

SERFF Tracking Number: AMAX-125984981 State: Arkansas
Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
Company Tracking Number: AAIS-2009-6
TOI: 03.0 Personal Farmowners Sub-TOI: 03.0000 Personal Farmowners
Product Name: Farmowners
Project Name/Number: CW New & Rev Water Damage Excl Endt's AAIS-2009-6/AAIS-2009-6

Filing at a Glance

Company: American Association of Insurance Services

Product Name: Farmowners	SERFF Tr Num: AMAX-125984981	State: Arkansas
TOI: 03.0 Personal Farmowners	SERFF Status: Closed	State Tr Num: EFT \$200
Sub-TOI: 03.0000 Personal Farmowners	Co Tr Num: AAIS-2009-6	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi
	Author: SPI AAIS	Disposition Date: 01/14/2009
	Date Submitted: 01/12/2009	Disposition Status: Approved
Effective Date Requested (New): 07/01/2009		Effective Date (New): 07/01/2009
Effective Date Requested (Renewal):		Effective Date (Renewal):

State Filing Description:

General Information

Project Name: CW New & Rev Water Damage Excl Endt's AAIS-2009-6	Status of Filing in Domicile:
Project Number: AAIS-2009-6	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 01/14/2009	
State Status Changed: 01/14/2009	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Re: AAIS-2009-6	
Farmowners Program	
New and Revised Endorsements	

Dear Sir or Madam:

On behalf of our affiliated companies, the American Association of Insurance Services (AAIS) is filing changes to the

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above captioned program. Our filing consists of new and revised endorsements.

The Filing Memorandum provides detailed descriptions of the changes and additions being proposed at this time. Side-by-side comparisons of the current-to-revised countrywide endorsements are included. Copies of all materials are enclosed.

We propose that the filing become effective July 1, 2009. Companies will be advised to take the filing action outlined in the attached company action exhibit.

Please be advised that, upon approval, the materials that are the subject of this filing may also be provided to affiliated companies in an electronic format. We will be happy to furnish you the same materials electronically, upon request. Due to differences in printer configurations or other hardware or software differences, the appearance of the materials that are the subject of this filing may be altered slightly when produced by another system. Such alterations will be cosmetic only and will not affect the content of the filed materials.

Company and Contact

Filing Contact Information

Pallavi Shah, Senior Filing Specialist
1745 South Naperville Road
Wheaton, IL 60187-8132

PallaviS@aisonline.com
(630) 681-8347 [Phone]
(630) 681-8356[FAX]

Filing Company Information

American Association of Insurance Services
1745 S. Naperville Road
Wheaton, IL 60187-8132
(630) 681-8347 ext. [Phone]

CoCode: 31400
Group Code:
Group Name:
FEIN Number: 36-2021360

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

SERFF Tracking Number: AMAX-125984981 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$200.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Association of Insurance Services	\$200.00	01/12/2009	24955054

SERFF Tracking Number: AMAX-125984981 State: Arkansas
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Company Tracking Number: AAIS-2009-6
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Product Name: Farmowners
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	01/14/2009	01/14/2009

SERFF Tracking Number: *AMAX-125984981* *State:* *Arkansas*
Filing Company: *American Association of Insurance Services* *State Tracking Number:* *EFT \$200*
Company Tracking Number: *AAIS-2009-6*
TOI: *03.0 Personal Farmowners* *Sub-TOI:* *03.0000 Personal Farmowners*
Product Name: *Farmowners*
Project Name/Number: *CW New & Rev Water Damage Excl Endt's AAIS-2009-6/AAIS-2009-6*

Disposition

Disposition Date: 01/14/2009

Effective Date (New): 07/01/2009

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMAX-125984981 State: Arkansas
 Filing Company: American Association of Insurance Services State Tracking Number: EFT \$200
 Company Tracking Number: AAIS-2009-6
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 Product Name: Farmowners
 Project Name/Number: CW New & Rev Water Damage Excl Endt's AAIS-2009-6/AAIS-2009-6

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	CW FO-1 to FO-4 Ed 1.0, FO 0005 02 00, & FO-362 Ed. 1	Approved	Yes
Supporting Document	CW FO-208 Ed 1.0 to FO 0208 11 08	Approved	Yes
Supporting Document	CW FO 0208 02 00 to FO 0208 11 08	Approved	Yes
Supporting Document	!Important Notice - Copyrighted Materials	Approved	Yes
Supporting Document	AR Forms Company Action Exhibit	Approved	Yes
Supporting Document	CW FO Water Excl Amendment - Filing Memo	Approved	Yes
Form	Water Exclusion Endorsement	Approved	Yes
Form	Water Back UP and Sump Discharge or Overflow	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Water Exclusion Endorsement	FO 0217	11 08	Endorsement/New Amendment/Conditions		56.50	FO 0217.PDF
Approved	Water Back UP and Sump Discharge or Overflow	FO 0208	11 08	Endorsement/Replaced Amendment/Conditions	Replaced Form #:59.76 FO-208; FO 0208 Previous Filing #:		FO 0208.PDF

WATER EXCLUSION ENDORSEMENT

1. The following is added to the first paragraph under General Exclusions in form FO-20. When this policy includes form FO 0005, the following is also added to the first paragraph of item 1. under Exclusions That Apply To Property Coverages in that form:

These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or event.

2. In form FO-20, Water Damage under General Exclusions is deleted and replaced by the following:

Water

- a. "We" do not pay for loss caused by:

- 1) flood;
- 2) surface water;
- 3) waves, including but not limited to tidal wave and tsunami;
- 4) tides;
- 5) tidal water;
- 6) overflow of any body of water; or
- 7) spray from 1) through 6) above;

whether driven by wind or not.

