amount: *\$50.00*
 Retaliatory? *No*
 Fee Explanation: *\$50 per form filing.*
 Per Company: *No*

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Hanover American Insurance Company	\$0.00	08/25/2008	
Massachusetts Bay Insurance Company	\$0.00	08/25/2008	
The Hanover Insurance Company	\$50.00	08/25/2008	22115519

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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): 09/25/2008
Effective Date (Renewal): 09/25/2008
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	Form Filing Memorandum	Approved	Yes
Form	Human Services Property Broadening Endorsement	Approved	Yes
Form	Valuation of Donated Stock 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	Human Services Property Broadening Endorsement	411-0627 08 08	08 08	Endorsement/New Amendment/Conditions		0.00	411-0627 08 08 Human Services Prop Broadening.pdf
Approved	Valuation of Donated Stock Endorsement	411-0628 08 08	08 08	Endorsement/New Amendment/Conditions		0.00	411-0628 08 08 Valuation of Donated stock.pdf

HUMAN SERVICES PROPERTY BROADENING ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10
CAUSES OF LOSS – SPECIAL FORM – CP 10 30
BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM- CP 00 30

Under **Section C. Limits of Insurance** of **CP 00 10**, the following is added:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **Section IV – Definitions** of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

I. COVERAGES

PERSONAL PROPERTY OF OTHERS INCLUDED

Under this endorsement, **Section A.1., Covered Property of CP 00 10, c. Personal Property of Others** is:

- (i) Deleted as item **c.**; and
- (ii) Included as item **8)** under item **b.**, **Your Business Personal Property.**

A. SCHEDULED COVERAGES

These coverages amend the insurance provided under the **Building and Personal Property Coverage Form, Causes of Loss – Special Form** and **Business Income (and Extra Expense) Coverage Form** through new coverages and substitute coverage grants. Unless otherwise noted, each Limit of Insurance shown applies separately and only to each described location as shown in the Declarations. These coverages are subject to the provisions applicable to the **Building and Personal Property Coverage Form, Causes of Loss – Special Form**, or **Business Income and Extra Expense Coverage Form** unless specifically provided for and amended within this endorsement. If any of the property insured under this endorsement is also insured under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies to a specific type of property or covered loss situation, in the event of loss or damage, you may choose only one of the potentially applicable coverages to apply to that loss. The most we will pay in this case is the limit of liability applying to the coverage you select.

	<u>Limit of Insurance</u>	<u>Page</u>
1. Additional Covered Property and Increased Limits of Liability	As Stated	4
2. Arson and Theft Reward	\$30,000	4
3. Automated Defibrillators	\$5,000	4
4. Backup or Overflow of Sewers, Drains or Sumps	\$100,000	4
5. Brands and Labels	Included	5
6. Change in Temperature, Electrical Injury and Contamination by Refrigerant	\$50,000	5
7. Civil Authority	4 Weeks	6
8. Consequential Loss to Stock	Included	6
9. Contractual Penalties	\$25,000	6
10. Dampness and Extremes of Temperature	Deletes Exclusion	7
11. Debris Removal	\$25,000	7
12. Dependent Properties Business Income	\$100,000	8
13. Detached Trailers	\$25,000	9
14. Earthquake Sprinkler Leakage	\$10,000	9
15. Emergency Evacuation Expense	\$15,000	9
16. Employee Dishonesty Including ERISA Compliance	\$25,000	9
17. Employees' Tools and Work Clothing	\$10,000	11

18. Extended Coverage on Property within 1,250 feet	Included	12
19. Fire Protection Equipment Recharge	Included	12
20. Forgery or Alteration	\$25,000	12
21. Foundations and Underground Pipes	Included	12
22. Inflation Guard- Building	Included	12
23. Lease Cancellation Moving Expense	\$2,500	13
24. Lost Key	\$15,000	13
25. Marring and Scratching	Included	13
26. Mobile Medical Equipment	\$10,000	13
27. Money and Securities	\$10,000	14
28. Newly Acquired or Constructed Property		
Buildings	\$1,000,000	14
Business Personal Property	\$500,000	14
29. Newly Acquired Locations- Business Income	\$250,000	15
30. Ordinance or Law	\$300,000	15
31. Personal Effects	\$30,000	18
32. Personal Property in Transit	\$100,000	18
33. Pollution Clean Up and Removal	\$50,000	18
34. Preservation of Property	Included	19
35. Property of Home Care Provider	\$50,000	19
36. Property Off Premises		
Temporary Location	\$500,000	19
Property at Trade Shows and Conventions	\$25,000	20
37. Residential Room Reserve	\$50,000	20
38. Salespersons Samples	\$25,000	20
39. Seasonal Increase- Business Personal Property	Included	20
40. Tenant Glass	\$10,000	21
41. Theft Damage to Building	Included	21
42. Underground Water Seepage	\$25,000	21
43. Utility Services- Direct Damage	\$50,000	22
Utility Services- Business Income	\$50,000	22
44. Water Damage, Other Liquids, Powder or Molten Material		
Damage	\$25,000	23
45. Worldwide Property Off-Premises	\$45,000	23

B. COVERAGES PROVIDED UNDER A BLANKET LIMIT OF INSURANCE \$250,000 24

Unless otherwise noted, the Blanket Limit of Insurance shown above applies as a combined single limit of liability to all Coverages shown in **Section III.B.** of this Endorsement. The Blanket Limit of Insurance applies separately and only to each described location as shown in the Declarations. After loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment or amount payable be permitted to exceed the Blanket Limit of Insurance shown above at any one insured location.

Coverages Included within the Blanket Limit of Insurance:

1. Accounts Receivable	24
2. Business Income, Extended Business Income and Extra Expense - (no deductible applies)	25
3. Claim Expenses	27
4. Electronic Data Processing Equipment - Special Coverage	27
5. Fine Arts	28
6. Fire Department Service Charge	28
7. Movement of Property	28
8. Outdoor Property	29
9. Valuable Papers and Records	29

Business Income and Extra Expense – Special Provisions

When all or part of the Blanket Limit above is used to address covered Business Income and Extra Expense loss, the following additional provisions apply:

1. While insurance provided within the Blanket Limit of Insurance may be the only Business Income and Extra Expense coverage provided by the policy, additional Business Income and Extra Expense insurance and limits may also exist elsewhere as part of other policy provisions. When such additional limits exist, the insurance provided for Business Income and Extra Expense by this endorsement is intended to be primary to the extent you desire them to address covered loss.
2. When additional limits exist elsewhere and all or part of the Blanket Limit above is consumed by covered Business Income and Extra Expense loss, those additional limits found elsewhere may be used to satisfy the excess Business Income and Extra Expense loss under the terms of the coverage provisions applicable to such additional limits. Coinsurance or other specific provisions applying to such insurance provided elsewhere remain enforceable for that portion of your loss. However, when determining the amount of insurance carried for coinsurance purposes, the amount paid under the Blanket Limit above specifically for Business Income and Extra Expense shall be, for your benefit, added to the applicable limits of the Business Income and Extra Expense insurance provided elsewhere.

Example #1 – Business Income and Extra Expense Loss in excess of collectible amount under the Blanket Limit of Insurance provided above when additional limits exist elsewhere.

The policy includes this endorsement and a **CP 00 30 – Business Income (and Extra Expense) Coverage Form**. The Declarations show the Limit of Insurance provided under the **CP 00 30** totals \$175,000, and that it carries a 90% Coinsurance requirement. Investigation after the loss confirms that provisions **D.a.** and **D.b.** of **CP 00 30** (representing the amount of insurance that you need to carry to equal 100% of your business income and extra expense exposure) totals \$425,000.

The adjusted covered loss is determined to be as follows:

Valuable Papers and Records - \$25,000
 Business Income and Extra Expense - \$300,000

Loss Calculation:

This Endorsement: Blanket Limit of Liability:	\$250,000
Less: Valuable Papers & Records Loss	<u>- 25,000</u>
Remaining Available Blanket Limit of Liability	\$225,000
Net Business Income & Extra Expense Loss Payable	\$225,000
Gross Valuable Papers & Records Loss Payable	\$25,000
Less Deductible	<u>- 500</u>
Net Valuable Papers & Records Loss Payable	<u>\$ 24,500</u>
Total Amount Due under this Endorsement	\$249,500

CP 00 30: The unaccounted for (and unpaid) remainder of the Loss of Income and Extra Expense Loss = \$75,000 (gross loss \$300,000 less \$225,000 payment from this endorsement as shown above). Therefore, the net potential business income and extra expense payment under the **CP 00 30** totals \$75,000.

Since the **CP 00 30** includes a coinsurance clause, to determine the actual amount payable under the **CP 00 30**, the adequacy of the total amount of business income and extra expense insurance carried must be determined. In this example, we add the amount of insurance carried under the **CP 00 30** (\$175,000) to the amount of the business income and extra expense actually paid under this endorsement (\$225,000). Thus, the amount of Business Income and Extra Expense Insurance carried under the policy for this “occurrence” totals \$400,000.

Since the amount of insurance carried (\$400,000) exceeds the amount you were required to carry (\$425,000 X 90% or \$382,500), the coinsurance requirement has been satisfied and the remaining \$75,000 business income and extra expense loss is payable under the **CP 00 30**. Please refer to the provisions and examples as provided within the **CP 00 30** as this is only one example - different situations will have different results. All other provisions of the **CP 00 30** remain controlling and unaffected by the above.

II. DEDUCTIBLE

We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of insurance for all coverages listed under Section I. Coverages. A single \$500 deductible applies regardless of the number of coverages or insured locations involved in an "occurrence". No deductible applies to the Blanket Coverage for Business Income and Extra Expense or other coverages where specifically designated.

