

SERFF Tracking Number: HRLV-125793834 State: Arkansas  
First Filing Company: Harleysville Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: CPPSV12172007-2  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0007 Other CMP  
Liability  
Product Name: CPP  
Project Name/Number: CPP All Churches Product Standardization - initial/

## Filing at a Glance

Companies: Harleysville Insurance Company, Harleysville Preferred Insurance Company, Harleysville Worcester Insurance Company

Product Name: CPP SERFF Tr Num: HRLV-125793834 State: Arkansas  
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$50  
Sub-TOI: 05.0007 Other CMP Co Tr Num: CPPSV12172007-2 State Status: Fees verified and received  
Filing Type: Form Co Status: Product Standardization Reviewer(s): Betty Montesi,  
- Phase 3B -initial Llyweyia Rawlins  
Author: Carol Zwoyer Disposition Date: 09/15/2008  
Date Submitted: 09/04/2008 Disposition Status: Approved  
Effective Date Requested (New): 02/01/2009 Effective Date (New): 02/01/2009  
Effective Date Requested (Renewal): 07/01/2009 Effective Date (Renewal): 07/01/2009

State Filing Description:

## General Information

Project Name: CPP All Churches Product Standardization - initial Status of Filing in Domicile:  
Project Number: Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 09/15/2008  
State Status Changed: 09/05/2008 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
Harleysville Insurance Company, Harleysville Preferred Insurance Company and Harleysville Worcester Insurance Company have been granted authority to transact business in the state of Arkansas. It is our intention to begin active operation February 1, 2009.

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## Company and Contact

### Filing Contact Information

Carol Zwoyer, Senior State Filing Analyst czwoyer@harleysvillegroup.com  
 355 Maple Avenue (215) 256-5735 [Phone]  
 Harleysville, PA 19438-2297 (215) 256-5678[FAX]

### Filing Company Information

Harleysville Insurance Company	CoCode: 23582	State of Domicile: Pennsylvania
355 Maple Avenue	Group Code: 253	Company Type:
Harleysville, PA 19438	Group Name:	State ID Number:
(215) 256-5000 ext. [Phone]	FEIN Number: 41-0417250	

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Harleysville Preferred Insurance Company	CoCode: 35696	State of Domicile: Pennsylvania
355 Maple Avenue	Group Code: 253	Company Type:
Harleysville, PA 19438	Group Name:	State ID Number:
(215) 256-5000 ext. [Phone]	FEIN Number: 23-2384978	

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Harleysville Worcester Insurance Company	CoCode: 26182	State of Domicile: Pennsylvania
355 Maple Avenue	Group Code: 253	Company Type:
Harleysville, PA 19438	Group Name:	State ID Number:
(215) 256-5000 ext. [Phone]	FEIN Number: 04-1989660	

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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harleysville Insurance Company	\$0.00	09/04/2008	
Harleysville Preferred Insurance Company	\$50.00	09/04/2008	22283342

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Harleysville Worcester Insurance Company \$0.00 09/04/2008



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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	09/15/2008	09/15/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	09/05/2008	09/05/2008	Carol Zwoyer	09/15/2008	09/15/2008

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## Disposition

Disposition Date: 09/15/2008  
Effective Date (New): 02/01/2009  
Effective Date (Renewal): 07/01/2009  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	COVER LETTER	Approved	Yes
Form (revised)	All Churches Protection Package Program Expansion Endorsement	Approved	Yes
Form	Building and Personal Property Coverage Withdrawn Form		Yes
Form	Liability Coverages Endorsement	Approved	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/05/2008  
Submitted Date 09/05/2008  
Respond By Date 09/15/2008

Dear Carol Zwoyer,

Form: CP-7101, Page 6 of 11

The appraisal clause(s) found in this filing should be amended to comply with Ark. Code Ann. §23- 79-203 and Arkansas Bulletin No. 19-89. The clause(s) must specifically state it is non-binding and voluntary.

Sincerely,

Llyweyia Rawlins

Please feel free to contact me if you have questions.

Sincerely,

Llyweyia Rawlins

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/15/2008  
Submitted Date 09/15/2008

Dear Llyweyia Rawlins,

### Comments:

#### Response 1

Comments: In response to your concerns, we offer the following:

Attached please find Form CP-7176 All Churches Protection Package Program Expansion Endorsement which has been created to replace form CP-7101 and works as an enhancement endorsement to ISO's form CP 00 10. Therefore, all ISO mandatory interline and commercial property forms apply. This should address the non-binding and voluntary wording.

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In addition, we wish to withdraw CP-7101 at this time.

