



PROPERTY

The Property packet includes all the information required to underwrite a Property Account.

The Property Rating sheets for each State are available separately on the General Star Extranet.

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PROPERTY GUIDELINES

BINDING AUTHORITY-LIMITS

For those classes designated as “YES” in the property authority column of the Classification/Authority GUIDE (Underwriting Program), authority is granted for limits up to your stated property binding authority at any one location. We define “location” as all values subject to the same loss or same occurrence. Please consult your Company underwriter when clarification is needed.

- SUBMIT any risk with total insurable values (all locations) in excess of \$10,000,000 or developing a premium in excess of \$25,000.

Note: Authority for windstorm may be restricted for risks located in the coastal states extending from Maine to Texas and Hawaii. Such authority will be specifically addressed with each affected Producer.

CAPACITY

COASTAL: In coastal states (Maine to Texas and Hawaii), our available wind capacity on any risk is dependent upon the type of construction, the distance to tidal water, and the particular state. Such authority will be specifically addressed by the Company with each affected Producer.

FIRST LOSS/PRIMARY PLACEMENT: We are not to be considered a market for “first loss” business.

EXCESS PLACEMENT: Excess placements is available on a SUBMIT basis.

QUOTA SHARE: In addition to writing the entire line, it is within your authority to utilize our capacity on quota share placements.

- Authority is granted for values up to \$3,000,000; submit if higher limits requested.
- It is not necessary for limits to be split on an equal basis.
- Attach form CP9920 to all quota share policies. Refer to the Policy Issuance section for further directions on how to complete this endorsement.
- Other carrier’s forms must match all forms and edition dates that are required by General Star.
- In the event of a claim, we prefer that the General Star Claims Dept. be contacted before an independent adjuster is assigned. If another carrier grants you authority to assign losses, we may or may not use the same adjuster.

CAUSES OF LOSS

The Company authorizes the use of Basic, Broad, or Special causes of loss subject to the following parameters:

BASIC CAUSES OF LOSS: Eligible for all risks UNLESS Building updates are more than 50 years old.

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BROAD & SPECIAL CAUSES OF LOSS:

Available for properties that are well maintained and with the following updates:

- Electrical updates: within the last thirty (30) years.
- Plumbing updates: within the last thirty (30) years.
- HVAC updates: within the last twenty- five (25) years.
- Roofing updates: within the last twenty- five (25) years.

Submit all accounts with properties not meeting these update requirements for consideration.

Electrical and Heating considerations

- Aluminum Wiring: DECLINE unless it is Aluminum 8000 series wiring repaired using Copalum or Alumiconn connectors. Must be a complete and permanent repair and installed by a trained electrician. Inspection must confirm.

- Circuit Breakers: DECLINE if Federal Pacific Electric "Stab-Lok" circuit breaker panels are present

- Fuses: SUBMIT for Single Family Dwellings only DECLINE for all other classifications. Risk will be subject to inspection or electrician's report showing wiring is in good condition.

Significant surcharge will apply.

- Knob & Tube Wiring DECLINE

- Space Heaters SUBMIT

- Wood Stoves SUBMIT

Roofing considerations

If you wish to exclude coverage for the roof, please use our General Star [Roof Exclusion endorsement, GSI-04-P490](#). Damage to BPP resulting from the condition of the roof is excluded as well.

Theft considerations

For certain classes vulnerable to theft losses (noted in the comments section of the UW program), we will mandate one or more of the following conditions:

- o A central station burglar alarm.
- o A central station burglar alarm, along with a higher theft deductible.
- o A central station burglar alarm with a higher theft deductible and a separate theft sublimit (Please see General Star [Theft Limitation Endorsement GSI-04-P470](#)).

For all other classes, authority is granted to use your judgment when providing theft coverage.

If limited theft coverage is desired with Basic Causes of Loss, please use endorsement [GSI-04-P495 Limited Theft Coverage](#). Authority is granted for up to \$25,000. Surcharge the basic rate accordingly. If higher limits are desired, please Submit.

Additional Issuance Instructions: Under "Coverage" on the Property Declarations Page, please specify "Theft sublimit." Under "Causes of Loss," please show, "GSI-04-P495." Show the applicable theft sublimit under "Limits" and show "incl" under "Rate" and "Premium."

Water Damage considerations

For personal property that is highly susceptible to water damage, consider the following options:

- o Provide Basic only
- o Offer separate and higher water damage deductible
- o Sub-limit water damage using General Star Endorsement [GSI-04-P486 - Water Damage Limitation](#).

Earthquake/Flood:

We are not a market for earthquake or flood coverage on an individual risk basis.

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Protective Safeguards

When underwriting consideration has been given due to the existence of one or more protective safeguards, please attach the applicable Protective Safeguards Endorsement. Please be as specific as possible when warranting the type of protective safeguard.