III. COVERED PROPERTY

A. SCHEDULED COVERAGES

1. Additional Covered Property and Increased Limits of Liability

The special limits Section 3., under C. Limitations of the CP 10 30 is deleted and replaced by the following:

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. \$5,000 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$2,500 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$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 does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of C. Limitations of CP 10 30 remain unchanged.

2. Arson and Theft Reward

Under Section A.4., Additional Coverages of CP 00 10, the following is added:

h. Arson Reward

- 1) In the event that a covered fire loss was the result of an act of arson, or you suffered a covered "theft" loss, we will reimburse you up to \$30,000 for rewards you pay for information leading to convictions for that act of arson or "theft".
- 2) The Deductible and Coinsurance Condition do not apply to this Additional Coverage. This coverage is an additional amount of insurance.

3. Automated Defibrillators

Under Section A.4., Additional Coverages of CP 00 10, the following is added:

i. Automated Defibrillators

- 1) In the event of a covered cause of loss, we will pay for direct physical loss to automated defibrillators while at an insured location which are your property or for which you are responsible under written contract existing before loss.
- 2) The most will be will pay for loss or damage under this Additional Coverage is limited \$5,000 per "occurrence". The amount payable under this Additional Coverage is additional insurance.

4. Backup or Overflow of Sewers, Drains or Sumps

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

j. Backup or Overflow of Sewers Drains or Sumps

- 1) We will pay for direct physical loss or damage to Covered Property at an insured location, caused by or resulting from water, which backs up or overflows from a sewer, drain or sump.
- 2) Under **Section B.1., Exclusions of CP 10 30**, exclusion **g.3** is deleted.
- 3) Regardless of the number of insured locations, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at insured locations is \$100,000, or the amount shown in the Additional Property Coverage Schedule. This coverage is not an additional amount of insurance.
- 4) For the purposes of this policy, the term water shall mean water, including waterborne substances or materials.

THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.

This coverage is intended to provide insurance for backup or overflow of sewers, drains or sumps when such event is a localized incident - not part of a general, widespread flood water event. When otherwise excluded loss by water as provided for within **CP 10 30, Exclusion 1.g. Water** accompanies Backup or Overflow of Sewer, Drains or Sumps, this Additional Coverage does not apply and the provisions of **Exclusion 1.g. Water** control, and no coverage is provided for any part of the loss.

5. Brands and Labels

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

g. Brands and Labels

If Covered Property that has a brand or label is damaged by a Covered Cause of Loss, and we elect to take

all or any part of the property at an agreed or appraised value, you may elect to extend the insurance that applies to Your Business Personal Property to pay expenses incurred to:

- 1) Stamp salvage on the property or its container, if the stamp will not physically damage the property; or
- 2) Remove the brand or label, if doing so will not physically damage the property or its containers, and re-label the property or its containers to comply with the law.

Under all circumstances, we retain the option of paying the full value of the damaged property as set forth within the policy, and taking the property for salvage purposes. This applied whether or not you alter the brand or label as prescribed above.

Payment of these expenses is included within the applicable Limit of Insurance.

6. Change in Temperature, Electrical Injury and Contamination By Refrigerant

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

k. Change in Temperature, Electrical Injury and Contamination By Refrigerant

1) Coverages

a) Change in Temperature

Damage to covered property caused by a change in temperature or humidity resulting from a mechanical breakdown or malfunction of heating, refrigerating, cooling or humidity control equipment at an insured location.

b) Electrical Injury

Damage to covered property caused by artificially generated electric current, other than electrical arcing, which damages, destroys or otherwise disturbs electrical devices, appliances or wires.

c) Contamination by Refrigerant

Contamination by refrigerant from refrigerating, cooling or humidity control apparatus or equipment.

- d) These Additional Coverages are not subject to the terms of Exclusions **B.2.a** and **2.d.6)** and **2.d.7)a)** and **b)** of **CP 10 30** to the extent that such exclusions would conflict with the provisions of these Additional Coverages.
- 2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at an insured location is \$50,000. This limit will apply to all loss or damage proximately caused by the same event, whether such loss or damage results from change in temperature, electrical injury or contamination by refrigerant or any combination of the three.

Payment under this Addition Coverage is included within the applicable Limit of Insurance.

7. Civil Authority

Under **Section A.5., Additional Coverages of CP 00 30, a. Civil Authority** is replaced with the following:

a. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to a direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to four consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end the earlier of:

- 1) 4 consecutive weeks after the time of that action; or

- 2) When your Business Income coverage, as provided above, ends.

This is additional insurance.

8. Consequential Loss to Stock

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

h. Consequential Loss to Stock

- 1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.
- 2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.
- 3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

9. Contractual Penalties

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

i. Contractual Penalties

If this policy covers "Business Income", you may extend that insurance to apply to penalties that are imposed by a written contract between you and your customers.

- 1) These penalties must result solely from your failure to timely deliver your product according to contract terms;
- 2) Such failure must result solely from the direct physical loss or damage by a Covered Cause of Loss to Covered Property; and
- 3) Such penalties must have been paid to your customer in "money".

The most we will pay under this Coverage Extension is \$25,000 per "occurrence". This Extension is an additional amount of insurance.

10. Dampness and Extremes of Temperature

Under **Section F., Additional Coverage Extensions of CP 10 30**, the following is added:

4. Dampness and Extremes of Temperature

- a. We will cover damage or loss to business personal property for the following causes of loss:
 - 1) Dampness or dryness to atmosphere; or
 - 2) Extreme changes in temperature.
- b. This does not include loss or damage to business personal property resulting from failure or breakdown of refrigeration, heating, cooling equipment.
- c. The most we will pay for loss under this Coverage Extension is the applicable business personal property Limit of Insurance.

11. Debris Removal

Under **Section A.4., Additional Coverages of CP 00 10, a. Debris Removal**, paragraphs **4)** and **5)** are replaced by the following and paragraph **6)** and **7)** is added:

- 4) We will pay 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 \$25,000.

5) Examples:

The following examples assume that there is no coinsurance penalty.

Example #1

Limit of Insurance	\$200,000
Amount of Deductible	\$500
Amount of Loss	\$125,000
Amount of Loss Payable	\$124,500
(\$125,000 - \$500)	
Debris Removal Expense	\$25,000

Debris Removal Expense Payable \$25,000
 (\$25,000 is 20% of \$125,000)

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 (\$124,500 + \$25,000 = \$149,500) 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	\$200,000
Amount of Deductible	\$500
Amount of Loss	\$180,000
Amount of Loss Payable	\$179,500
(\$180,000 - \$500)	
Debris Removal Expense	\$50,000
Debris Removal Expense Payable	
Basic Amount	\$20,500
Additional Amount	\$25,000

The basic amount payable for debris removal expense under the terms of Paragraph **3)** is calculated as follows: \$180,000 (\$179,500 + \$500) x .25 = \$45,000; capped at \$20,500. The cap applies because the sum of the loss payable (\$179,500) and basic amount payable for debris removal expense (\$20,500) cannot exceed the Limit of Insurance (\$200,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **4)**, because the debris removal expense (\$50,000) exceeds 25% of the loss payable plus the deductible (\$50,000 is 28% of \$180,000), and because

the sum of the loss payable and debris removal expense (\$179,500 + \$50,000 = \$229,500) would exceed the Limit of Insurance (\$200,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under paragraph 4). Thus the total payable for debris removal expense in this example is \$45,500; \$4,500 of the debris removal expense is not covered.

- 6) We will also pay up to \$1,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.
- 7) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at an insured location is \$25,000, or the amount shown in the Additional Property Coverage Schedule. This is additional insurance.

12. Dependent Properties Business Income

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

I. Dependent Properties Business Income

- 1) We will pay the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "dependent property period of restoration". The "suspension" must be caused by direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.
- 2) We will pay the actual and necessary "Extra Expense" you incur due to direct physical loss of or damage to "dependent property" caused by or resulting from any Covered Cause of Loss.
- 3) Except as provided otherwise, to calculate recoverable loss under this coverage, we will use the terms and provisions as set forth under the Business Income and Extra Expense coverage found elsewhere in this endorsement.
- 4) Under this Additional Coverage, the definition of "Extra Expense" is replaced with the following:

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

- a) To avoid or minimize the "suspension" of business and to continue "operations"; or
 - b) To minimize the "suspension" of business if you cannot continue "operations".
- 5) For "business income" coverage under this Additional Coverage, the Coverage Territory for "dependent property" is expanded to all parts of the world.
 - 6) We will reduce the amount of your "business income" loss, other than "extra expense", to the extent you can resume "operations" in whole or in part by using any other available:
 - a) Source of materials; or
 - b) Outlet for your products.
 - 7) \$100,000 is the most we will pay under this Additional Coverage for loss you sustain from loss of or damage to "dependent property".
 - a) This coverage does not apply separately to each insured location. \$50,000 is the maximum you may collect after any one "occurrence" regardless of the number of insured locations involved or dependent properties affected by an "occurrence".
 - b) In addition, the maximum number of "dependent properties" for which you may make claim in any one "occurrence" is 25 regardless of the number of actual dependent properties or number of insured locations involved.
 - (1) When more than one "dependent property" is affected by an "occurrence", you may

choose which “dependent properties” to include in your claim.

- (2) As part of your Duties In the Event of Loss or Damage, you are responsible to research, assess, present and document your claim for any loss presented under this “dependent property” coverage. As part of your documentation, you must include reliable data that permits us to verify your claim.

- 8) This coverage does not apply to loss due to direct physical loss of or damage to nearby attractions that commonly draw potential customers into the area (whether a public or private attraction).

The amount payable under this Additional Coverage is additional insurance.