This includes, but is not limited to, tidal surge, storm surge, and storm tide.

- b. "We" do not pay for loss caused by water that:
 - 1) backs up through sewers or drains; or
 - 2) overflows or otherwise discharges from:
 - a) a sump, sump pump, or related equipment; or
 - b) any other type of system designed to remove subsurface water which is drained from the foundation area.

- c. "We" do not pay for loss caused by water below the surface of the ground. This includes, but is not limited to, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, patio, foundation, swimming pool, or other structure.

- d. "We" do not pay for loss caused by matter present in or carried or otherwise moved by water described in a. through c. above.

- e. The exclusions set forth in a. through d. above:

- 1) apply regardless of the cause of the excluded event, whether or not such cause is an act of nature; and
- 2) apply to, but are not limited to, water and matter present in or carried or otherwise moved by water, whether driven by wind or not, that:
 - a) overtops;
 - b) escapes from;
 - c) is released from; or
 - d) is otherwise discharged from;

a dam, levee, dike, floodgate, or other device or feature designed or used to retain, contain, or control water.

- f. "We" do pay for direct loss to covered property caused by fire or explosion (other than a volcanic explosion) resulting from an event excluded in a. through d. above.
- g. These exclusions do not apply to loss caused by theft that is otherwise covered by this policy.
- h. These exclusions do not apply to direct physical loss to covered "livestock" resulting from an event excluded in a. above.

3. When this policy includes form FO 0005, item a. of the definition of "specified perils" is deleted and replaced by the following:

- a. accidental discharge or overflow of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance. (Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.)

However, "we" do not pay for loss:

- 1) caused by continuous or repeated seepage or leakage;
- 2) on the "insured premises" caused by accidental discharge or overflow which comes from off the "insured premises"; or
- 3) to the system, heater, or appliance from which the liquid or steam escapes.

Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this peril;

4. When this policy includes form FO-2 and or form FO-4, the last paragraph of Accidental Discharge or Overflow of Liquids or Steam in the Perils Section of the form(s) is deleted and replaced by the following:

In this peril, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this peril.

5. When this policy includes form FO-3, Seepage or Leakage under Coverage A -- Residence and Coverage B -- Related Private Structures in the Perils Section of that form is deleted and replaced by the following:

Seepage or Leakage -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.

Except as provided above, "we" pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises". With respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

When loss is caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises", "we" also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. "We" do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

6. When this policy includes form FO-3, the last paragraph of Accidental Discharge or Overflow of Liquids or Steam under Coverage C -- Personal Property in the Perils Section of that form is deleted and replaced by the following:

In this peril, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this peril.

7. When this policy includes form FO 0005, the following is added to that form under item 2. of Exclusions That Apply To Property Coverages:

Seepage or Leakage -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance unless no "insured" knew of or could reasonably be expected to suspect such seepage or leakage.

Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss caused by repeated or continuous seepage or leakage of water from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises" if no "insured" knew of or could reasonably be expected to suspect such seepage or leakage of water. Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof

drains, gutters, downspouts, or like equipment.

8. When this policy includes form FO 0005, Water Damage under Exclusions That Apply To Property Coverages in that form is deleted and replaced by the following:

Water

- 1) "We" do not pay for loss caused by:

- a) flood;
- b) surface water;
- c) waves, including but not limited to tidal wave and tsunami;
- d) tides;
- e) tidal water;
- f) overflow of any body of water; or
- g) spray from a) through f) above;

whether driven by wind or not.

This includes, but is not limited to, tidal surge, storm surge, and storm tide.

- 2) "We" do not pay for loss caused by water that:

- a) backs up through sewers or drains; or
- b) overflows or otherwise discharges from:

(1) a sump, sump pump, or related equipment; or

(2) any other type of system designed to remove subsurface water which is drained from the foundation area.

- 3) "We" do not pay for loss caused by water below the surface of the ground. This includes, but is not limited to, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, patio, foundation, swimming pool, or other structure.
- 4) "We" do not pay for loss caused by matter present in or carried or otherwise moved by water described in 1) through 3) above.

5) The exclusions set forth in 1) through 4) above:

- a) apply regardless of the cause of the excluded event, whether or not such cause is an act of nature; and
- b) apply to, but are not limited to, water and matter present in or carried or otherwise moved by water, whether driven by wind or not, that:

- (1) overtops;
- (2) escapes from;
- (3) is released from; or
- (4) is otherwise discharged from;

a dam, levee, dike, floodgate, or other device or feature designed or used to retain, contain, or control water.

- 6) "We" do pay for direct loss to covered property caused by fire or explosion (other than a volcanic explosion) resulting from an event excluded in 1) through 4) above.
- 7) These exclusions do not apply to loss caused by theft that is otherwise covered by this policy.
- 8) With respect to these exclusions, surface water and water below the surface of the ground do not include water that accidentally discharges or overflows from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system, water heater, or domestic appliance on the "insured premises" when loss caused by such water is not otherwise excluded by this policy. Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

9) These exclusions do not apply to loss to property covered under Coverage C while such property is away from an "insured premises" or a location owned by, rented to, occupied by, used by, or in the care of an "insured". With respect to such loss, the Weather Conditions exclusion under Exclusions That Apply To Property Coverages does not apply.

- 9. When this policy includes form FO 0005, the last paragraph of item 2. under Exclusions That Apply To Property Coverages in that form is deleted and replaced by the following:

"We" do pay for loss not otherwise excluded caused by liquids or steam which escape from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance on the "insured premises" resulting from a cause or event excluded under exclusions 2.f. through 2.j. above. This includes the reasonable cost of removing and replacing those parts of the building or mobile home needed to repair the system, heater, or appliance. This does not include loss to the system, heater, or appliance from which the liquid or steam escapes.

With respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

10. When this policy includes endorsement FO-362, Seepage or Leakage under Exclusions Applying To Coverage E in that endorsement is deleted and replaced by the following:

Seepage or Leakage -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.

Except as provided above, "we" pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises". With respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

When loss is caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises", "we" also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. "We" do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

FO 0217 11 08

WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

PROPERTY COVERAGES

The following is added:

"We" pay up to \$5,000 for direct physical loss to property covered under Coverage A, B, or C caused by water or matter present in or carried or otherwise moved by water that:

1. backs up through sewers or drains; or
2. overflows or otherwise discharges from:
 - a. a sump, sump pump, or related equipment; or
 - b. any other type of system designed to remove subsurface water which is drained from the foundation area.

However, with respect to property described in a. and b. above, "we" do not pay for loss to such property caused by mechanical breakdown.

This coverage does not increase the "limits" that apply to Coverages A, B, C, and D.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

With respect to the limited coverage provided by this endorsement:

1. the reference to mechanical breakdown under Wear and Tear is deleted; and

2. under Water, the exclusion for loss caused by water that:
 - a. backs up through sewers or drains; or
 - b. overflows or otherwise discharges from:
 - 1) a sump, sump pump, or related equipment; or
 - 2) any other type of system designed to remove subsurface water which is drained from the foundation area;

applies only with respect to water that backs up, overflows, or otherwise discharges as a direct or indirect result of flood.

HOW MUCH WE PAY FOR LOSS OR CLAIM

With respect to the coverage provided by this endorsement, Deductible is deleted and replaced by the following:

Deductible -- "We" pay only that part of the total of all loss payable under the Dwelling Coverages that exceeds \$250. No other deductible applies to this coverage.

However, the deductible does not apply to loss covered under Coverage D.

FO 0208 11 08

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Supporting Document Schedules

Review Status:
Bypassed -Name: Uniform Transmittal Document- Property & Casualty Approved 01/14/2009
Bypass Reason: No Longer Applicable
Comments:

Review Status:
Satisfied -Name: CW FO-1 to FO-4 Ed 1.0, FO 0005 02 00, & FO-362 Ed. 1 Approved 01/14/2009
Comments:
Attachment:
 CW FO-1 to FO-4 Ed 1_0, FO 0005 02 00, & FO-362 Ed_ 1.PDF

Review Status:
Satisfied -Name: CW FO-208 Ed 1.0 to FO 0208 11 08 Approved 01/14/2009
Comments:
Attachment:
 CW FO-208 Ed 1_0 to FO 0208 11 08.PDF

Review Status:
Satisfied -Name: CW FO 0208 02 00 to FO 0208 11 08 Approved 01/14/2009
Comments:
Attachment:
 CW FO 0208 02 00 to FO 0208 11 08.PDF

Review Status:
Satisfied -Name: !Important Notice - Copyrighted Materials Approved 01/14/2009
Comments:
Attachment:
 !Important Notice - Copyrighted Materials.PDF

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Satisfied -Name: AR Forms Company Action Exhibit **Review Status:** Approved 01/14/2009
Comments:
Attachment:
AR Forms Company Action Exhibit.PDF

Satisfied -Name: CW FO Water Excl Amendment - **Review Status:** Approved 01/14/2009
Filing Memo
Comments:
Attachment:
CW FO Water Excl Amendment - Filing Memo.PDF

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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FO-20 & FO 0005

"We" do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

FO-20

10. **Water Damage** -- "We" do not pay for loss which results from the following:

- a. flood, surface water, waves, tidal water, overflow of a body of water, or spray, all whether driven by wind or not;
- b. water which backs up through or overflows from sewers, drains, or sumps; or

WATER EXCLUSION ENDORSEMENT

1. The following is added to the first paragraph under General Exclusions in form FO-20. When this policy includes form FO 0005, the following is also added to the first paragraph of item 1. under Exclusions That Apply To Property Coverages in that form:

These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or event.

2. In form FO-20, Water Damage under General Exclusions is deleted and replaced by the following:

Water

- a. "We" do not pay for loss caused by:
 - 1) flood;
 - 2) surface water;
 - 3) waves, including but not limited to tidal wave and tsunami;
 - 4) tides;
 - 5) tidal water;
 - 6) overflow of any body of water; or
 - 7) spray from 1) through 6) above;

whether driven by wind or not.

This includes, but is not limited to, tidal surge, storm surge, and storm tide.

- b. "We" do not pay for loss caused by water that:
 - 1) backs up through sewers or drains; or
 - 2) overflows or otherwise discharges from:
 - a) a sump, sump pump, or related equipment; or
 - b) any other type of system designed to remove subsurface water which is drained from the foundation area.

The proposed endorsement adds a statement to the preface of the general property exclusions (which includes the Water exclusion) to specify that the exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or event.

The proposed endorsement replaces the 'Water Damage' exclusion with an exclusion entitled 'Water'.

The provision excluding coverage for loss caused by waves now indicates that it includes, but is not limited to, tidal wave and tsunami.

The exclusion for loss caused by flood, surface water, waves, etc. now specifically refers to tides. It also specifies that it includes, but is not limited to, tidal surge, storm surge, and storm tide.

The exclusion now specifies there is no coverage for loss caused by water that backs up through sewers or drains or water that overflows or otherwise discharges from a sump, sump pump, or related equipment, or any other type of system designed to remove subsurface water which is drained from the foundation area.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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c. water below the surface of the ground. This includes water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.

"We" do pay for direct loss caused by fire; explosion (other than a volcanic explosion); and theft resulting from water damage.