**Changed Items:**

No Supporting Documents changed.

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
All Churches Protection Package Program Expansion Endorsement	CP-7176	9-08	Endorsement/Amendment/Conditions	New		0	CP-7176.pdf
<b>Previous Version</b> Building and Personal Property Coverage Form	CP-7101	11-06	Endorsement/Amendment/Conditions	New		0	CP-7101_Ed 11-06_BPP Cvge Form All Churches.pdf

No Rate/Rule Schedule items changed.

Sincerely,  
 Carol Zwoyer

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	All Churches Protection Package Program Expansion Endorsement	CP-7176	9-08	Endorsement/New		0.00	CP-7176.pdf
Approved	Liability Coverages Endorsement	CP-7109	08-87	Endorsement/New		0.00	CG-7109 _Ed 8-87_ Liab Cvges Endmt All Churches.pdf

## ALL CHURCHES PROTECTION PACKAGE PROGRAM EXPANSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – BASIC FORM  
CAUSES OF LOSS – BROAD FORM  
CAUSES OF LOSS – SPECIAL FORM**

The provisions of the Building And Personal Property Coverage Form apply except as otherwise provided in this endorsement. This endorsement applies only if the Coverage Part named above and the Commercial General Liability Coverage Part are included in this policy.

### CHANGES TO THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

#### COVERAGE:

The following are added to **A.1. Covered Property a. Building:**

- (6) Outdoor statuary, awnings, shutters, storm doors and storm window, outdoor recreational equipment and fences.
- (7) Permanently attached seats, desks, tables, railings, altars and electronic sound and communication equipment, clocks, bells, organs and fire curtains.

#### 2. Property Not Covered

**A.2.q.(2)** is deleted and replaced by the following:

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

#### ADDITIONAL COVERAGES:

The following coverages are added to **4. Additional Coverages** under **A. Coverages:**

#### "MONEY" AND "SECURITIES":

##### 1. Inside The "Premises"

We will pay only for loss of "money" and "securities" resulting directly from:

- a. "theft" committed by a person present inside such "premises" or "banking premises"; or
- b. disappearance or destruction.

We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

The most we will pay for all loss in any one "occurrence" under this Additional Coverage is **\$10,000** at each described "premises".

##### 2. Outside The "Premises"

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

The most we will pay for all loss under this Additional Coverage is **\$10,000** in any one "occurrence".

##### 3. With respects to the above coverages, we will not pay for loss:

- a. Resulting from "theft" or any dishonest or criminal act that you or any of your partners, "members", officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property (including "employees") for any purpose commit, whether acting alone or in collusion with other persons;
- b. Resulting from accounting or arithmetical errors or omissions;
- c. Due to the giving or surrendering of property in any exchange or purchase;
- d. Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device; or
- e. Resulting from fire, however caused, except loss of or damage to "money" and "securities".

4. The insurance provided by this Additional Coverage does not apply to any loss to "money" and "securities" due to "employee" "theft".
5. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
6. To the extent that coverage for "money" and "securities" is provided under this Additional Coverage, the Property Not Covered provisions in the Coverage section of the **Building And Personal Property Coverage Form** do not apply.

**"EMPLOYEE" THEFT:**

1. We will pay for loss of or damage to your "money" and "securities" and "other property" resulting directly from "theft" committed by any of your "employees," whether identified or not, acting alone or in collusion with other persons (except you or your partners, "members" or "managers") with the manifest intent to:
  - a. Cause you to sustain loss or damage; and also
  - b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (1) Any "employee", clergy or any person duly elected; or
    - (2) Any person appointed by the clergy or other official with authority to appoint.
2. We will not pay for:
  - a. Loss or damage resulting from any dishonest or criminal act that you or any of your partners," members", officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose commit, whether acting alone or in collusion with other persons;
  - b. Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:
    - (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
    - (2) Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or
    - (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
  - c. Expenses related to any legal action; or
  - d. Loss or damage the only proof of which as to its existence or amount is one or both of the following:
    - (1) An inventory computation; or
    - (2) A profit and loss computation.
3. The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is **\$10,000** at each described premises.
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 loss caused by any "employee" after discovery by:
  - a. You; or
  - b. Any of your partners, officers or directors, or "members" or "managers" not in collusion with the "employee"; of any dishonest act committed by 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 discover a loss or damage during the policy period that you (or any predecessor in interest) sustained 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 provided within, and 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.

## **BUSINESS INCOME:**

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle) within 100 feet of the described premises, caused by or resulting from any Covered Cause of Loss.

We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to Limits of Insurance.