13. Detached Trailers

Under **Section A.5., Coverage Extensions of CP 00 10, section f. Non-Owned Detached Trailers, paragraph 3)** is replaced by the following:

- 3) The most we will pay for loss or damage under this Coverage Extension after an “occurrence” is \$25,000, unless a higher limit is shown in the Declarations.

Payment under this Addition Coverage is included within the applicable Limit of Insurance.

14. Earthquake Sprinkler Leakage

Under **Section F., Additional Coverage Extension of CP 10 30** the following is added:

- 5) We will pay up to \$10,000 for damages resulting from Sprinkler Leakage which is caused by Earth Movement per “occurrence”.

15. Emergency Evacuation Expense

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

m. Emergency Evacuation Expense

- 1) We will pay for the reasonable expenses you incur for the emergency evacuation of a location scheduled on the policy.
- 2) The Emergency Evacuation must be in response to an imminent danger of injury or loss of life to the occupants from a covered cause of loss.
- 3) We will not pay for any expenses arising out of:
 - a) Planned evacuation drills,
 - b) The evacuation of one or more of the residents due to their medical condition(s), or
 - c) The threat of a tropical storm or hurricane that does not make landfall within 250 miles of the insured location.

The most we will pay per insured location under any one “occurrence” under this Additional Coverage, regardless of the number of residents, is \$15,000. Payment for loss or damage under this coverage is additional insurance. No deductible applies to this Additional Coverage.

16. Employee Dishonesty including ERISA Compliance

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

n. Employee Dishonesty including ERISA Compliance

- 1) We will pay for direct loss of or damage to Business Personal Property and “money” and “securities” resulting from dishonest acts committed by any of your “employees” acting alone or in collusion with other persons (except you or your partners) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit for:
 - (1) Any “employee”; or
 - (2) Any other person or organization intended by the “employee” to receive that benefit.
- 2) With respect to this Additional Coverage only, **Exclusion B.2.h.** under **CP 10 30** does not apply.

3) The following Exclusions are added for this Additional Coverage:

We will not pay for loss or damage:

a) Resulting from any dishonest or criminal act committed by you or your partners, or any of your "employees" (except as provided for in paragraph 1) above, managers, directors, trustees, officers, administrators or persons of similar nature or responsibilities, whether acting alone or in collusion with any other persons.

b) Where the only proof of which as to its existence or amount is:

- (1) An inventory computation; or**
- (2) A profit and loss computation.**

c) Involving the loss of salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other "employee" benefits or remuneration that is typically earned in the course of employment. This exclusion applies whether or not:

- (1) You offer the type of benefit dishonestly acquired to any of your "employees", or**
- (2) The dishonest "employee" himself ordinarily qualifies for the type of benefit illicitly obtained.**

For this exclusion to apply, the undue benefit must have been procured from funds or accounts specifically set aside for salary or other remuneration (such as a payroll account).

d) Involving unresolved business dealings or disputes where employee dishonesty is alleged but not proven. For claims of this nature it may be necessary for us to await the outcome of legal proceedings between the parties to

ascertain whether or not a valid claim exists.

e) Sustained by uninsured third party entities even when your "employee" is providing services to the third party, whether or not for a fee.

f) From consequential loss or damage, including but not limited to loss of income, loss of market or extra expense.

3) All loss or damage:

a) Caused by one or more persons; or

b) Involving a single act or series of related acts;

is considered one "occurrence" even when such acts occur at different times, through different schemes, and/or with different customers or other third parties.

4) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

5) This Additional Coverage does not apply to any "employee" immediately upon discovery by:

a) You; or

b) Any of your partners, officers or directors not in collusion with the "employee"; of any dishonest act committed that "employee" before or after being hired by you.

6) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.

7) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that Insurance except that the time within which to discover loss or damage had expired, we will pay for it under

this Additional Coverage, provided:

- a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 8) The insurance under paragraph 7) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- a) This Additional Coverage as of its effective date; or
 - b) The prior insurance had it remained in effect.
- 9) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.
- 10) The most we will pay for loss or damage in any one "occurrence" is \$25,000. The amount payable under this Additional Coverage is additional insurance.
- 11) Welfare and Pension Plan ERISA Compliance. In compliance with certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA):
- a) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty coverage that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
 - b) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by

any Plan will be held by the Insured for the use and benefit of the Plan(s) sustaining loss.

- c) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (1) Sustained by two or more Plans; or
 - (2) Of commingled funds or other property of two or more Plans that arises out of one "occurrence" because of dishonest acts of "employees", is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
- d) The Deductible Condition, Section II of this endorsement, does not apply to loss sustained by any Plan subject to ERISA, which is insured under this insurance.

17. Employees' Tools and Work Clothing

Under Section A.4., Additional Coverages of CP 00 10, the following is added:

o. Employees' Tools and Work Clothing

- 1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" when damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job sites, while in your vehicle.
- 2) The most we will pay for loss or damage under this Additional Coverage is \$10,000 per "occurrence", but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.

- 3) The Coinsurance condition does not apply to this Additional Coverage.

18. Extended Coverage on Property – within 1250 ft.

Under the **Building and Personal Property Coverage Form, CP 00 10** and **Causes of Loss – Special Form, CP 10 30**, all provisions that limit the location of property to “within 100 feet” of an insured location are extended to “within 1250 feet” of an insured location.

19. Fire Protection Equipment Recharge

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

p. Fire Protection Equipment Recharge

We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:

- 1) To prevent or control loss;
- 2) Accidentally; or
- 3) As a result of malfunction of the equipment.

The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

20. Forgery and Alteration

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

q. Forgery and Alteration

- 1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in “money” that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- 2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in “money”, 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 in that defense.

- 3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000 per “occurrence”. The amount payable under this Additional Coverage is additional insurance.

21. Foundations and Underground Pipes

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

k. Foundations and Underground Pipes

You may extend the insurance that applies to Building to apply to loss or damage to:

- 1) Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - a) The lowest basement floor; or
 - b) The surface of the ground, if there is no basement;
- 2) Underground pipes, flues and drains; and
- 3) The cost of excavating, grading, backfilling or filling,

when such loss or damage is caused by a Covered Cause of Loss.

The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

Payment under this Addition Coverage is included within the applicable Limit of Insurance.

Under **Section A.2., Property Not Covered of CP 00 10**, paragraphs **f.**, **g.**, and **m.** do not apply to this coverage.

22. Inflation Guard – Building

Under **Section C., Limits of Insurance of CP 00 10**, the following is added:

Inflation Guard – Building

- a. The Limit of Insurance for Building will automatically increase by 5% annually or by the 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 expressed as a decimal (example 5% is .05), 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:

Applicable Limit of Insurance	\$100,000
Annual Percentage increase	5%
# of days since last change	146
Amount of increase	\$2,000
$\$100,000 \times .05 \times 146/365 = \$2,000$	

23. Lease Cancellation Moving Expense

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

r. Lease Cancellation Moving Expense

- 1) We will pay for reasonable relocation expenses you incur due to the cancellation of a lease of an insured location.
- 2) The cancellation of the lease must occur as a result of a covered cause of loss at the insured location at the insured location being vacated.
- 3) The most we will pay for this Additional Coverage in any one policy period, regardless of the number of scheduled locations, is \$2,500 per "occurrence". Payment for loss or damage under this coverage is additional insurance. No deductible applies to this Additional Coverage.

24. Lost Key

Under **Section A.4., Additional Coverages**, of **CP 00 10**, the following is added:

s. Lost Key

- 1) We will pay for consequential loss to keys and locks if a master key or similar item of an electronic nature is lost or damaged as a result of a covered cause of loss.
- 2) When caused by a loss event as described above, we will pay for

the actual cost to replace keys, adjust or reset locks to accept new keys, and if required, new locks, including the cost of installation.

- 3) The most we will pay for lost keys, required adjustment or resetting and locking devices including installation is \$5,000 for any one "occurrence" and \$15,000 in any one policy year per insured location. This coverage is additional insurance.

- 4) **Exclusion B.2.h and Limitation C.1.e. of the Causes of Loss Form CP 10 30** do not apply to this additional coverage.

25. Marring and Scratching

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

i. Marring and Scratching

You may extend the insurance that applies to Your Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:

- 1) Your "stock";
- 2) Your printing plates; and
- 3) Property of others that is in your care, custody or control.

This coverage and Cause of Loss does not apply to:

- 4) Property at other than at an insured location; and
- 5) Property in transit.

Payment under this Coverage Extension is included with Your Business Personal Property Limit of Insurance.

26. Mobile Medical Equipment

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

m. Mobile Medical Equipment

- 1) You may extend insurance provided by this coverage form to apply to your mobile medical equipment, including equipment you rent or lease. Mobile Medical equipment means equipment used for diagnostic evaluation or treatment.

The most we will pay for loss or damage under this Coverage Extension is \$10,000. This Coverage Extension provides as additional amount of insurance.

27. Money & Securities

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

t. Money & Securities

- 1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property, at an insured location, or "in transit" between any of these places, resulting directly from:
 - a) "Theft"
 - b) Disappearance; or
 - c) Destruction.
- 2) The most we will pay for loss in any one "occurrence" is \$10,000. The amount payable under this Additional Coverage is additional insurance.
- 3) All loss:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related act; is considered one "occurrence" regardless of the number of insured locations involved.
- 4) You must keep records of all "money" and "securities" so we can verify the amount of loss or damage.
- 5) We will not pay for loss:
 - a) Resulting from accounting or arithmetical errors or omissions;
 - b) Due to the giving or surrendering of property in any exchange or purchase; or
 - c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

28. Newly Acquired or Constructed Property

Under **Section A.5., Coverage Extensions of CP 00 10, a. Newly Acquired or Constructed Property** is replaced by the following:

1) Buildings

If this policy covers Building, you may extend this insurance to apply to:

- a) Your new buildings while being built at an insured location; and
- b) Buildings you acquire at locations, other than at an insured location, intended for:
 - (1) Similar use as the building described in the Declarations; or
 - (2) Use as a warehouse.
- c) The most we will pay for loss or damage under this Coverage Extension is \$1,000,000 per "occurrence". This Coverage Extension provides an additional amount of insurance

2) Your Business Personal Property

- a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (2) 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
 - (3) Business personal property that you newly acquire, located at an insured location.
- b) The most we will pay for loss or damage under this Extension is \$500,000 per occurrence at each insured location. This Coverage Extension provides an additional amount of insurance.
- c) This extension does not apply to:

- (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.
- d) This insurance may not be used to otherwise increase your Business Personal Property Limit. In particular, it does not apply to personal property you acquire as part of your usual and customary business dealings – whether or not such acquisition was related to anticipated seasonality demands. Under the terms of this policy, such property is not considered newly-acquired, but falls within the provisions for Business Personal Property.