This exclusion does not apply to direct physical loss to covered "livestock" caused by flood, surface water, waves, tidal water, overflow of a body of water, or spray, all whether driven by wind or not.

c. "We" do not pay for loss caused by water below the surface of the ground. This includes, but is not limited to, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, patio, foundation, swimming pool, or other structure.

d. "We" do not pay for loss caused by matter present in or carried or otherwise moved by water described in a. through c. above.

e. The exclusions set forth in a. through d. above:

- 1) apply regardless of the cause of the excluded event, whether or not such cause is an act of nature; and
- 2) apply to, but are not limited to, water and matter present in or carried or otherwise moved by water, whether driven by wind or not, that:
 - a) overtops;
 - b) escapes from;
 - c) is released from; or
 - d) is otherwise discharged from;

a dam, levee, dike, floodgate, or other device or feature designed or used to retain, contain, or control water.

f. "We" do pay for direct loss to covered property caused by fire or explosion (other than a volcanic explosion) resulting from an event excluded in a. through d. above.

g. These exclusions do not apply to loss caused by theft that is otherwise covered by this policy.

h. These exclusions do not apply to direct physical loss to covered "livestock" resulting from an event excluded in a. above.

The exclusion for loss caused by water below the surface of the ground now specifies that it includes, *but is not limited to*, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, *patio*, foundation, swimming pool, or other structure.

The exclusion now specifies that there is no coverage for loss caused by matter present in or carried or otherwise moved by water and now excludes coverage for matter present in or carried or otherwise moved by all excluded water.

The exclusion now specifies that it applies regardless of the cause of the excluded event, whether or not the cause is an act of nature.

The exclusion now specifies that it applies, but is not limited to, water that overtops, escapes from, is released from, or is discharged from a device or feature designed or used to retain water, such as a dam, levee, or dike.

The exclusion now specifies that coverage for direct loss caused by fire or explosion (other than a volcanic explosion) resulting from an excluded event applies to covered property.

The exclusion now specifies that these exclusions do not apply to loss caused by theft that is otherwise covered by the policy.

The proposed exclusion now specifies that direct physical loss to covered "livestock" caused by these exclusions does not apply to loss caused by an event excluded in a. above.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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FO 0005

12. "Specified perils" means:

- a. accidental discharge or overflow of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance. (Plumbing systems and domestic appliances do not include a sump, sump pump, or related equipment.)

However, "we" do not pay for loss:

- 1) caused by continuous or repeated seepage or leakage;
- 2) on the "insured premises" caused by accidental discharge or overflow which comes from off the "insured premises"; or
- 3) to the system, heater, or appliance from which the liquid or steam escapes;

FO-2 & FO-4

In this peril, a plumbing system does not include a sump, sump pump, or related equipment.

3. When this policy includes form FO 0005, item a. of the definition of "specified perils" is deleted and replaced by the following:

- a. accidental discharge or overflow of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance. (Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.)

However, "we" do not pay for loss:

- 1) caused by continuous or repeated seepage or leakage;
- 2) on the "insured premises" caused by accidental discharge or overflow which comes from off the "insured premises"; or
- 3) to the system, heater, or appliance from which the liquid or steam escapes.

Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this peril;

4. When this policy includes form FO-2 and FO-4, the last paragraph of Accidental Discharge or Overflow of Liquids or Steam in the Perils Section of the form(s) is deleted and replaced by the following:

In this peril, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this peril.

The proposed endorsement adds "any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment" to plumbing systems and domestic appliances.

The proposed endorsement now specifies that the exclusions that apply to surface water or water below the surface of the ground do not apply to loss by water under this peril.

The proposed endorsement specifies that plumbing systems and domestic appliances do not include *any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.*

The peril now specifies that the exclusions that apply to surface water or water below the surface of the ground do not apply to loss by water under this peril.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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FO-3

5. **Seepage or Leakage** -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.

Except as provided above, "we" pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance. "We" also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. "We" do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.

5. When this policy includes form FO-3, Seepage or Leakage under Coverage A -- Residence and Coverage B -- Related Private Structures in the Perils Section of that form is deleted and replaced by the following:

Seepage or Leakage -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.

Except as provided above, "we" pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises". With respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

When loss is caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises", "we" also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. "We" do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

The proposed endorsement specifies that there is coverage for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance *on the insured premises*. Also, the proposed endorsement specifies that plumbing systems and domestic appliances also do not include any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

The proposed endorsement specifies that there is coverage for the reasonable cost of removing and replacing those parts of the building or mobile home needed to repair the system, heater, or appliance due to accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance *on the insured premises*.

The proposed endorsement specifies that the exclusions that apply to surface water or water below the surface of the ground do not apply to loss by water under this exception.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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FO-3

In this peril, a plumbing system does not include a sump, sump pump, and related equipment.

FO 0005

2. "We" do not pay for loss if one or more of the following exclusions apply to the loss. However, "we" do pay for an ensuing loss that results from any of the following, unless the ensuing loss itself is excluded.

6. When this policy includes form FO-3, the last paragraph of Accidental Discharge or Overflow of Liquids or Steam under Coverage C -- Personal Property in the Perils Section of that form is deleted and replaced by the following:

In this peril, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this peril.

7. When this policy includes form FO 0005, the following is added to that form under item 2. of Exclusions That Apply To Property Coverages:

Seepage or Leakage -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance unless no "insured" knew of or could reasonably be expected to suspect such seepage or leakage.

Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss caused by repeated or continuous seepage or leakage of water from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises" if no "insured" knew of or could reasonably be expected to suspect such seepage or leakage of water. Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

The proposed endorsement specifies that plumbing systems *and domestic appliances* do not include *any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.*

The proposed endorsement specifies that the exclusions that apply to surface water or water below the surface of the ground do not apply to loss by water under this peril.