Business Income means:

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

## **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 the described premises, including personal property in the open (or in a vehicle) within 100 feet of the described premises, cause by or resulting from a Covered Cause of Loss:

1. To avoid or minimize the suspension of business and to continue "operations:"
  - a. At the described premises; or
  - b. At replacement premises or at temporary locations, including:
    - (1) Relocation expenses, and
    - (2) Costs to equip and operate the replacement or temporary locations.
2. To minimize the suspension of business if you cannot continue "operations."
3.
  - a. To repair or replace any property; or
  - b. To 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 or under Business Income as provided in this endorsement.

## **SPOILAGE OF "PERISHABLE STOCK" COVERAGE:**

1. We will pay for the loss of "perishable stock" as described below caused by:
  - a. Contamination by a refrigerant; and
  - b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

The most we will pay for loss in any one occurrence under this Additional Coverage is **\$1,000** at each described premises.

This limit includes, and is not in addition to, any amount also payable under Business Income and Extra Expense coverage as provided by this endorsement.

2. This Additional Coverage does not apply if the spoilage results from:
  - a. Any of the following exclusions under **B. Exclusions** of the **Causes of Loss – Special Form**:
    - (1) **B.1.b.** Earth movement;
    - (2) **B.1.c.** Governmental Action;
    - (3) **B 1.d.** Nuclear Hazard;
    - (4) **B.1.f.** War And Military Action;
    - (5) **B.2.g** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
      - (a) You do your best to maintain heat in the building or structure; or
      - (b) You drain the equipment and shut off the supply if the heat is not maintained;
  - b. The disconnection of any refrigerating, cooling or humidity control system from the source of power;
  - c. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
  - d. The inability of an electrical utility company or other power source to provide sufficient power due to:
    - (1) Lack of fuel; or
    - (2) Governmental order;
  - e. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;
  - f. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit;

- g. An "accident"; and
- h. Changes in temperature or humidity resulting from:
  - (1) complete or partial lack of electrical power; or
  - (2) fluctuation of electrical current

caused by or resulting from an "accident" to equipment owned by a utility, landlord or other supplier with which you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must be of the type described in the definition of "covered equipment" except that it is not Covered Property.

- 4. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the Declarations applicable to Your Business Personal Property. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this Additional Coverage.
- 5. You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, this **Additional Coverage – Spoilage of "Perishable Stock" Coverage** will be automatically suspended at the involved location.

### C. COVERAGE EXTENSIONS

The following **Coverage Extensions** under **A. Coverage** are amended as follows:

#### NEWLY ACQUIRED OR CONSTRUCTED PROPERTY:

**A.5.a (3) Period Of Coverage** is deleted and replaced with the following:

##### (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) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property;
- (c) You report values to us; or
- (d) With respect to "computers", the earlier of:
  - (i) (a), (b) or (c) above; or
  - (ii) when specific insurance at the newly acquired premises is obtained.

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.

#### PERSONAL EFFECTS AND PROPERTY OF OTHERS:

**A. 5. b. Personal Effects And Property Of Others** is deleted and replaced by the following:

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

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

The most we will pay for loss or damage under this Extension is **\$5,000** at each described premises. However, we will pay up to **\$10,000** at each described premises for members of the clergy, but no more than **\$5,000** per individual member of the clergy. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

#### VALUABLE PAPERS AND RECORDS (OTHER THAN "ELECTRONIC DATA"):

Paragraph (4) of **A.5.c. "Valuable Papers And Records" (Other Than "Electronic Data")** is deleted and replaced by the following:

- (4) Under this Extension, the most we will pay to replace or restore the lost information is **\$10,000** at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

## OUTDOOR PROPERTY:

**A.5.e. Outdoor Property** is replaced by the following:

### e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located at the described premises:

(1) Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring; and

(2) Trees, shrubs and plants other than "stock";

but only for loss caused by or resulting from a Covered Causes of Loss.

The most we will pay for direct physical loss or damage in any one occurrence, including debris removal expense, under this Coverage Extension is:

(1) **\$250** for any one tree, shrub or plant;

(2) **\$10,000** for all outdoor property at each described premises.

## AMENDMENTS TO LIMITS OF INSURANCE:

The following replaces the last two paragraphs of **C. Limits of Insurance** of the **Building and Business Personal Property Coverage Form**:

Unless specifically indicated in the Additional Coverage, the Limits of Insurance applicable to any Additional Coverage provision provided by this endorsement will not increase the Limit of Insurance applicable to Building or Business Personal Property shown in the Declarations.

However, the limits applicable to Valuable Papers and Records (Other Than "Electronic Data") is in addition to the Limits of Insurance.