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) 180 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.
- 4) 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.

29. Newly Acquired Locations – Business Income and Extra Expense

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

m. Newly Acquired Locations – Business Income and Extra Expense

- 1) You may extend the terms of this policy’s insurance covering “business income” and “extra expense” (not including Extended

Business Income) to apply to property at any location you acquire, other than at fairs or exhibitions.

- 2) The most we will pay for loss under this Coverage Extension is \$250,000 per “occurrence” at each location regardless of the number of buildings you acquire. This Coverage Extension provides an additional amount of insurance.
- 3) With respect to insurance on or at each newly acquired location, coverage will end when any of the following first occurs:
 - a) This policy expires;
 - b) 180 days expire after you acquire the property; or
 - c) You report values to us.
- 4) We will charge you additional premium for values reported from the date you acquire the property.
- 5) We will use the terms and provisions as set forth under the Business Income and Extra Expense coverage found elsewhere in this endorsement to calculate recoverable loss under this coverage. However, this coverage does not include loss for Extended Business Income as set forth therein.

30. Ordinance or Law Coverage

Under **Section A.4., Additional Coverages of CP 00 10**, item e., **Increased Cost of Construction** is replaced by the following:

e. Ordinance or Law Coverage

- 1) This Additional Coverage applies only if the following is satisfied:

The Ordinance or Law:

- a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at an insured location;
- b) Is in force at the time of loss; and
- c) Was not in force at the time the involved construction was completed.

But this coverage applies only in response to the minimum

requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2) Coverage Provided

a) Coverage for Loss to the Undamaged Portion of the Building

(1) With respect to the building that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

(2) Coverage for the undamaged portion of the building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. This Additional Coverage does not increase the Limit of Insurance.

b) Demolition Cost Coverage

(1) With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(2) The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c) Increased Cost of Construction Coverage

(1) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

(a) Repair or reconstruct damaged portions of that building; and/or

(b) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

(2) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(3) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

(4) The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

3) Loss Payment

a) When there is a loss in value of an undamaged portion of a building due to enforcement of an ordinance or law, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(1) If the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(a) The amount you would actually spend to repair, rebuild or

reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (b)** The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (2)** If the property is not repaired or replaced, we will not pay more than the lesser of:
 - (a)** The actual cash value of the building at the time of loss; or
 - (b)** The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (3)** The most we will pay for all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage is the Limit of Insurance shown below in paragraph **4)**. Subject to this Limit of Insurance, the following loss payment provisions apply:

For Demolition Cost Coverage, we will not pay more than the amount you actually spend to demolish and clear the site of an insured location.
- (4)** With respect to the Increased Cost of Construction Coverage, we will not pay for the increased cost of construction:
 - (a)** Until the property is actually repaired or replaced, at the same or another premises; and

- (b)** 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.

- (5)** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (6)** If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- 4)** The most we will pay for loss under Demolition Cost Coverage and Increased Cost of Construction Coverage per occurrence is a combined limit of \$300,000 per insured location. The amount payable under this Additional Coverage is additional insurance.
 - 5)** We will not pay any costs:
 - a)** Due to an ordinance or law that:
 - (1)** You were required to comply with before the loss, even when the building was undamaged; and
 - (2)** You failed to comply with.
 - b)** Associated with enforcement of any ordinance or law which:
 - (1)** Requires the 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

- (2) 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) 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.
- 7) The costs addressed in Loss Payment, Valuation Conditions and the Replacement Cost Optional Coverage, in CP 00 10, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage as stated in paragraph 4) above, is not subject to such limitation.

31. Personal Effects

Under **Section A.5., Coverage Extensions of CP 00 10, item b. Personal Effects and Property of Others** is replaced by the following:

b. Personal Effects

- 1) You may extend the insurance that applies to Your Business Personal Property to apply to Personal effects owned by you, your officers, your partners or members, your managers, your volunteers or your “employees”.
- 2) Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- 3) The most we will pay under this Coverage Extension is \$30,000. This Coverage Extension provides an additional amount of insurance.

32. Personal Property in Transit

Under **Section F., Additional Coverage Extensions of CP 10 30, item 1. Property in Transit** is replaced by the following:

- a. You may extend the insurance that applies to Business Personal Property to apply to your property or property of others you have picked up from others, or property of others, which you are delivering. This Extension applies to property while it is “in transit” more than 1250 feet from an insured location and while between points in the Coverage Territory while:
 - 1) In a vehicle owned, leased or operated by you; or
 - 2) In the custody of a common carrier, contract carrier or registered mail carrier.
- b. This Extension does not apply to the following property:
 - 1) Shipments that belong to others that you are transporting for a fee;
 - 2) Property while waterborne;
 - 3) Live animals; or
 - 4) Salesperson’s samples.
- c. Under **Section B. Exclusions, Exclusions 1.b. and 1.g.** do not apply to this Coverage Extension.
- d. The most we will pay for loss or damage under this Extension in any one “occurrence” regardless of the number of shipments involved is \$100,000.

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

33. Pollutant Clean Up and Removal

Under **Section A.4., Additional Coverages of CP 00 10, item d. Pollutant Clean Up and Removal** is replaced by the following:

- 1) We will pay your expense to extract “pollutants” from land or water at an insured location 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.

- 2) 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.
- 3) The most we will pay under this Additional Coverage for each insured location is \$50,000 per "occurrence". In addition, \$50,000 is the most we will pay for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This coverage is an additional amount of insurance.

34. Preservation of Property

Under **Section A.4., Additional Coverages of CP 00 10, item b. Preservation of Property** is replaced by the following:

- b. If it is necessary to move Covered Property from an insured location 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 90 days after the property is first moved.

Payment under this Additional Coverage is included within the applicable Limit of Insurance.

35. Property of Home Health Provider

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

n. Property of Home Care Provider

- 1) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to property owned by, or in the care, custody or control of a "Home Care Provider", caused by a patient placed by you or an appropriate governmental agency on your behalf, in the care of the "Home Care Provider" or employees of the insured.

- 2) This Coverage Extension also extends to direct physical loss or damage caused by such patient to vehicles and self-propelled machines and outdoor trees, plants, and shrubs owned by or in the care, custody or control of the "Home Care Provider" or employees of the insured.
- 3) This insurance is primary over any other valid and collectible insurance.
- 4) All claims must be reported to us within 60 days of expiration of the policy period.

The most we will pay for loss or damage in any one occurrence under this Coverage Extension is \$50,000.

36. Property Off-Premises

Under **Section A.5., Coverage Extensions of CP 00 10, item d. Property Off-Premises** is replaced by the following:

d. Property at Temporary Location

- 1) You may extend the insurance provided by this endorsement to apply to your Business Personal Property and Business Personal Property of Others to that property while it is away from an insured location, if it is:
 - a) Temporarily at a location you do not own, lease or operate. Under this provision, to qualify for coverage you must demonstrate that the involved property:
 - (1) Had been situated at an insured location immediately before it went off-site and suffered loss or damage; and
 - (2) Had not been away from an insured location for more than 90 consecutive days immediately preceding loss or damage;
 - b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term;
- 2) This Extension does not apply to property:
 - a) In or on a vehicle; or

- b) In the care, custody or control of your salesperson
 - c) While at a trade show, convention, exhibition, fair or special event.
- 3) The most we will pay for loss or damage under this Extension is \$500,000 in any one policy period. This Coverage Extension provides an additional amount of insurance

Property at Trade Shows or Conventions

- 1) You may extend the insurance provided by this endorsement to apply to your Business Personal Property and Business Personal Property of Others to that property while it is away from an insured location, if it is at a trade show, convention, exhibition, fair or special event.
- 2) This Extension does not apply to property:
- a) In or on a vehicle; or
 - b) In the care, custody or control of your salesperson.
- 3) The most we will pay for loss or damage under this Extension is \$25,000 per "occurrence". This Coverage Extension provides an additional amount of insurance.

37. Residential Room Reserve

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

u. Residential Room Reserve

Coverage is extended to apply to the actual loss of net income you incur resulting from holding a resident's room when the resident has been temporarily hospitalized due to an accident or illness. Coverage begins three days after the funding of the resident's room has been suspended.

The most we will pay for any one "occurrence" under this Additional Coverage is \$5,000 per room. The most we will pay for all "occurrences" in any one policy year is \$50,000.

38. Salesperson's Samples

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

v. Salesperson's Samples

- 1) We will pay for direct physical loss or damage caused by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
- a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
 - b) In your custody while acting as a sales representative; or
 - c) "In transit" between premises that you own, lease or operate and your sales representative.
- 2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence". The amount payable under this Additional Coverage is additional insurance.
- 3) We will not pay for any loss to the following property:
- a) Property which has been sold;
 - b) Jewelry, precious or semi-precious stones, gold, silver, platinum or other precious metals or alloys;
 - c) Fur, fur garments or garments trimmed with fur; or
 - d) Any property while waterborne.
- 4) Under **Section B. Exclusions of CP 10 30, Exclusions 1.e., 2.a. and 2.d.4), 5) and 6)** do not apply to this Additional Coverage.
- 5) We will not pay for any loss or damage caused by "theft" from an unattended vehicle, except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

39. Seasonal Increase – Business Personal Property

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values 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.