The proposed endorsement excludes loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance unless no "insured" knew of or could reasonably be expected to suspect such seepage or leakage.

The proposed endorsement provides coverage for loss caused by surface water and water below the surface of the ground with respect to loss caused by repeated or continuous seepage or leakage of water from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises" if no "insured" knew of or could reasonably be expected to suspect such seepage or leakage of water.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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FO 0005

- g. **Water Damage** -- "We" do not pay for loss which results from the following:
- 1) flood, surface water, waves, tidal water, overflow of a body of water, or spray, all whether driven by wind or not;
 - 2) water or sewage which backs up through sewers or drains or water which overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area; or
 - 3) water below the surface of the ground. This includes water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.

8. When this policy includes form FO 0005, Water Damage under Exclusions That Apply To Property Coverages in that form is deleted and replaced by the following:

Water

- 1) "We" do not pay for loss caused by:
 - a) flood;
 - b) surface water;
 - c) waves, including but not limited to tidal wave and tsunami;
 - d) tides;
 - e) tidal water;
 - f) overflow of any body of water; or
 - g) spray from a) through f) above;

whether driven by wind or not.

This includes, but is not limited to, tidal surge, storm surge, and storm tide.
- 2) "We" do not pay for loss caused by water that:
 - a) backs up through sewers or drains; or
 - b) overflows or otherwise discharges from:
 - (1) a sump, sump pump, or related equipment; or
 - (2) any other type of system designed to remove subsurface water which is drained from the foundation area.
- 3) "We" do not pay for loss caused by water below the surface of the ground. This includes, but is not limited to, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, patio, foundation, swimming pool, or other structure.
- 4) "We" do not pay for loss caused by matter present in or carried or otherwise moved by water described in 1) through 3) above.

The proposed endorsement replaces the 'Water Damage' exclusion with an exclusion entitled 'Water'.

The provision excluding coverage for loss caused by waves now indicates that it includes, but is not limited to, tidal wave and tsunami.

The exclusion for loss caused by flood, surface water, waves, etc. now specifically refers to tides. It also specifies that it includes, but is not limited to, tidal surge, storm surge, and storm tide.

The proposed now specifies there is no coverage for loss caused by water that backs up through sewers or drains or water that overflows *or otherwise discharges* from a sump, sump pump, *or related equipment, or any other type of system designed to remove subsurface water which is drained from the foundation area.*

The exclusion for loss caused by water below the surface of the ground now specifies that it includes, *but is not limited to*, water that exerts pressure on, or seeps, leaks, *or flows* through or into, a building, sidewalk, driveway, *patio*, foundation, swimming pool, or other structure.

The exclusion now specifies that there is no coverage for loss caused by matter present in or carried or otherwise moved by water and now excludes coverage for matter present in or carried or otherwise moved by all excluded water.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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"We" do pay for direct loss caused by fire; explosion (other than a volcanic explosion); and theft resulting from water damage.

- 5) The exclusions set forth in 1) through 4) above:
 - a) apply regardless of the cause of the excluded event, whether or not such cause is an act of nature; and
 - b) apply to, but are not limited to, water and matter present in or carried or otherwise moved by water, whether driven by wind or not, that:
 - (1) overtops;
 - (2) escapes from;
 - (3) is released from; or
 - (4) is otherwise discharged from;

a dam, levee, dike, floodgate, or other device or feature designed or used to retain, contain, or control water.
- 6) "We" do pay for direct loss to covered property caused by fire or explosion (other than a volcanic explosion) resulting from an event excluded in 1) through 4) above.
- 7) These exclusions do not apply to loss caused by theft that is otherwise covered by this policy.
- 8) With respect to these exclusions, surface water and water below the surface of the ground do not include water that accidentally discharges or overflows from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system, water heater, or domestic appliance on the "insured premises" when loss caused by such water is not otherwise excluded by this policy. Plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

The exclusion now specifies that it applies regardless of the cause of the excluded event, whether or not the cause is an act of nature.

The exclusion now specifies that it applies, but is not limited to, water that overtops, escapes from, is released from, or is discharged from a device or feature designed or used to retain water, such as a dam, levee, or dike.

The proposed endorsement specifies that coverage for direct loss caused by fire or explosion (other than a volcanic explosion) resulting from an excluded event applies to covered property.

The exclusion now specifies that these exclusions do not apply to loss caused by theft that is otherwise covered by the policy.

The proposed endorsement specifies that surface water and water below the surface of the ground do not include water that accidentally discharges or overflows from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system, water heater, or domestic appliance on the "insured premises" when loss caused by such water is not otherwise excluded by the policy.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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"We" do pay for direct loss caused by water damage to property covered under Coverage C while away from an "insured premises" or a location owned by, rented to, occupied by, used by, or in the care of an "insured".

FO 0005

"We" do pay for loss not otherwise excluded caused by liquids or steam which escape from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance resulting from a cause or event excluded under exclusions 2.f. through 2.j. above. This includes the reasonable cost of removing and replacing those parts of the building or mobile home needed to repair the system, heater, or appliance. This does not include loss to the system, heater, or appliance from which the liquid or steam escapes.

9) These exclusions do not apply to loss to property covered under Coverage C while such property is away from an "insured premises" or a location owned by, rented to, occupied by, used by, or in the care of an "insured". With respect to such loss, the Weather Conditions exclusion under Exclusions That Apply To Property Coverages does not apply.