With respect to the coverage provided by this endorsement, Coverage Extensions are additional insurance unless otherwise indicated within the applicable coverage extension. The Additional Condition, Coinsurance of the **Building and Business Personal Property Coverage Form** does not apply to these Coverage Extensions.

With respect to the coverage provided by this endorsement, if a specific Limit of Insurance applies to the Personal Property of Others shown in the Declarations, the Personal Property of Others coverage provided by this endorsement does not apply and does not provide any amount which is in addition, contributes or is in excess of any applicable Limit of Insurance shown in the Declarations.

Coverage afforded the insured under this endorsement will be excess over any other valid and collectible insurance available to the insured, including any coverage endorsements to this policy.

Regardless of the number of years this endorsement remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

## AMENDMENTS TO DEDUCTIBLE:

The following are added to **D. Deductible** of the **Building and Business Personal Property Coverage Form**:

2. No deductible applies to the following coverages:

- "Employee" Theft;
- "Money" and "Securities";
- Outdoor Property;
- "Valuable Papers and Records" (other than "electronic data").

## LOSS CONDITIONS:

The following is added to **7. Valuation** under **E. Loss Conditions**:

f. (1) "Money" at its face value; and

(2) "Securities" at their value at the close of business on the day the loss is discovered.

## ADDITIONAL CONDITIONS:

### 2. Mortgageholders

**F.2.f.** is deleted and replaced by the following:

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

(1) **15** days before the effective date of cancellation if we cancel for your non-payment of premium; or

(2) **45** days before the effective date of cancellation if we cancel for any other reason.

## DEFINITIONS

For the purposes of the coverage provided by this endorsement, the following terms are defined as follows:

- a. **"Perishable stock"** means personal property:
  1. Maintained under controlled conditions for its preservation; and
  2. Susceptible to loss or damage if the controlled conditions change.
- b. **"Valuable papers and records"** means inscribed, printed or written:
  1. Documents;
  2. Manuscripts; and
  3. Records;including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities" as defined in paragraph d. below, and does not include "electronic data".
- c. For purposes of **Additional Coverage Spoilage "Perishable Stock" Coverage**, the following terms are defined as follows:
  1. **"Accident"** means a fortuitous event that causes direct physical damage to "covered equipment" resulting from:
    - (a) mechanical breakdown, including rupture or bursting caused by centrifugal force;
    - (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
    - (c) explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
    - (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
    - (e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
  2. **"Covered equipment"** means, unless otherwise specified in the Equipment Breakdown Schedule of Coverages, Covered Property:
    - (a) that generates, transmits or utilizes energy, including, but not limited to, electronic communications and data processing equipment; or
    - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents; or
    - (c) which is "production machinery."But none of the following is "covered equipment":
    - (a) structure, foundation, cabinet, compartment or air supported structure or building;
    - (b) insulating or refractory material;
    - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
    - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (e) "vehicle" or any equipment mounted on a "vehicle";
    - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
    - (g) dragline, excavation or construction equipment; or
    - (h) equipment manufactured by you for sale.
- d. The following definitions apply to additional Crime and Fidelity coverages provided under this endorsement:
  1. **"Occurrence(s)"** is a defined term in this endorsement only as respects the following coverages:
    - (a) As respects the coverage provided under this endorsement for **"Money" And "Securities"** only, "occurrence" means all loss caused by one or more persons and involving a single act or series of related acts.
    - (b) As respects the coverage provided under **"Employee" Theft** only, "occurrence" means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
  2. With respects to **Additional Coverages "Money" and "Securities"** and **"Employee" Theft**, the following definition applies:

**"Money"** means:

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

**"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

    - (a) Food stamps, lottery tickets, redeemed coupons, 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".

"**Other property**" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, "electronic data" or any property specifically excluded under this insurance.

"**Theft**" means the unlawful taking of property to the deprivation of the Insured.

"**Employee(s)**" means:

(1) Any natural person:

(a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

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

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

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

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

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

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

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

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

(a) Performing acts within the scope of the usual duties of an "employee"; or

(b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"**Employee**" does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in the definition of "Employee(s)" above.

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

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

e. With respects to **Additional Coverage "Money" and "Securities"** the following definition applies:

"**Banking premises**" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

"**Premises**" means the interior of that portion of any building you occupy in conducting your business.

"**Messenger**" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".

"**Robbery**" means the unlawful taking of property from the care and custody of a person by one who has:

a. Caused or threatened to cause that person bodily harm; or

b. Committed an obviously unlawful act witnessed by that person.

f. "**Production machinery**" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machinery or apparatus. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a moveable plunger or piston.