40. Tenant Glass

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

w. Tenant Glass

- 1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.
- 2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an insured location.
- 3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- 4) We will also pay for necessary:
 - a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
 - b) Repair or replacement of encasing frames; and
 - c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This coverage does not include the cost of removing, replacing or rebuilding window displays.

- 5) Paragraph **B., Exclusions of CP 10 30** does not apply to this Additional Coverage, except for:
 - a) Paragraph **B.1.b.** Earth Movement;
 - b) Paragraph **B.1.c.** Governmental Action;
 - c) Paragraph **B.1.d.** Nuclear Hazard;
 - d) Paragraph **B.1.f.** War & Military Action; and
 - e) Paragraph **B.1.g.** Water.

- 6) We will not pay for loss or damage caused by or resulting from:
 - a) Wear and tear;
 - b) Hidden or latent defect;
 - c) Corrosion; or
 - d) Rust;
 whatever its origin or cause.

- 7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$10,000. The amount payable under this Additional Coverage is additional insurance.

41. Theft Damage to Building

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

x. Theft Damage to Building

- 1) When repairs are made at your expense, we will pay for loss or damage to:
 - a) That part of any unowned building containing Your Business Personal Property; or
 - b) Unowned equipment within the building used to maintain or service the building, caused directly by "theft" or attempted "theft".
- 2) This Additional Coverage is primary but applies only to an insured location where you are a tenant and the property is in your care, custody or control.
- 3) This Additional Coverage is included within the Limit of Insurance applicable to Your Business Personal Property at the insured location of loss, and does not increase that Limit of Insurance.

42. Underground Water Seepage

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

y. Underground Water Seepage

- 1) We will pay for direct physical loss or damage to Covered Property at an insured location, caused by or resulting from 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.
- 2) Under Section **B.1. Exclusions of CP 10 30**, exclusion **g.4)** is deleted.
- 3) The most we will pay for any loss under this Additional Coverage is \$25,000 at each insured location. The amount payable under this Additional Coverage is additional insurance.
- 4) For the purpose of this policy, the term water shall mean water, including waterborne substances or materials.

THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.

This coverage is intended to provide water seepage coverage when such event is a localized incident, and not part of a general, widespread flood water event. When otherwise excluded loss by water as provided for within **CP 10 30, Exclusion 1.g. Water** accompanies Underground Water Seepage as provided for above, whether occurring before, after, or at the same time as Underground Water Seepage, this additional Coverage does not apply and the provisions of **Exclusion 1.g. Water** control, and no coverage is provided for any part of the loss.

43. Utility Services

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added:

z. Utility Services

- 1) **Utility Services – Direct Physical Loss or Damage**
- a) We will pay for loss of or damage to Covered Property caused by the interruption of service to an insured location. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not at an insured location that provides the services shown below in paragraph **3)** below. This

coverage does not include loss due to spoilage.

- b) The most we will pay for any loss under this Additional Coverage is \$50,000 per “occurrence” at each insured location.

2) Utility Services – Loss of Income or Extra Expense

- a) We will pay for loss of “business income” or “extra expense” caused by the interruption of service at an insured location. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not at an insured location that provides the services shown in paragraph **3) Services** below.

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

- b) To calculate recoverable loss under this coverage, we will use the terms and provisions as set forth under the Business Income and Extra Expense coverage found elsewhere in this endorsement. However, this coverage does not include loss for Extended Business Income as set forth therein.
- c) The most we will pay for loss or damage under this Additional Coverage is \$50,000 per “occurrence” at each insured location.

The following terms apply to both paragraphs 1) and 2) above:

3) Services:

- a) **Water Supply Services**, meaning the following types of property supplying water to an insured location:

- (1) Pumping stations; and
- (2) Water mains.

Water Supply Services do not include aquifers, reservoirs, holding or draw tanks, or any

other unnamed part of a water supply system.

- b) Communication Supply Services**, meaning the following types of property supplying communication services, including but not limited to telephone, radio, microwave or television services to an insured location, such as:

- (1) Communication transmission lines, including optic fiber transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines, overhead transformers or relays, or any other overhead service equipment or similar equipment (however mounted and whatever mounted upon).

- c) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to an insured location:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission lines.

Power Supply Services does not include overhead transmission lines, overhead transformers or relays, or any other overhead service equipment or similar equipment (however mounted and whatever mounted upon).

- 4) This Additional Coverage is not subject to the terms of the **Utility Services Exclusion**, to the extent that such exclusion would conflict with provisions of this Additional Coverage. Payment for loss or damage under this Additional Coverage is included within the applicable Limit of Insurance.
- 5) Insurance under this Additional Coverage does not apply to loss or damage to, or arising from,

electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth within section **A.2., Property Not Covered** of the **CP 00 10** to which this endorsement applies.

44. Water Damage, Other Liquids, Powder or Molten Material Damage

Under **Section F., Additional Coverage Extensions** of **CP 10 30**, item **2. Water Damage, Other Liquids, Powder or Molten Material Damage** is replaced by the following:

- a. If loss or damage caused by or resulting from covered water damage 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, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$25,000 per "occurrence".

THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.

45. Worldwide Property Off-Premises

Under **Section A.5., Coverage Extensions** of **CP 00 10**, the following is added:

o. Worldwide Property Off-Premises

- 1) You may extend the insurance that applies to your Business Personal Property and Business Personal Property of Others while it is not at an insured location and outside the coverage territory if it is:
 - a) Temporarily at a location you do not own, lease or operate. Under this provision, to qualify for coverage you must demonstrate that the involved property:

- 1) Had been situated at an insured location immediately before it went off-site and suffered loss or damage, and
 - 2) Had not been away from an insured location for more than 90 consecutive days immediately preceding loss or damage;
 - b) At any fair, trade show or exhibition; or
 - c) While "in transit" between an insured location and a location described in a) or b) above.
- 2) When loss includes Property of Others, for coverage to apply to such property, you must have assumed responsibility for the property under a written agreement that was in effect before the loss.
 - 3) The most we will pay for loss or damage under this Extension is \$45,000 per "occurrence". This Coverage Extension provides an additional amount of insurance.

B. COVERAGES PROVIDED UNDER A BLANKET LIMIT OF INSURANCE

1. Accounts Receivable

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

p. Accounts Receivable

- 1) You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:
 - a) All sums due from your customers that, after reasonable effort, 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) Reasonable collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - d) Other reasonable expenses that you incur to re-establish

your records of accounts receivable;

that result from direct physical loss or damage by any covered Cause of Loss to your records of accounts receivable.

- 2) Paragraph **B., Exclusions of CP 10 30** does not apply to this Coverage Extension, except for:

- a) Paragraph **B.1.c.** Governmental Action;
- b) Paragraph **B.1.d.** Nuclear Hazard;
- c) Paragraph **B.1.f.** War & Military Action;
- d) Paragraph **B.2.h.** Dishonesty;
- e) Paragraph **B.2.i.** False Pretense; and
- f) Paragraph **B.3.**

- 3) This Coverage Extension does not apply to loss or damage caused by or resulting from:

- a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (1) Programming errors or faulty machine instructions; or
 - (2) Faulty installation or maintenance of data processing equipment or component parts.

But we will pay for direct loss or damage caused by lightning; or

- b) Alteration, falsification, concealment, destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

- 4) The most we will pay under this Coverage Extension for loss or damage in any one "occurrence" at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

2. Business Income and Extra Expense

Under **Section A.4., Additional Coverages of CP 00 10**, the following is added as respects only the Business Income and Extra Expense insurance provided under the Blanket Limit of Insurance of this endorsement:

ab. Business Income and Extended Business Income and Extra Expense

1) Business Income

We will pay for the actual loss of "business income", including "rental value", you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at an insured location. The loss or damage must be caused by or result from a Covered Cause of Loss.

With respect to loss of or damage to personal property in the open or personal property in a vehicle, an insured location includes the area within 1000 feet of the site at which the insured location is located.

2) Extra Expense

We will pay necessary "Extra Expense" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at an insured location. The loss or damage must be caused by or result from a Covered Cause of Loss.

With respect to loss of or damage to personal property in the open or personal property in a vehicle, an insured location includes the area within 1000 feet of the site at which the insured location is located.

3) With respect to the requirements set forth in **1)** and **2)** above, if you occupy only part of the site at which the insured location is located, your premises means:

- a)** The portion of the building which you rent, lease or occupy; and
- b)** Any area within the building or on the site at which an insured location is located, if that area services, or is used to gain access to, an insured location.

4) We will only pay for loss of "business income" or "extra expense" that occurs during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

5) For the purposes of this portion of the insurance, all recoverable loss ceases when the "period of restoration" ends.

6) This Additional Coverage does not extend to cover any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses, nor will it penalize you for similar decreases caused by loss of market or other factors as calculated for the "period of restoration".

7) Where appropriate, historical records will be used to assist in forecasting your probable loss of income had covered loss not intervened.

8) The impact of excluded events which may take place at or after the date of loss will be considered in determining your likely net income after covered loss and in calculating your loss of income under this coverage.