USE CP 04 11 10 12 Protective Safeguards when warranting all **fire** related controls.

- Schedule each premises and building number on the endorsement.
- Please select the proper Protective Symbol(s) when applicable:
 - Use **P-1** for Automatic Sprinkler System
 - Use **P-2** for Automatic Fire Alarm
 - Use **P-3** for Security Service
 - Use **P-4** for Service Contract
 - Use **P-5** for Automatic Commercial Cooking Exhaust and Extinguishing System
 - Use **P-9** for the protective system described in the Schedule.
Examples: Automatic Extinguishing system, UL approved paint booth, dust collection systems, smoke detectors, etc

For the restaurant class, we will require the use of the new **CP 04 11 10 12** to warrant for the fire safeguards. Input of the P-5 symbol to warrant wet Ansul System. Please use P-9 to warrant dry Ansul systems.

USE CP 12 11 Burglary and Robbery Protective Safeguards when warranting all **theft** related controls:

- Schedule each premises and building number on the endorsement.
- Please select the proper Protective Symbol(s) when applicable:
 - Use **BR-1** for Automatic Burglar Alarm protecting the entire building that signals to an 1) outside central station or 2) a police Station.
 - Use **BR-2** for Automatic Burglar Alarm protecting the entire building that has a loud sounding gong or siren on the outside of the building.
 - Use **BR-3** for Security service with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
 - Use **BR-4** for the protective safeguard that is described in the schedule. Examples: perimeter fencing, bars on windows, roll down protective doors, etc.

****** Please refer to the endorsements for specific definitions.

Protective Safeguards Credit:

- When the proper safeguard is attached to the Policy, the following credits can be applied to the property premium: One credit maximum per Policy can be applied.

Policy Premium: Less than \$1000	– credit of \$25
Policy Premium: From \$1001 to \$2500	– credit of \$50
Policy Premium: Over \$2501	– credit of \$75

CODING OF PROPERTY RISKS

All risks need to be properly coded on the Property Declarations page. Please refer to the Underwriting Program for the appropriate class code. We have also furnished a complete list of General Star property class codes under the Policy Issuance section of the Guide.

CONSTRUCTION TYPES

The six possible ISO construction types are noted below. Please select from one of the following construction types.

1. Frame: Exterior walls are wood or other combustible materials including construction that is combined with other materials such as brick/stone veneer, stucco, wood iron-clad, etc.
2. Joisted Masonry: Masonry walls such as adobe, brick, concrete, gypsum block, hollow concrete block, with combustible floors and roof.
3. Noncombustible- Ordinary: Exterior walls, floors, and roof are constructed of metal, asbestos, gypsum or other non-combustible materials. Note: This construction is highly susceptible to wind damage and is not eligible for wind coverage in certain coastal areas (refer to state rates pages- (NC11)

Noncombustible-Heavy: Non-combustible buildings where the entire roof is constructed of 2 inches of masonry on steel supports; or, made of 22 gauge metal or heavier on steel supports; or where the entire roof assembly is documented to have a wind uplift classification of 90 or equivalent.

4. Masonry Non-combustible: Exterior walls are constructed of masonry materials described under JM construction. Floors and roof are made of non-combustible materials (metal, steel concrete).
5. Modified Fire Resistive: Exterior walls, floors and roof are constructed of fire resistive material with a fire resistance rating between 1 & 2 hours.
6. Fire Resistive: Exterior walls, floors and roof are constructed of fire resistive material with a fire resistance rating of not less than 2 hours.

Note: We are not a market for any building coverage when Exterior Finish Insulation Systems (EFIS) construction exists. Submit if EFIS is used on a decorative basis.

COVERAGES/COMMERCIAL

In addition to providing coverage on buildings, business personal property and personal property of others, authority is granted to provide coverage for the following:

- 1) **Builders' Risk** - See Special Handling.
- 2) **Business Income (with or without extra expense)** - Coverage is available with coinsurance or on a Monthly Limit of Indemnity or Maximum Limit of Indemnity basis. A

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limit of insurance is always required. Monoline business income may be considered on a SUBMIT basis -- however we generally discourage it.

- 3) **Crime Coverage (Money & Securities only)** - Authority is granted for Money & Securities coverage up to a limit of \$10,000 on premises and \$5000 off premises for each scheduled location. Minimum deductible of \$500 applies. Rate of \$4.50 per \$100 will apply, subject to a \$250 minimum premium. **Risk must have a central station alarm in order to provide coverage.**

Decline: Convenience stores, gas stations, vending machines, liquor stores, money or currency exchanges, or fairs/flea markets.