All other terms and conditions remain unchanged.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**CG-7109  
(Ed. 8-87)**

**LIABILITY COVERAGES ENDORSEMENT**

The following replaces the referenced COVERAGES and SECTIONS of the Commercial General Liability Coverage Form.

**SECTION I - COVERAGES**

**COVERAGE C. MEDICAL PAYMENTS**

**1. Insuring Agreement.**

**a. We** will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises **you** own or rent;
- (2) On ways next to premises **you** own or rent; or
- (3) Because of **your** operations;
- (4) To a person injured while taking part in athletics, but not more than \$500;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to **us** within one year of the date of the accident; and
- (3) The injured person submits to examination, at **our** expense by physicians of **our** choice as often as **we** reasonably require.

**b. We** will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. **We** will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions.**

**We** will not pay expenses for "bodily injury:"

- a.** To any insured.
- b.** To a person hired to do work for or on behalf of any insured or a tenant of any insured. **However, this exclusion will not apply to persons donating their time or labor for your benefit.**
- c.** To a person injured on that part of premises **you** own or rent that the person normally occupies.

- d.** To a person, whether or not an employee of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e.** To a person injured while taking part in athletics except for the limit stated in paragraph 1 a(4).
- f.** Included within the "products-completed operations hazard."
- g.** Excluded under Coverage A.
- h.** Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SECTION II - WHO IS AN INSURED**

- 1.** If **you** are designated in the Declarations as:
  - a.** An individual, **you** and **your** spouse are insureds, but only with respect to the conduct of a business of which **you** are the sole owner.
  - b.** A partnership or joint venture, **you** are an insured. **Your** members, **your** partners, and their spouses are also insureds, but only with respect to the conduct of **your** business.
  - c.** An organization other than a partnership or joint venture, **you** are an insured. **Your** executive officers and directors are insureds, but only with respect to their duties as **your** officers or directors. **Your** stockholders are also insureds, but only with respect to their liability as stockholders.
- 2.** Each of the following is also an insured:
  - a.** **Your** employees, other than **your** executive officers, but only for acts within the scope of their employment by **you**. However, none of these employees is an insured for:
    - (1) "Bodily injury" or "personal injury" to **you** or to a co-employee while in the course of his or her employment; or
    - (2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or

- (3) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of **your** other employees, or any of **your** partners or members (if **you** are a partnership or joint venture).
  - b. Any person (other than **your** employee), or any organization while acting as **your** real estate manager.
  - c. Any person or organization having proper temporary custody of **your** property if **you** die, but only:
    - (1) With respect to liability arising out of the maintenance of use of that property; and
    - (2) Until **your** legal representative has been appointed.
  - d. **Your** legal representative if **you** die, but only with respect to duties as such. That representative will have all **your** rights and duties under this Coverage Part.
  - e. Any of your members, but only with respect to their liability for your activities or activities they perform on your behalf.
  - f. Any trustee, official, member of the board of governors or clergyman but only with respect to their duties as such.
  - g. Any person(s) who are volunteer worker(s) for you, but only while acting at your direction and you within the scope of their duties. However, no volunteer is an insured for:
    - (1) "Bodily injury" to:
      - (a) A co-volunteer or your employee arising out of and in the course of their duties for you, or
      - (b) You, or if you are a partnership or joint venture, any partner or member thereof;
    - (2) "Property damage" to property owned, occupied or used by, rented to, in the care, custody, or control of, or over which physical control is being exercised for any purpose by:
      - (a) A co-volunteer or your employee; or
      - (b) You, or if you are a partnership or joint venture, any partner or member.
- 3. With respect to "mobile equipment" registered in **your** name under any mobile vehicle registration law, any person is an insured while driving such equipment along a public highway with **your** permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising

out of the operations of the equipment, and only if no other insurance of any kind is available to that person or organization for that liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-employee of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by **you** or the employer of any person who is an insured under this provision.
- 4. Any organization **you** newly acquire or form, other than a partnership or joint venture, and over which **you** maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90<sup>th</sup> day after **you** acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before **you** acquired or formed the organization; and
  - c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before **you** acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

The following is added to the Commercial General Liability Coverage Form.

#### **ADDITIONAL COVERAGES - PASTORAL COUNSELING PROFESSIONAL LIABILITY**

##### **1. Insuring Agreement**

**We** will pay those sums that **you** or **your** pastor(s) become legally obligated to pay as damages out of any acts, errors or omissions because of counseling activities by a pastor. This insurance applies only if a claim is made in writing against any Insured during the policy period. Coverage provided by this endorsement applies only for a 'pastor' of the Insured while acting within the scope of his duties as such. The term pastor shall mean any ordained minister, priest, rabbi or nun.