9) Extended Business Income

If the necessary suspension of your "operations" produces a "Business income" loss payable under this policy, we will pay for the actual loss of "business income" you incur during the period that:

a) Begins on the date property except finished "stock" is actually repaired, rebuilt or replaced to the extent necessary to resume "operations"; and

b) End on the earlier of:

(1) The date you could restore your "operations", with reasonable speed, to the level which would generate the "business income" amount that would have existed if no direct physical loss or damage had occurred; or

(2) 180 consecutive days after the date determined in 9)a) above or 12 consecutive months from the date of the covered loss, whichever is less.

c) Loss of "business income" during the extended period provided by this coverage must be caused by

direct physical loss or damage at an insured location caused by or resulting from any Covered Cause of Loss.

- d) However, Extended Business Income does not apply to loss of "business income" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss, or of excluded loss events, in the area where an insured location is located. The impact of such events will be considered and factored in when determining your likely net income after covered loss and in calculating your loss of income under this coverage.
- e) Where appropriate, historical records and market factors prevailing at the conclusion of the "period of restoration" will be used to assist in forecasting your probable extended loss outcome.

10) We will not pay for:

- a) Any "Extra Expense" or increase of "business income" loss (including Extended Business Income) caused by or resulting from:
 - (1) 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; or
 - (2) 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". This final provision addressing direct causal relationship does not extend to loss you may incur under Extended Business Income.
- b) Any other consequential loss.
- c) Loss of Business Income (including Extended Business Income) caused by direct physical

loss of or damage to "software" after the longer of:

- (1) 60 consecutive days from the date of physical loss or damage; or
- (2) The period, beginning with the date of physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the insured location due to damage caused by the same "occurrence".

Example #1

A Covered Cause of Loss damages "computer equipment" and results in the loss of data processing programming records (a part of "software" as defined) on August 1st. The "software" records are replaced October 15th. We will only pay for the Business Income Loss sustained during the period August 1st – September 29th (60 consecutive days). Loss during the period September 2nd-October 15th is not covered.

Example # 2

A covered Cause of Loss damages "computer equipment" on June 1st. It takes until September 1st to replace the computer "hardware" and until October 1st to restore the data (a part of "software") that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1st – September 1st. Loss during the period September 2nd – October 1st is not covered.

11) This Additional Coverage does not apply to other Additional Coverages or Coverage Extensions except:

- a) With regard to **1) Business Income and 2) Extra Expense:**
 - (1) Foundations and Underground Pipes;
 - (2) Ordinance or Law;
 - (3) Underground Water Seepage;
 - (4) Utility Services;
 - (5) Backup or Overflow of Sewer, Drains or Sumps;
 - (6) Electronic Data Processing Equipment; or
 - (7) Collapse.
- b) With regard to **9) Extended Business Income:**

- (1) Collapse; or
- (2) "Computer equipment"

12) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

3. Claim Expenses

Under **Section A.5., Coverage Extensions of CP 00 10**, the following is added:

q. Claims Expenses

- 1) We will pay all reasonable expenses you incur at our request to assist us in:
 - a) The investigation of a claim;
 - b) The determination of the amount of loss, such as taking inventory; or
 - c) The cost of preparing a statement of loss and other supporting exhibits.
- 2) We will not pay for expenses:
 - a) Incurred to perform your Duties in the Event of Loss under Section E. Loss Conditions of CP 00 10;
 - b) To prove that loss or damage is covered;
 - c) Billed by and payable to independent or public adjusters, or attorneys or similar entities sponsored by any of the above;
 - d) To prepare claims not covered by this policy; or
 - e) Incurred under any Appraisal provisions within the policy.
- 3) The Deductible does not apply to this Coverage Extension.
- 4) Regardless of the number of insured locations involved, the most we will pay under this Coverage Extension for loss or damage in any one "occurrence" at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

4. Electronic Data Processing Equipment

Under **Section A.4., Additional Coverages of CP 00 10** the following is added:

aa. Electronic Data Processing Equipment

- 1) We will pay for direct physical loss to the following Covered Property which is your property or the property of others in your care, custody or control for which you are responsible under written agreement:
 - a) "Computer equipment";
 - b) Climate control equipment and fire protective equipment used exclusively with your "computer equipment"; and
 - c) Programming documentation and instructional manuals.
- 2) We will not pay for any loss to the following property:
 - a) Property you rent, loan or lease to others while it is away from an insured location;
 - b) Property you hold for sale, distribute or manufacture; or
 - c) "Software" that cannot be duplicated or replaced with similar property of equal quality.
- 3) Under **Section B., Exclusions of CP 10 30**, exclusions **1.e., 2.a., 2.d.6)** and **7)** do not apply to this Additional Coverage.
- 4) Under **Section A.2., Property Not Covered of CP 00 10**, the following is added:
 - r. "Computer Equipment", Climate control equipment and fire protective equipment used exclusively with your "computer equipment"; and programming documentation and instructional manuals – all except as otherwise provided for within a special endorsement or within the Blanket Coverages of an attached Property Broadening Endorsement.
- 5) We will not pay for any loss caused by or resulting from:
 - a) Errors or omissions in programming or incorrect instructions to "hardware"; or
 - b) Faulty instruction or incorrect usage, including changes in arrangements of parts.
- 6) **Business Income and Extra Expense Computer Virus Coverage**
 - a) As an additional benefit, while the policy excludes direct physical

loss caused by "computer virus", we will pay for the actual loss of "business income" (but not Extended Business Income) or "extra expense" you sustain due to the necessary "suspension" of "operations" during the "period of restoration" caused by or resulting from "computer virus" that occurs at an insured location shown in the Declarations.

- b) Subject also to the limits stated within 7) below, we will cover Loss of Business Income (not including Extended Business Income) and "extra expense" caused by "computer virus" as specified above for no more than 90 consecutive days from the date such virus is discovered by you, but only to the extent you have, with reasonable speed, resumed (or attempted to resume) your "operations" as soon as possible by remedying the problems caused by the offending "computer virus" or other practical means.

- 7) Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

5. Fine Arts

Under **Section A.4., Additional Coverages** of **CP 00 10** the following is added:

ab. Fine Arts

- 1) When caused by a Covered Cause of Loss, we will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on an insured location, while on public exhibition or while "in transit".
- 2) Our payment for loss of or damage to property of others will only be for the account of the owner of the property.
- 3) Paragraph **B. Exclusions**, items **1.e., 2.a. and 2.b., 2.d.4)** and **6)** of **CP 10 30** do not apply to this Additional Coverage.

- 4) We will not pay for any loss caused by or resulting from:

- a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property, however caused, unless such breakage is caused directly by a "specified cause of loss" or earthquake or flood; and
- b) Any repairing, restoration or retouching of the "fine arts".

Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

6. Fire Department Service Charge

Under **Section A.4., Additional Coverages** of **CP 00 10**, item **c.**, **Fire Department Service Charge** is replaced by the following:

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

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

Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule

7. Movement of Property

Under **Section A.5., Coverage Extensions** of **CP 00 10**, the following is added:

r. Movement of Property

- 1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
 - a) You moved Covered Property from an insured location to a new premises; and

- b) A Limit of Insurance for the new premises has been added to this policy; and
 - c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- 2) Insurance under this Coverage Extension will end when any of the following first occurs:
- a) The movement of property to the new premises is completed; or
 - b) 30 days after the effective date of the endorsement adding the new premises.

8. Outdoor Property

Under **Section A.5., Coverage Extensions of CP 00 10, item e. Outdoor Property** is replaced by the following:

You may extend the insurance provided by this policy to apply to the following at insured locations:

- 1) Bridges, roadways, walks, patios or other paved surfaces;
- 2) In-ground sprinkler systems and piping;
- 3) Outdoor fences and awnings;
- 4) Outdoor signs, including those attached to buildings at an insured location, will be covered regardless of peril;
- 5) Radio, microwave or television towers, antennas or satellite dishes, including their lead-in wiring and masts;
- 6) Retaining walls that are not part of the building (except those that are used, in whole or in part, to contain, hold back or restrain water);
- 7) Garages and storage sheds; or
- 8) Trees, shrubs, plants or lawns (other than "stock" of trees, shrubs, plants or lawns) which you own or for which you are liable, including debris removal expense,

caused by or resulting from any Covered Cause of Loss, except for **8)** above.

Property in paragraph **8)** above is covered for loss or damage caused by or resulting from the following causes of loss:

- a) Fire;

- b) Lightning;
- c) Explosion;
- d) Riot or civil commotion;
- e) Falling objects;
- f) Aircraft;
- g) Windstorm; or
- h) Ice, snow, sleet and hail.