9. When this policy includes form FO 0005, the last paragraph of item 2. under Exclusions That Apply To Property Coverages in that form is deleted and replaced by the following:

"We" do pay for loss not otherwise excluded caused by liquids or steam which escape from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance on the "insured premises" resulting from a cause or event excluded under exclusions 2.f. through 2.j. above. This includes the reasonable cost of removing and replacing those parts of the building or mobile home needed to repair the system, heater, or appliance. This does not include loss to the system, heater, or appliance from which the liquid or steam escapes.

With respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Under Exclusions That Apply To Property Coverages, 1)b) and 3) of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

The proposed endorsement adds that with respect to a water to property covered under Coverage C while such property is away from an "insured premises" or a location owned by, rented to, occupied by, used by, or in the care of an "insured", the Weather Conditions exclusion under Exclusions That Apply To Property Coverages does not apply.

The proposed endorsement now specifies that "we" do pay for loss not otherwise excluded caused by liquids or steam which escape from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance *on the "insured premises"* resulting from a cause or event excluded under exclusions 2.f. through 2.j. above.

The proposed endorsement specifies that with respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

The proposed endorsement specifies that the exclusions that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

<p style="text-align: center;">AAIS CURRENT FO-1, FO-2, FO-3, & FO-4 Ed 1.0, FO 0005 02 00, FO-20 Ed. 1.0 & FO-362 Ed. 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0217 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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FO-362

5. **Seepage or Leakage** -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.

Except as provided above, "we" pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance. "We" also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. "We" do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.

10. When this policy includes endorsement FO-362, Seepage or Leakage under Exclusions Applying To Coverage E in that endorsement is deleted and replaced by the following:

Seepage or Leakage -- "We" do not pay for loss caused by repeated or continuous seepage or leakage of liquids or steam from within a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance.

Except as provided above, "we" pay for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises". With respect to this exception, plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

When loss is caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic sprinkler system; water heater; or domestic appliance on the "insured premises", "we" also pay the reasonable cost of removing and replacing those parts of the building or mobile home necessary to make repairs. "We" do not pay for loss to the system, heater, or appliance from which the liquid or steam escapes.

Under General Exclusions, a.2) and c. of the Water exclusion that apply to surface water and water below the surface of the ground do not apply with respect to loss by water covered under this exception.

The proposed endorsement specifies that there is coverage for loss caused by the accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance *on the insured premises*. Also, the proposed endorsement specifies that plumbing systems and domestic appliances also do not include any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

The proposed endorsement specifies that there is coverage for the reasonable cost of removing and replacing those parts of the building or mobile home needed to repair the system, heater, or appliance due to accidental leakage, overflow, or discharge of liquids or steam from a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system; water heater; or domestic appliance *on the insured premises*.

The proposed endorsement specifies that the exclusions that apply to surface water or water below the surface of the ground do not apply to loss by water under this exception.

<p style="text-align: center;">AAIS CURRENT FO-208 Ed 1.0</p>	<p style="text-align: center;">AAIS PROPOSED FO 0208 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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**WATER DAMAGE
SEWERS, DRAINS, AND SUMPS**

1. "We" pay up to \$5,000 for direct physical loss to property covered under Coverages A, B, and C, caused by water which backs up through sewers or drains or water which enters into and overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area.

**WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

PROPERTY COVERAGES

The following is added:

"We" pay up to \$5,000 for direct physical loss to property covered under Coverage A, B, or C caused by water or matter present in or carried or otherwise moved by water that:

1. backs up through sewers or drains; or
2. overflows or otherwise discharges from:
 - a. a sump, sump pump, or related equipment; or
 - b. any other type of system designed to remove subsurface water which is drained from the foundation area.

However, with respect to property described in a. and b. above, "we" do not pay for loss to such property caused by mechanical breakdown.

This coverage does not increase the "limits" that apply to Coverages A, B, C, or D.

The title of the proposed endorsement has been changed to better reflect the scope of coverage provided.

Statement added to clarify that all the terms of the policy apply except as amended by this endorsement.

The proposed endorsement now specifies that there is coverage for loss caused by water or matter present in or carried or otherwise moved by water.

The proposed endorsement now specifies that coverage is provided for loss caused by water that backs up through sewers or drains or water that overflows *or otherwise discharges* from a sump, sump pump, or related equipment or from any other type of system designed to remove subsurface water which is drained from the foundation area.

The proposed endorsement specifies that loss to a sump, sump pump, or related equipment, or any other type of system designed to remove subsurface water which is drained from the foundation area caused by mechanical breakdown is excluded.

The coverage provided by the proposed endorsement does not increase the "limits" applying to Coverages A, B, C, or D.

AAIS CURRENT

FO-208 Ed 1.0

AAIS PROPOSED

FO 0208 11 08

COMMENTS

2. Under the Water Damage exclusion, the reference to water which backs up through or overflows from sewers, drains, or sumps is deleted with respect to the coverage provided by this endorsement.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

With respect to the limited coverage provided by this endorsement:

1. the reference to mechanical breakdown under Wear and Tear is deleted; and
2. under Water, the exclusion for loss caused by water that:
 - a. backs up through sewers or drains; or
 - b. overflows or otherwise discharges from:
 - 1) a sump, sump pump, or related equipment; or
 - 2) any other type of system designed to remove subsurface water which is drained from the foundation area;

applies only with respect to water that backs up, overflows, or otherwise discharges as a direct or indirect result of flood.

HOW MUCH WE PAY FOR LOSS OR CLAIM

With respect to the coverage provided by this endorsement, Deductible is deleted and replaced by the following:

Deductible -- "We" pay only that part of the total of all loss payable under the Dwelling Coverages that exceeds \$250. No other deductible applies to this coverage.

However, the deductible does not apply to loss covered under Coverage D.