## 2. Exclusions

This insurance does not apply to liability resulting from:

- a. furnishing medical, radiological, surgical, dental or nursing treatments, including shock therapy, and the prescription, utilization, furnishing or dispensing of drugs or medical, radiological, surgical, dental or nursing supplies or appliances;
- b. the ownership, maintenance, operation, use, loading or unloading of any motor vehicle, trailer, semi-trailer, watercraft or aircraft;
- c. acts, errors or omissions of the Insured as a member of a formal association or similar professional board or committee of any hospital or professional society;
- d. any actual or alleged conduct of a sexual nature;
- e. any dishonest, fraudulent, or criminal acts or omissions of the insured;
- f. acts, errors, or omissions of the Insured as proprietor, superintendent or executive officer of any hospital, sanatorium, medical clinic with or without bed and board facilities, laboratory, or to acts or omissions arising out of any other trade, business, employment or profession.

## 3. Limits of Insurance

The limit of insurance stated in the Commercial General Liability Declarations "Each Occurrence Limit" is the most **we** will pay for damages because of each claim or "suit" covered. The limit of insurance stated in the schedule as "General Aggregate Limit" is, subject to the above provision respecting "each claim," the most **we** will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits."

## ADDITIONAL COVERAGES - CEMETERY PROFESSIONAL LIABILITY

### 1. Insuring Agreement

**We** will pay those sums **you** become legally obligated to pay as "damages" because of "bodily injury," including mental anguish, or "property damage" arising out of any act or omission committed in the conduct of **your** cemetery operations.

### 2. Exclusions

This insurance does not apply to:

- a. Injury to or destruction of property owned by or rented to **you**;
- b. Property held by **you** for the purpose of sale or advertising display;
- c. Property in **your** care, custody or control other than deceased human bodies, their clothing, other personal effects or cremated remains, casket, urn, vault or like container;
- d. "Bodily injury" or "property damage" resulting from an act or omission committed by or with the knowledge of an insured that is a willful violation of a statute or ordinance;
- e. Mental anguish arising out of the use of vehicles unless accompanied by "bodily injury."

### 3. Amended Definitions

When used with this coverage "property damage" means:

- a. Injury to or destruction of property of others, or
- b. Injury to or destruction of deceased human bodies, their clothing or personal effects, or any casket, urn, vault, or like container whether or not the injury or destruction arises out of the use of vehicles.

### 4. Additional Definition

When used with coverage "damages" includes"

- a. legal compensation for death, for care and loss of services resulting from "bodily injury".
- b. legal compensation for loss of use of property resulting from "property damage" to property of others.

This endorsement must be attached to a Change Endorsement when issued after the policy is written.



SERFF Tracking Number: HRLV-125793834 State: Arkansas  
First Filing Company: Harleysville Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: CPPSV12172007-2  
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0007 Other CMP  
Liability  
Product Name: CPP  
Project Name/Number: CPP All Churches Product Standardization - initial/

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 09/15/2008

**Comments:**  
**Attachment:**  
NAIC 2007.pdf

**Satisfied -Name:** COVER LETTER **Review Status:** Approved 09/15/2008

**Comments:**  
**Attachment:**  
forms.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Harleysville Insurance Company	PA	23582	41-0417250	
Harleysville Preferred Insurance Company	PA	35696	23-2384978	
Harleysville Worcester Insurance Company	PA	26182	04-1989660	

<b>5. Company Tracking Number</b>	125793834
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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
	Carol Zwoyer 355 Maple Avenue Harleysville, PA 19438	Senior State Filing Analyst	800-523-6344 ext. 5735	215-256-5678	czwoyer@harleysvillegroup.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Carol Zwoyer

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

9. Type of Insurance (TOI)	Commercial Multi Peril
10. Sub-Type of Insurance (Sub-TOI)	All Churches Protection
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 02-01-09      Renewal: 07-01-2009



**HARLEYSVILLE INSURANCE**

355 Maple Avenue  
Harleysville, PA 19438-2297  
[www.harleysvillegroup.com](http://www.harleysvillegroup.com)

September 4, 2008

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

NAIC # 35696, 23582, 26182

**ALL CHURCHES PROTECTION PACKAGE**

(An Independent Program)

Form Filing

Company Tracking Number: 125793834

Dear Honorable Bowman:

Harleysville Insurance Company, Harleysville Preferred Insurance Company and Harleysville Worcester Insurance Company have been granted authority to transact business in the state of Arkansas. It is our intention to begin active operation February 1, 2009.