- 9) The most we will pay for loss caused by windstorm, ice, snow, sleet or hail for property in paragraph **8)** is \$5,000, but not more than \$1,000 for any one tree, shrub, plant or lawn.
- 10) This insurance provides coverage only for property you own or for which you are liable under written agreement.
- 11) The coverage and Limits of Liability provided within this Coverage Extension represents the total amounts collectible for the above items, including debris removal expense, in the event of loss.
- 12) Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

9. Valuable Papers and Records

Under **Section A.5., Coverage Extensions, of CP 00 10, item c. Valuable Papers and Records – Cost of Research** is replaced by the following:

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

- 1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the costs to research lost information on "valuable papers and records" for which duplicates do not exist.
- 2) This Coverage Extension does not apply to property held as samples or for delivery after sale.
- 3) Paragraph **B. Exclusions of CP 10 30** does not apply to this Coverage Extension, except for:

- a) Paragraph **B.1.c.** Governmental Action;
 - b) Paragraph **B.1.d.** Nuclear Hazard;
 - c) Paragraph **B.1.f.** War and Military Action;
 - d) Paragraph **B.2.h.** Dishonesty;
 - e) Paragraph **B.2.i.** False Pretense; and
 - f) Paragraph **B.3.**
- 4) This Coverage Extension does not apply to loss or damage caused by or resulting from:
- a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (1) Programming errors or faulty machine instructions; or
 - (2) Faulty installation or maintenance of data processing equipment or component parts;
 - (3) But we will pay for direct loss or damage caused by lightning.
 - b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion.
- 5) Under **Section C. Limitations of CP 10 30**, the limitation to “valuable papers and records” for loss or damage from “specified causes of loss” does not apply to this Coverage Extension.
- 6) Coverage provided by this Extension does not apply to valuable papers and records which exist as electronic data. The term electronic data has the meaning set forth within the Electronic Data paragraph found within **a.2. Property Not Covered** of the **CP 00 10** to which this endorsement applies.
- 7) Regardless of the number of insured locations involved, the most we will pay under this

Coverage Extension for loss or damage in any one “occurrence” at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

C. BROADENED VALUATION CLAUSE

Under **Section E., Loss Conditions** of **CP 00 10**, item **7. Valuation** is replaced with the following:

7. Valuation

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

- a. At replacement cost without deduction for depreciation, except as provided in **b.** through **r.** below.
 - 1) You may 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 on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.
 - 2) We will not pay on a replacement cost basis for any loss or damage:
 - a) Until the lost or damaged property is actually repaired or replaced; and
 - b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 - 3) We will not pay more for loss or damage on a replacement cost basis than the least of:
 - a) The Limit of Insurance applicable to the lost or damaged property;
 - b) The cost to replace, on the same premises, the lost or damaged property with other property:
 - (1) Of comparable material and quality; and
 - (2) Used for the same purpose; or
 - c) The amount you actually spend that is necessary to repair or replace the lost or damaged property, even if, when replacement is necessary, you choose to make use of other than

new property to effect such replacement.

- b. The following property at actual cash value:
 - 1) Used or second hand merchandise held in storage or for sale;
 - 2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - 3) Manuscripts;
 - 4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
 - 5) Contractors equipment and tools.
- c. Glass at the cost of replacement with safety glazing material if required by law.
- d. 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.
- c) When a written lease does not exist, instead of the method of calculating loss shown in **d.2)a)** and **b)** above, we will determine the proportionate value of the improvements and betterments as follows:
 - (1) Multiply the original cost by 365 days; and
 - (2) Divide the amount determined in **a)** above by the number of days from the installation of improvements to 365 days after the date of the "occurrence".
- 3) If your lease contains a renewal option, the expiration of the renewal option period will replace the

expiration of the lease in the procedure described in **2)** above.

- 4) Nothing, if others pay for repairs or replacement.
- e. "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - 1) Blank materials for reproducing the records; and
 - 2) Labor to transcribe or copy the records when there is a duplicate.

This condition does not apply to "valuable papers and records" that are actually replaced or restored.

- f. "Money" at its face value.
- g. "Securities" at their value at the close of business on the day the loss is discovered.
- h. Accounts receivable:
 - 1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
 - b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - 2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - a) The amount of the accounts for which there is no loss or damage;
 - b) The amount of the accounts that you are able to re-establish or collect;
 - c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - d) All unearned interest and service charges.
- i. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- j. Finished “stock” you manufactured at the selling price less discounts and expenses you otherwise would have had.
 - k. Property “in transit” (other than “stock” you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.
 - l. Lottery tickets at their initial cost to you except for winning tickets, at their redeemed present cash value.
 - m. Data, media and computer “software” programs. For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer “software” programs at the actual cost of reproducing the data or computer “software” program, providing you actually reproduce or replace it.
 - n. Prepackaged “software” programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent “software” or “hardware”.
 - o. Precious metals, such as gold, silver and platinum, at the average market cost of replacements on the date of loss, or the actual cost of the replacement, if less.
 - p. “Fine arts”. The value of Covered Property is not agreed upon but will be determined at the time of loss or damage. We will not pay more than the least of the following:
 - 1) The actual cash value of the property at the time of loss or damage; or
 - 2) The amount for which you could reasonably expect to pay to have the property repaired to its condition immediately prior to the loss.
 - q. Pairs or sets at our option:
 - 1) The cost to repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - 2) The difference between the value of the pair or set before and after the loss or damage.
 - r. “Business income”, “extra expense” and “resumption of operations”:
 - 1) The amount of “business income” loss will be determined based on:
 - a) The Net Income of the business before the direct physical loss or damage occurred;
 - b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - c) The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the direct physical loss or damage; and
 - d) Other relevant sources of information, including:
 - (1) Your financial records and accounting procedures;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens or contracts.
- 2) The amount of “extra expense” will be determined based on:
- a) All expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (1) The salvage value that remains of any property bought for temporary use during the “period of restoration”, once “operations” are resumed; and
 - (2) Any “extra expense” that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - b) All necessary expenses that reduce the “business income” loss that otherwise would have been incurred.
- 3) Resumption of Operations
We will reduce the amount of your:

- a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock") at an insured location or elsewhere.
- b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

IV. DEFINITIONS

Under **Section H., Definitions of CP 00 10** the following is added:

Defined words shown in this section may be used in the singular or plural within this policy. When so used, adjustment to the stated definitions to match such usage shall be incorporated into the definition.

- 4. "Antiques" means an object having value because its:
 - a) Craftsmanship is in the style or fashion of former times; and
 - b) Age is 100 years or older.
- 5. "Business income" means:
 - a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and
 - b) Continuing normal operating expenses incurred, including payroll.
- 6. "Computer equipment" means:
 - a) Computer "hardware" and related component parts. Component parts include but are not limited to modems, printers, keyboards and scanners.
 - b) Computer control systems including uninterruptible power supply systems, line conditioner and voltage regulator; and
 - c) "Software".

"Computer Equipment" includes only those items whose primary function is to electronically process data. It does not include production equipment or similar items that use "hardware" or "software" to control such

equipment's operations in producing such equipment's desired production results.

- 7. "Computer virus" means an intentional, unwanted entry into electronic data processing "software" which results in unintended functions distorting, corrupting or manipulating the electronic data processing "software".
 - 8. "Dependent property period of restoration" means the period of time that:
 - a) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property" or "retail anchor store property"; and
 - b) Ends on the date when the property at the premises of the "dependent property" or "retail anchor store property" should have been repaired, rebuilt or replaced to a condition permitting occupancy with reasonable speed and similar quality.
- "Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- c) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - d) 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".

The expiration date of this policy will not cut short the "dependent property period of restoration".

- 9. "Dependent property" means property operated by others whom you depend on to:
 - a) Deliver materials or services to you, or to others for your account;
 - b) Accept your products or services;
 - c) Manufacture products for delivery to your customers under contract of sale; or
 - d) Attract customers to your business.

This coverage **d)** applies only to damaged or destroyed property of others:

- 1) Located at the same premises (grounds) as those shown in the Declarations; and
- 2) That serves as a leader location, attracting customers to the premises.

This coverage does not apply to leader locations used at any time for exhibitions,

trade shows, conventions, fairs or similar events.

EXAMPLE: Leader Location: A large department store (anchor store) at a shopping mall that serves as a general attraction to the premises and without which, the number of shoppers coming and going would be significantly lower—customers would go elsewhere to shop.

10. "Employee" means:

- a) Any natural person:
 - 1) While in your service (and for 30 days after termination of service); and
 - 2) Whom you compensate directly by salary, wages or commissions; and
 - 3) Whom you have the right to direct and control while performing services for you.
- b) Any natural person employed by an employment contractor 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.
- c) A director, trustee, officer, administrator, manager or person of similar nature or responsibility who is managing, of any Employee Welfare or Pension Benefit Plan insured under this insurance. However, "employee" does not include any independent contractor acting in the above capacity.
- d) Your director or trustee while that person is performing the duties of any "employee".
- e) "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character, whether or not they otherwise qualify as an "employee" under the terms set forth above.

11. "Extra Expense" means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:

- a) To avoid or minimize the "suspension" of business and to continue "operations":
 - (1) At an insured location; or
 - (2) At replacement premises or at temporary locations, including relocation expenses and costs to

equip and operate the replacement or temporary locations;

- b) To minimize the suspension of business if you cannot continue "operations";

c) To:

- (1) Repair or replace any property; or
- (2) Research, replace or restore the lost information on damaged "valuable papers and records"

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

With regard to **c)1)** above, we will pay only for those expenses necessary to expedite the repair or replacement of the property. Under this provision, we will not pay for any portion of the ordinary and expected cost to actually repair or replace property.

12. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antiques", furniture, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.

13. "Hardware" means an assemblage of electronic machine components capable of accepting instructions and information according to the instructions, and producing desired results.

14. "Home Care Provider" means a foster parent, or parents, paid or unpaid by you or an appropriate governmental agency on your behalf, to care for one or more patients on a continuous basis away from your premises.

15. "In transit" means in the course of shipment from or to an insured location shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery but does not include general merchandise or other items to be delivered at some unspecified future time, or when stopped overnight locally at your, or your driver's, convenience.

16. "Money" means:

- a) Currency, coins and bank notes and bullion in current use and having a face value; and
- b) Travelers checks, register checks and money orders held for sale to the public.

17. "Occurrence" means all loss or damage that is attributable directly or indirectly to:

- a) One cause, act, event or series of similar, related causes, acts or events involving one or more persons; or

- b) One cause, act or event, or a series of similar related causes, acts or events not involving any person.
18. "Operations" means your business activities occurring at an insured location.
19. "Period of restoration" means the period of time that:
- a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at an insured location; and
 - b) Ends on the earlier of:
 - (1) The date when the property at an insured location should be repaired, rebuilt or replaced to a condition permitting occupancy with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- c) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - d) 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".
20. "Rental Value" means the:
- a) Total anticipated rental income from tenant occupancy of the insured location described in the Declarations as furnished and equipped by you; and
 - b) Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - c) Fair rental value of any portion of an insured location which is occupied by you.
21. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other 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", debit cards, or other general evidences of debt including but not limited to phone calling cards and the like. In addition, debt instruments whose value cannot be reasonably established after loss do not qualify as "securities".
22. "Software" means:
- a) Processing, recording or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges or cells; and
 - b) Data, information and instructions stored on processing, recording or storage media used for electronic data processing operations.
23. "Suspension" means:
- a) The slowdown or cessation of your business activities; or
 - b) That a part of all of an insured location is rendered untenable, if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.
24. "Theft" means any act of stealing.
25. "Valuable papers and records" means inscribed, printed or written documents, manuscripts and records including abstracts, books, deeds, drawings, films, maps or mortgages. "Valuable papers and records" does not mean "money" or "securities", converted data or programs or instructions used in your data processing operations, including the materials on which the data is recorded.