3. A \$250 deductible applies to this coverage.

The mechanical breakdown wording under the Wear and Tear exclusion in the policy is deleted as it relates to this endorsement.

The exclusion now specifies there is no coverage for loss caused by water that backs up through sewers or drains or water that overflows *or otherwise discharges* from a sump, sump pump, *or related equipment, or any other type of system designed to remove subsurface water which is drained from the foundation area.*

The proposed endorsement specifies coverage is excluded for loss caused by water that backs up through sewers or drains or that overflows or otherwise discharges from a sump, sump pump, or similar system as a direct or indirect result of flood.

Editorial revisions.

The proposed endorsement now specifies that the deductible does not apply with respect to loss covered under Coverage D.

<p style="text-align: center;">AAIS CURRENT FO 0208 02 00</p>	<p style="text-align: center;">AAIS PROPOSED FO 0208 11 08</p>	<p style="text-align: center;">COMMENTS</p>
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**WATER DAMAGE
SEWERS, DRAINS, AND SUMPS**

PROPERTY COVERAGES

"We" pay up to \$5,000 for direct physical loss to property covered under Coverage A, B, or C caused by:

1. water or sewage which backs up through sewers or drains; or
2. water which enters into and overflows from within a sump pump, sump pump well, or other type of system designed to remove subsurface water which is drained from the foundation area. However, "we" do not pay for loss to the sump pump or other type of system or related equipment caused by mechanical breakdown.

This coverage does not increase the "limits" shown on the "declarations" for Coverages A, B, C, or D.

**WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

PROPERTY COVERAGES

The following is added:

"We" pay up to \$5,000 for direct physical loss to property covered under Coverage A, B, or C caused by water or matter present in or carried or otherwise moved by water that:

1. backs up through sewers or drains; or
2. overflows or otherwise discharges from:
 - a. a sump, sump pump, or related equipment; or
 - b. any other type of system designed to remove subsurface water which is drained from the foundation area.

However, with respect to property described in a. and b. above, "we" do not pay for loss to such property caused by mechanical breakdown.

This coverage does not increase the "limits" that apply to Coverages A, B, C, or D.

The title of the proposed endorsement has been changed to better reflect the scope of coverage provided.

Statement added to clarify that all the terms of the policy apply except as amended by this endorsement.

The proposed endorsement now specifies that there is coverage for loss caused by water or matter present in or carried or otherwise moved by water.

The proposed endorsement now specifies that coverage is provided for loss caused by water that backs up through sewers or drains or water that overflows *or otherwise discharges* from a sump, sump pump, or related equipment or from any other type of system designed to remove subsurface water which is drained from the foundation area.

Editorial revision.

AAIS CURRENT

FO 0208 02 00

AAIS PROPOSED

FO 0208 11 08

COMMENTS

Under Exclusions That Apply To Property Coverages, the references to:

2. mechanical breakdown under Wear and Tear;

1. water or sewage which backs up through sewers or drains or water which overflows from within a sump under Water Damage; and

are deleted with respect to the coverage provided by this endorsement.

EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

With respect to the limited coverage provided by this endorsement:

1. the reference to mechanical breakdown under Wear and Tear is deleted; and
2. under Water, the exclusion for loss caused by water that:
 - a. backs up through sewers or drains; or
 - b. overflows or otherwise discharges from:
 - 1) a sump, sump pump, or related equipment; or
 - 2) any other type of system designed to remove subsurface water which is drained from the foundation area;

applies only with respect to water that backs up, overflows, or otherwise discharges as a direct or indirect result of flood.

HOW MUCH WE PAY FOR LOSS OR CLAIM

With respect to the coverage provided by this endorsement, Deductible is deleted and replaced by the following:

Deductible -- "We" pay only that part of the total of all loss payable under the Dwelling Coverages that exceeds \$250. No other deductible applies to this coverage.

However, the deductible does not apply to loss covered under Coverage D.

A \$250 deductible applies to this coverage.

The exclusion now specifies there is no coverage for loss caused by water that backs up through sewers or drains or water that overflows *or otherwise discharges* from a sump, sump pump, *or related equipment, or any other type of system designed to remove subsurface water which is drained from the foundation area.*

The proposed endorsement specifies coverage is excluded for loss caused by water that backs up through sewers or drains or that overflows or otherwise discharges from a sump, sump pump, or similar system as a direct or indirect result of flood.

Editorial revisions.

The proposed endorsement now specifies that the deductible does not apply with respect to loss covered under Coverage D.

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AMERICAN ASSOCIATION OF INSURANCE SERVICES

COMPANY ACTION EXHIBIT

ARKANSAS

FORMS AND ENDORSEMENTS

Companies that have granted AAIS filing authority for forms and endorsements for this line of insurance:

- can adopt an AAIS forms and endorsements filing, without modifications, on the effective date designated by AAIS without notifying the Arkansas Insurance Department (ARID).
- can adopt an AAIS forms and endorsements filing on an earlier effective date by notifying the ARID at least 30 days before their chosen effective date.
- can adopt an AAIS forms and endorsements filing on a later effective date by notifying the ARID at least 30 days before the effective date designated by AAIS.
- can modify an AAIS forms and endorsements filing by establishing an effective date and submitting their modifications to the ARID at least 30 days before their chosen effective date.
- can choose not to adopt an AAIS forms and endorsements filing by notifying the ARID on or before the effective date designated by AAIS.

Companies that have not granted AAIS filing authority for forms and endorsements for this line of insurance:

- can adopt an AAIS forms and endorsements filing by establishing an effective date and making a reference filing with the ARID at least 30 days before their chosen effective date. A reference filing should contain only transmittal forms and the filing reference numbers. Copies of AAIS filed and approved materials should ***not*** be included in a reference filing.