The following forms must be attached:

- Crime General Provisions Form (CR1000)
- Commercial Crime Declarations Page (GSI-04-CR01D 6/00)
- Crime Coverage Form C (CR 0004- Theft Disappearance & Destruction)

- 4) **EDP (Electronic Data Processing) Coverage** - Coverage for damage to Electronic Data is addressed in the Building and Personal Property Coverage Form (CP 00 10, A. Coverage, 4. Additional Coverages, f. Electronic Data) and in the Electronic Data Limitation Endorsement (see Policy Issuance Section for details on applicable endorsements). Producers may add coverage for **EDP Equipment** and **EDP Off Premises**. Producers may consider limits up to **\$100,000 for EDP Equipment** and **\$5,000 for EDP Off Premises** per location. SUBMIT for limits in excess of these amounts. Schedules of equipment showing manufacturer, age, etc. must be maintained on file with you.

We are not a market for monoline EDP coverage.

Consideration should be given to:

- Fire, theft, water damage potential
- Off Premises exposure- Laptops
- Transit exposure if Special Causes of Loss is applicable
- Age of equipment (rapid obsolescence can present an increased moral hazard)

Coverage can be provided for EDP Equipment (owned or leased and consisting of electronic data, word processing, and telecommunications equipment) and Property Off Premises (transit coverage, however, is only afforded if Special Causes of Loss is applicable). A limit of insurance must be shown on the Declarations Page for coverage to apply.

Limits selected should be designated on the Commercial Property Declarations Page as follows:

1. EDP Equipment
2. EDP Off Premises

- Coinsurance applies to equipment. A minimum of 80% must be shown
- Valuation: Actual Cash Value or Replacement Cost can be selected

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- Do not classify under Miscellaneous Property Floater

The Building and Personal Property policy deductible will apply unless a separate deductible for EDP is shown on the Commercial Property Declarations Page. If a separate deductible is to apply, the minimum is \$500

Rates are applied to limits for EDP Equipment and Off Premises separately. Rates are per \$100.

EDP Equipment

Add .20 to the Business Personal Property (BPP) Rate applicable for either Basic, Broad, or Special Causes of Loss

EDP Off Premises:

Apply a \$5.00 rate when including laptops. If no laptop exposure, rate used above will apply

Minimum premium for EDP Off-Premises is \$250

- 5) **Glass** - The ISO Causes of Loss forms treat glass in the same manner as other covered property. Coverage for glass is included in the building limit and does not require special handling.

Tenant's Building Glass (CP 14 70): When a tenant is contractually responsible for loss or damage to building glass, authority is granted to provide up to a \$25,000 limit. If a higher limit is required, you may SUBMIT to us. Coverage is subject to the property deductible. A minimum rate of \$2.00 per \$100 applies.

Additional Issuance Instructions: ISO endorsement CP 14 70 (Building Glass-Tenant's Policy) should be used to provide this coverage. This form has a fill-in schedule that requires location, description of building glass, causes of loss, and limit to be completed. Property declarations should include "Tenant's Building Glass see CP 14 70" under Coverage, leave the limit blank, and show the rate and additional premium for this coverage.

- 6) **Outside Signs** - CP 14 40

Authority is granted for any one sign up to \$25,000. A minimum rate of \$1.00 per \$100 applies for all risks outside of 50 miles to tidal water, or excluding wind coverage. For risks including wind coverage that are within 50 miles from tidal water and are located in the coastal states from Maine to Texas (and Hawaii), a minimum rate of \$2.50 per \$100 applies.

The deductible applicable to the building and personal property coverages apply to the sign coverage as well, including any applicable windstorm and hail deductible.

For an appropriate surcharge, it is acceptable to offer a separate and lower deductible applicable to the sign coverage subject to a minimum deductible of \$250. Separate windstorm and hail deductible equal to no less than 10% of the limit(s) provided must apply to the sign coverage.

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Additional Issuance Instructions: Property declarations should include “Outside Signs see CP 14 40” under Coverage, leave the limit blank, and show the additional premium for this coverage.

7) **Off Premises Power Failure** – we are NOT a market for this optional coverage.

8) **Ordinance or Law Coverage – GSI-04-P648**

We can consider this coverage on a SUBMIT basis. What would be considered a partial loss without this endorsement can become a total loss, especially if the statutory percentage of partial damage requiring demolition is low. It is necessary, therefore, to determine the specifics of the building laws regarding the extent of partial damage which requires demolition of the entire building. **General Star is not a market for any account where the limit requested for Coverage B & C exceeds 10% of the building limit.**

This endorsement distinguishes three separate coverages:

Coverage A - Coverage for Loss to the Undamaged Portion of the Building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

Coverage B - Demolition Cost Coverage.

Pays the cost to demolish and clear the site of undamaged property caused by the enforcement of an ordinance or law. A separate limit of insurance must be chosen for coverage to apply.

Coverage C - Increased Cost of Construction Coverage.