VALUATION OF DONATED STOCK ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies coverage under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10

The following amendments are made to **Section E. Loss Conditions**, paragraph **7. Valuation**:

1. We will determine the value of “Stock” which has been donated to the insured, and which has been priced for sale, according to the selling price, less discounts that would have applied, as of the time and place of loss or damage.
2. For “Stock” which is not priced for sale, the value will be the salvage value per pound as of the time and place of loss or damage.

For the purposes of the valuation of “Stock”, these provisions override any other valuation provisions contained in the policy.

All other policy provisions remain unchanged.

SERFF Tracking Number: *HNVR-125789878* *State:* *Arkansas*
First Filing Company: *Hanover American Insurance Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *CP-CW-08478-01F*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Commercial Property;Human Services*
Project Name/Number: *Commercial Property;Human Services/CP-CW-08478-01F*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: HNVN-125789878 State: Arkansas
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: CP-CW-08478-01F
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Property;Human Services
Project Name/Number: Commercial Property;Human Services/CP-CW-08478-01F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 08/26/2008
Comments: Attached.
Attachments: P&C Transmittal.pdf
Human Services Form Filing Schedule.pdf

Satisfied -Name: Form Filing Memorandum **Review Status:** Approved 08/26/2008
Comments: The Form Filing Memorandum is attached.
Attachment: Form Filing Memo.pdf

Property & Casualty Transmittal Document

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: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
The Hanover Insurance Group	0088

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Hanover Insurance Company	NH	22292	13-5129825	
Massachusetts Bay Insurance Company	NH	22306	04-2217600	
The Hanover American Insurance Company	NH	36064	04-3063898	

5. Company Tracking Number	CP-CW-08478-01F
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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
	Ann-Marie T. Blute 440 Lincoln Street Worcester MA 01653	Senior State Filings Consultant	508-855-3234	508-855-4786	ablute@hanover.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Ann-Marie T. Blute

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

9.	Type of Insurance (TOI)	01.0 Property			
10.	Sub-Type of Insurance (Sub-TOI)	01.0001 Commercial Property (Fire and Allied Lines)			
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"/> X Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
14.	Effective Date(s) Requested	New:	September 25, 2008	Renewal:	September 25, 2008
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No			
16.	Reference Organization (if applicable)				
17.	Reference Organization # & Title				
18.	Company's Date of Filing	August 25, 2008			
19.	Status of filing in domicile	<input checked="" type="checkbox"/> X Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	CP-CW-08478-01F
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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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Effective September 25, 2008 for both new and renewal policies, our companies wish to file the attached new endorsements in our Commercial Property Program. The filing will apply to both monoline and package policies. The corresponding rates and rules are exempt from filing requirements and will be maintained in our offices in a "desk" filing.

Hanover has created several new coverages designed to meet the unique needs of human service agencies. Human service agencies offer a wide range of services to families and individuals including: addiction services, developmental disabilities services, mental health services, community programs, and aging and youth services.

The attached optional endorsements include the Valuation of Donated Stock endorsement to be used in conjunction with the base ISO property form and the Human Services Property Broadening endorsement which includes key coverage modifications of the Hanover Property Special Broadening endorsement. A detailed Form Filing Memorandum explaining the coverage provided under the new endorsements has been included.

Finally, the appropriate filing transmittal forms have also been attached.

If you should have any questions or need additional information, please feel free to contact our office. Thank you for your time and attention to this matter.

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]				
<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Check #:</td> <td>N/A – EFT</td> </tr> <tr> <td>Amount:</td> <td>\$50</td> </tr> </table> <p style="text-align: center; margin-top: 20px;">Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>		Check #:	N/A – EFT	Amount:	\$50
Check #:	N/A – EFT				
Amount:	\$50				

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

FORM FILING SCHEDULE

	Form Name	Form Number	Edition Date	Replacement or Withdrawn?	If replacement, give form # it replaces	Description of Change	
01	Human Services Property Broadening Endorsement	411-0627	08 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input checked="" type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
02	Valuation of Donated Stock Endorsement	411-0628	08 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input checked="" type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
03				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
04				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
05				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
06				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
07				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
08				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
09				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
10				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
11				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
12				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
13				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory
14				<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		<input type="checkbox"/> Broadens Coverage <input type="checkbox"/> Restricts Coverage <input type="checkbox"/> Editorial Clarification	<input type="checkbox"/> Mandatory <input type="checkbox"/> Optional <input type="checkbox"/> Conditional Mandatory

FORM FILING MEMORANDUM

HUMAN SERVICES PROPERTY COVERAGES

Overview

Hanover has created several new coverages designed to meet the unique needs of human service agencies. Human service agencies offer a wide range of services to families and individuals including: addiction services, developmental disabilities services, mental health services, community programs, and aging and youth services.

Hanover has two new optional property endorsements to support coverage needs of human services agencies. These include:

- New Valuation of Donated Stock Coverage
- New Human Services Property Broadening Endorsement

Valuation of Donated Stock Endorsement – 411- 0628 08 08

The Valuation of Donated Stock endorsement is to be used in conjunction with the base ISO property form. This new product changes the valuation of donated business personal property intended for sale by human service entities. This endorsement is to be used for human services agencies that receive donated goods intended for sale. There is no premium charge associated with this endorsement.

Optional Endorsement

Premium - Non-premium bearing endorsement

Human Services Property Broadening Endorsement 411- 0627 08 08

Five new coverages were added to Hanover's existing property broadening endorsement. The existing property endorsement was used as the base product, and the following new coverages were added:

1) Dampness and Extremes of Temperature

Under this coverage, Hanover will cover damage or loss to business personal property for the following causes of loss:

- A. Dampness or dryness to atmosphere;
- B. Extreme changes in temperature.

The most we will pay for loss under this Coverage Extension is the applicable business personal property Limit of Insurance.

2) Earthquake Sprinkler Leakage

Under this coverage, Hanover will pay up to \$10,000 for damages resulting from Sprinkler Leakage which is caused by Earth Movement.

3) Mobile Medical Equipment

Under this coverage, the insured may extend insurance to apply to their mobile medical equipment, including equipment they rent or lease. The most we will pay for loss or damage under this Coverage Extension is \$10,000.

4) Property of Home Care/Health Provider

Under this coverage, Hanover will extend the insurance provided by the ISO property form to apply to direct physical loss or damage to property owned by, or in the care, custody or control of a Home Care Provider, caused by a patient placed by the insured or an appropriate governmental agency on their behalf, in the care of the Home Care Provider or employees of the insured. The

most we will pay for loss or damage in any one occurrence under this Coverage Extension is \$50,000.

5) Residential Room Reserve

Under this coverage, Hanover will extend coverage to apply to the actual loss of net income you incur resulting from an insured holding a resident's room when the resident has been temporarily hospitalized due to an accident or illness. The most we will pay for any one occurrence under this Additional Coverage is \$5,000 per room. The most we will pay for all occurrences in any one policy year is \$50,000.

The following represents additional changes to the base Hanover Property Broadening endorsement. These changes are either changes in limits or the addition of coverages that exist on other Hanover industry specific Property Broadening Endorsements.

HANOVER INSURANCE PROPERTY COVERAGE	Broad form Limit	Human Services	Summary of changes
Additional Covered Property	Included	As Stated	Change fur limit from \$2,500 to \$5,000
Automated Defibrillators		\$5,000	Added existing coverage from Assisted Living Broadening Endorsement
Emergency Evacuation Expense		\$15,000	Added existing coverage from Assisted Living Broadening Endorsement
Employee Dishonesty Including ERISA	\$50,000	\$25,000	Reduce from \$50,000 to \$25,000 due to higher theft exposure associated with class
Extended Coverage on Property	Within 1,000 Included	Within \$1,250 included	Extended coverage to match competitor
Foundations and Underground Pipes	\$250,000	Included w/in Bldg Limit	Increased value from 250k to be included in BLDG limit to match competitor
Lease cancellation moving expense		\$2,500	Added existing coverage from Assisted Living Broadening Endorsement
Lost Key		\$15,000	Added existing coverage from Real Estate Broadening Endorsement
Money and Securities	\$25,000	\$10,000	Reduced to \$10,000 due to higher hazard exposure for class
Ordinance or Law & Increase Cost of Construction	\$50,000	\$300,000	Included value of undamaged bldg in bldg limit and increased to \$300,000
Personal Effects	In Blanket \$250,000	\$30,000	Pulled out of blanket, sub-limited to 30k and broadened to include volunteers
Personal Property in Transit	\$50,000	\$100,000	Increase to \$100,000
Property Off Premises	\$100,000	\$100,000	Change to \$500k but sub-limited conventions, fairs, trade shows & special events to \$25k. Changes match competitor
COVERAGES IN BLANKET LIMIT OF 250K			
Outdoor Property (fences, radio/TV antennas, trees and shrubs)	In Blanket \$250,000	In Blanket \$250,000	Extended coverage to include garages and storage sheds to match competitor. Included signs for all perils

Optional Endorsement

Premium – Premium bearing endorsement.