Include the AAIS and state file numbers in all correspondence with the ARID.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
FARMOWNERS PROGRAM
FILING MEMORANDUM
WATER EXCLUSION AMENDMENT**

At this time, AAIS is submitting revisions to its Farmowners program. The revisions, which consist of one new mandatory endorsement and one revised optional endorsement, are being made to reinforce the intended scope of the forms' exclusion for water damage.

Descriptions of the proposed endorsements are provided below, and copies of the proposed endorsements are included with this filing. Also included with this filing are side-by-side exhibits showing:

- the amendments set forth in endorsement FO 0217 compared to their counterpart provisions in the forms to which the endorsement will be attached;
- current endorsement FO-208 Ed. 1.0 compared to proposed endorsement FO 0208 11 08; and
- current endorsement FO 0208 02 00 compared to proposed endorsement FO 0208 11 08.

Endorsement FO 0217 11 08

Proposed endorsement FO 0217 11 08 is new and is being filed as a mandatory endorsement, meaning it will be attached to every policy.

Item 2. in the endorsement replaces the Water Damage exclusion in form FO-20, which is attached to every policy, with an exclusion entitled 'Water'. In addition to the change in title, the changes to the exclusion are as follows:

- The provision excluding coverage for loss caused by waves now indicates that it includes, but is not limited to, tidal wave and tsunami.
- The exclusion for loss caused by flood, surface water, waves, etc. now specifically refers to tides, and it also specifies that it includes, but is not limited to, tidal surge, storm surge, and storm tide.
- The provision excluding coverage for loss caused by water that backs up through or overflows from sewers, drains, or sumps has been changed. The exclusion now indicates that there is no coverage for loss caused by water that backs up through sewers or drains or water that overflows or otherwise discharges from a sump, sump pump, or related equipment or from any other type of system designed to remove subsurface water which is drained from the foundation area.
- The exclusion for loss caused by water below the surface of the ground now specifies that it includes, *but is not limited to*, water that exerts pressure on, or seeps, leaks, or flows through or into, a building, sidewalk, driveway, *patio*, foundation, swimming pool, or other structure.
- The exclusion now specifies that there is no coverage for loss caused by matter present in or carried or otherwise moved by excluded water.
- The exclusion now specifies that it applies regardless of the cause of the excluded event, whether or not the cause is an act of nature.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
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- The exclusion now specifies that it applies to, but is not limited to, water that overtops, escapes from, etc. a device or feature designed or used to retain water, such as a dam, levee, or dike.

When form FO 0005 (which provides 'open perils' coverage with respect to the principal farm residence) is attached to a policy, the General Exclusions in form FO-20 are deleted and replaced by the Exclusions That Apply To Property Coverages in form FO 0005. Therefore, item 8. in endorsement FO 0217 amends the Water Damage exclusion that pertains to form FO 0005 as described above.

Since the Water exclusion now indicates that it applies regardless of the cause of the excluded event, items 3., 4., and 6. in endorsement FO 0217 11 08 amend the Accidental Discharge peril to specify that the references to surface water and water below the surface of the ground in the Water exclusion do not apply to with respect to loss by water covered under the peril. In addition, the peril's statement that a plumbing system does not include a sump, sump pump, and related equipment has been revised to state that plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Also because the Water exclusion now indicates that it applies regardless of the cause of the excluded event, items 5. and 10. in endorsement FO 0217 11 08 amend the exception to the Seepage or Leakage exclusion in form FO-3 and endorsement FO-362 to specify that the references to surface water and water below the surface of the ground in the Water exclusion do not apply to with respect to loss by water covered under the exception. In addition, the exception now indicates that it applies to loss caused by accidental discharge from a plumbing, etc. system *on the insured premises* and that plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Item 7. in endorsement FO 0217 11 08 adds a Seepage or Leakage exclusion to form FO 0005, and item 9. in the endorsement amends an exception in that form that provides coverage for loss caused by water that escapes from a system as a result of an event excluded under certain specified exclusions. That exception now specifies that the references to surface water and water below the surface of the ground in the Water exclusion do not apply to with respect to loss by water covered under the exception, that the exception applies to loss caused by accidental discharge from a plumbing, etc. system *on the insured premises*, and that plumbing systems and domestic appliances do not include sumps, sump pumps, or related equipment; any other type of system designed to remove subsurface water which is drained from the foundation area; or roof drains, gutters, downspouts, or like equipment.

Finally, item 1. in endorsement FO 0217 11 08 adds a statement to the preface to general property exclusions in forms FO-20 and FO 0005 (which include the Water exclusion) to specify that the exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or event.

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
FARMOWNERS PROGRAM
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WATER EXCLUSION AMENDMENT**

Endorsement FO 0208 11 08

Endorsement FO 0208 11 08 is being filed to replace optional endorsements FO-208 Ed 1.0 and FO 0208 02 00, which can be used to provide coverage for loss caused by water back up and sump discharge or overflow. (Endorsement FO-208 is filed for use when the policy includes forms FO-1, FO-2, FO-3, and/or FO-4; endorsement FO 0208 is filed for use when the policy includes form FO 0005. Proposed endorsement FO 0208 11 08 can be used with all five of these forms.)

The endorsement's coverage grant was revised to correspond with the revisions to the Water exclusion that are described above.

In addition, the endorsement's provision amending the Water exclusion with respect to the coverage being provided was revised to:

- correspond with the revisions to that exclusion that are described above; and
- specify that there is no coverage for loss caused by water that backs up through sewers or drains or overflows or otherwise discharges from a sump, etc. as a direct or indirect result of flood.

Finally, the endorsement now specifies that its deductible does not apply with respect to loss covered under Coverage D.