We submit for approval our independent program which is tailored to meet the unique needs of eligible religious organizations. This commercial package offers property coverage on a direct physical loss basis and commercial general liability.

We will use the following nonstandard endorsements to expand property and liability coverages:

- CP-7101 (Ed. 11-06) Building and Personal Property Coverage Form
- CG-7109 (Ed. 08-87) Liability Coverages Endorsement

Rule of application: These changes shall be applicable to all new business policies effective on or after February 1, 2009 and renewal policies effective on or after July 1, 2009.

Statistical Agent: Insurance Services Office, 545 Washington Blvd, Jersey City NJ 07310-1686

Your favorable approval will be appreciated.

Very truly yours,

**Harleysville Insurance Company**  
**Harleysville Preferred Insurance Company**  
**Harleysville Worcester Insurance Company**



Carol Zwoyer, AAM, AIT  
Senior State Filing Analyst  
(215) 256-5735

[czwoyer@Harleysvillegroup.com](mailto:czwoyer@Harleysvillegroup.com)



## BUILDING AND PERSONAL PROPERTY COVERAGE FORM All Churches Protection Package

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

### A. COVERAGE

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

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

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

- (1) Completed additions;
- (2) Permanently installed
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Outdoor fixtures, outdoor statuary, awnings, shutters, storm doors and storm windows, outdoor recreational equipment and fences;
- (4) Permanently attached seats, desks, tables, railings, altars and electronic sound and communication equipment, clocks, bells, organs and fire curtains;
- (5) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structures;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage Form;

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others; and
- (6) Your use interest as tenants in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove.

**c. Personal Property of Others** that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

**2. Property Not Covered**

Covered Property does not include:

a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;

b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement;

h. Land (including land on which the property is located), water, growing crops or lawns;

i. Personal property while airborne or waterborne;

j. Pilings, piers, wharves or docks;

k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not part of the building described in the Declarations;

m. Underground pipes, flues or drains;

n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;

o. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises;

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale; or

(c) Rowboats or canoes out of water at the described premises;

p. The following property while outside of buildings:

(1) Grain, hay, straw or other crops;

(2) Radio or television antennas, including their lead-in wiring, masts or towers, trees, shrubs or plants, all except as provided in the Coverage Extensions.

**3. Covered Causes of Loss**

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

**4. Additional Coverages**

**a. Debris Removal**

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

- (a) The date of direct physical loss or damage; or
  - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage.
- But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.
- (3) This Additional Coverage does not apply to costs to:
- (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.

**b. Preservation of Property**

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 10 days after the property is first moved.

**c. Fire Department Service Charge**

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

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

No deductible applies to this Additional Coverage.

**d. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal 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 earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

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

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

**a. Newly Acquired or Constructed Property**

- (1) You may extend the insurance that applies to Building to apply to:
- (a) Your new buildings while being built on the described premises, and;
  - (b) Buildings you acquire at locations, other than the described premises, intended for:
    - (i) Similar use as the building described in the Declarations; or
    - (ii) Use as warehouse.

The most we will pay for loss or damage under this Extension is not more than \$250,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is 10% of the Limit of Insurance for Your Business Personal Property shown in the Declarations, but not more than \$100,000 at each building.

(3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

(a) This policy expires.

(b) 60 days expire after you acquire or begin to construct the property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

**b. Personal Effects and Property of Others**

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

(1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$5,000 at each described premises; except, we will pay up to \$10,000 at each described premises for members of the clergy, but no more than \$5,000 per individual member of the clergy. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers and Records - Cost of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$10,000 at each described premises.

**d. Property Off-Premises Including Transit**

You may extend the insurance provided by this Coverage Form to apply to your Covered Property that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

(1) In the care, custody or control of your salespersons; or

(2) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$5,000. This Extension replaces any similar Additional Coverage Extension contained in Cause of Loss Forms attached to this policy.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your radio and television antennas, outdoor trees, shrubs and plants, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is \$5,000. An additional \$1,000 may be applied for the expense incurred in the removal of debris.

**f. Business Income**

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle) within 100 feet of the described premises, caused by or resulting from any Covered Cause of Loss.

We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

Business income means the:

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

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

### **g. 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 the described premises, including personal property in the open (or in a vehicle) within 100 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

Extra Expense means expense incurred:

(1) To avoid or minimize the suspension of business and to continue "operations:"

(a) At the described premises; or

(b) At replacement premises or at temporary locations, including:

(i) Relocation expenses; and

(ii) Costs to equip and operate the replacement or temporary locations.

(2) To minimize the suspension of business if you cannot continue "operations."

(3)(a) To repair or replace any property; or

(b) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension or Coverage Extension f. Business Income.

### **h. Refrigerated Products**

You may extend the insurance that applies to Your Business Personal Property to apply to the contents of freezer or refrigerated units at the designated premises caused by change of temperature resulting from:

(1) interruption of electrical service to the refrigeration equipment caused by breakdown of the generating or transmission system; or

(2) mechanical or electrical breakdown of the refrigeration system.

This Extension of Coverage shall not apply if:

(1) You have failed to exercise reasonable care in maintaining the refrigeration equipment in properly working condition or

(2) You know of the interruption of electrical service or mechanical breakdown and you do not use all reasonable means to protect the covered property from further damage.

The most we will pay for loss or damage under this Extension is \$1,000.

### **i. Money, Securities and Stamps**

You may extend the insurance provided by this Coverage Form to apply to your currency, bills, deeds, evidence of debt, money, securities and stamps. This Extension applies only if loss or damage is caused by a Covered Cause of Loss at the designated premises or while the property is being conveyed off the designated premises by you or an authorized employee.

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

### **j. Protection Against Dishonesty**

You may extend the insurance provided by this Coverage Form to cover for loss through any fraudulent or dishonest acts committed by:

(1) Any employees, clergy or any person duly elected, or

(2) Any person appointed by the clergy or other official with authority to appoint.

The most we will pay for loss resulting from any fraudulent or dishonest acts is \$10,000 whether an individual acted alone or in collusion with other persons.

Each of these extensions is additional insurance.

SECTION F - ADDITIONAL CONDITION - COINSURANCE and SECTION H - DEDUCTIBLE do not apply to these Extensions.

## **B. EXCLUSIONS**

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

## **C. LIMITS OF INSURANCE**

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

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

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance.

1. Preservation of Property; or
2. Debris Removal; but if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

#### **D. DEDUCTIBLE**

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

#### **E. LOSS CONDITIONS**

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

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

##### **3. Duties In The Event Of Loss Or Damage**

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

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the limit of insurance.
- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f. Permit us to inspect the property and records proving the loss or damage. Also permit us to take samples of damaged property for inspection, testing and analysis.
- g. If requested, permit us to question you under oath at such time as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
- h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- i. Cooperate with us in the investigation or settlement of the claim.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust losses with the owner of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn statement of loss, if:
  - (1) You have complied with all of the terms of this Coverage Part; and
  - (2)(a) We have reached agreement with you on the amount of loss; or
  - (b) An appraisal award has been made.

#### 5. Recovered Property

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

#### 6. Vacancy

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

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss.
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations. Buildings under construction are not considered vacant.

#### 7. Valuation

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

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

This provision does not apply to the following even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
 If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.
- f. 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;
  - (2) Labor to transcribe or copy the records when there is a duplicate.

## F. ADDITIONAL CONDITIONS

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

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

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

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

The amount determined in step (4) is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

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

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of coinsurance to meet your Coinsurance requirements)

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

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

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

We will pay not more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

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

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$200,000 \div \$200,000 = 1.00$

Step (3):  $\$40,000 \times 1.00 = \$40,000$

Step (4):  $\$40,000 - \$250 = \$39,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

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

Example No. 3:

When: The value of the property is:

Bldg. at Location No. 1	\$75,000
Bldg. at location No. 2	100,000
Personal Property at Location No. 2	<u>75,000</u>
	\$250,000

The Coinsurance percentage for it is 90%  
The Limit of Insurance for Buildings and Personal Property at Locations Nos. 1 and 2 is \$180,000  
The Deductible is \$1,000  
The amount of loss is:

Bldg. at Location No. 2	\$30,000
Personal Property at Location No. 2	<u>20,000</u>
	\$50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

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

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

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

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

## 2. Mortgage Holders

- a.** The term "mortgage holder" includes trustee.
- b.** We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of the Coverage Part will then apply directly to the mortgage holder.
- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

## G. OPTIONAL COVERAGES

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

### 1. Agreed Value

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

### 2. Inflation Guard

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

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is	\$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146

The amount of increase is  
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200$

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Property of others;
  - (2) Contents of a residence;
  - (3) Manuscripts;
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (5) "Stock," unless the including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonable possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace, on the same premises, the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

### H. DEFINITIONS

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

"**Money**" means:

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

"**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. Evidence of debt issued in connection with credit or charge cards, which cards are not issued by you. but does not include "money".

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