Pays for the increased cost to repair, rebuild, or construct the property caused by the enforcement of an ordinance or law. A separate limit of insurance must be chosen for coverage to apply. When a limit for this coverage is selected, Replacement Cost must apply.

Additional Issuance Instruction: The Commercial Property Coverage Part declarations should show “Ordinance or Law see GSI-04-P648” under Coverage, leave the limit blank, and show the additional premium for this coverage.

9) **Peak Season Coverage – CP 12 30**

The Peak Season endorsement is available for accounts with seasonal fluctuations in value. Accounts must be underwritten on the basis of the increased amount of insurance. The limit on the Commercial Property Declarations Page should show what the limit is during the non peak season, and the additional amount of insurance during the peak season period will be shown on the actual endorsement. Careful attention must be paid in wind prone areas to insure that we are within our available capacity as well as adjusting the wind deductible to reflect the increased limits. The new wind deductible applicable during the peak season period should also be shown on the Declarations page.

Additional Issuance Instructions: Property declarations should include “Peak Season see CP 12 30” under Coverage, leave the limit blank, and show the additional premium for this coverage.

10) **Property In Transit - GSI-04-P472**

This endorsement broadens coverage already afforded under the Special Causes of Loss form and can only be used when the Special Causes of Loss form is applicable to personal property.

- Provides causes of loss equal to that granted in the Special Form. Theft coverage remains limited to an entire bale, case or package by forced entry into a securely locked vehicle.
- Limit provided is \$10,000; submit if higher limit is requested.

This endorsement is intended to cover an **incidental** transit exposure only. Consider the frequency of transit, mode of transportation, and susceptibility to theft and other specific perils when determining whether the transit exposure should be more appropriately covered under an Inland Marine Transportation Form. (As a reminder, we do not write transportation insurance).

Flat premium of \$250 applies.

Additional Issuance Instructions: Property declarations should include "Property in Transit see [GSI-04-P472](#)" under Coverage, leave the limit blank, and show the additional premium for this coverage.

11) **Property of Others:** The Building and Personal Property Form automatically provides coverage for personal property of others up to \$2,500 on an ACV value basis. If higher limits are required, authority is granted up to \$15,000. **SUBMIT** if higher limits are requested.

12) **Spoilage - CP 04 40**

Authority is granted for spoilage coverage up to \$10,000 with a minimum deductible of \$250.

Exception: for locations within 100 miles of tidal water in coastal state from Virginia to Texas (and Hawaii), authority is granted for spoilage coverage up to \$5,000 with minimum deductible of \$250.

Available Causes of Loss are:

- 1) Breakdown or Contamination
- 2) Power Outage

A minimum of one Cause of Loss must be checked on the form for coverage to apply.

Selling Price is not available.

For Coastal Areas: \$125 for Breakdown of Contamination
 \$250 for Power Outage

For Non Coastal Areas: \$125 for each coverage
 (Breakdown or Contamination and Power Outage)

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A refrigerator maintenance agreement must be in place when providing this coverage. The Refrigeration Maintenance Agreement column on the form must be checked.

The deductible applicable to the building and personal property coverages applies to the spoilage coverage as well, including any applicable windstorm and hail deductible. It is acceptable to offer a separate and lower deductible for all perils except wind and hail subject to a \$250 minimum deductible.

Additional Issuance Instructions: Property declarations should include “Spoilage see CP 04 40” under Coverage, leave the limit blank, and show the additional premium for this coverage.

13) Commercial Property Additional Coverage Endorsement (COMPAC) [GSI-04-P496](#)

For a separate premium charge, we offer the following coverages in our comprehensive COMPAC endorsement ([GSI-04-P496](#)):

COVERAGE	LIMIT OF INSURANCE
1. Fire Department Service Charge	\$2,500 each occurrence
2. Personal Effects & Property Of Others	\$5,000 at described location subject to \$1,000 any one item
3. Valuable Papers & Records (Other Than Electronic Data)	\$10,000 each described premises
4. Property Off-Premises	\$15,000 each occurrence
5. Outdoor Property – Trees, Shrubs, Plants	\$2,500 each occurrence subject to \$500 any one item
6. Outdoor Property – Fences; Radio / Television Antennas; Signs	\$10,000 each occurrence fences; radio/television antennas (broadened specified perils): \$2,500
7. Accounts Receivable	\$10,000 each occurrence at the described premises
8. Employee Dishonesty	\$5,000 all claims or occurrence
9. Loss Of Monies & Securities	\$5,000 all claims or occurrences during the policy period
10. Property In Transit – Your Vehicles	\$10,000 each occurrence

Eligibility:

1. Applies to Special Causes of Loss form only
2. Not available on the following risks: Convenience Stores, Gas Stations, Liquor Stores, Money or Currency Exchanges, Fairs/Flea Markets, Pawn Shops, Vending Machine operators.
3. Not available in conjunction with the 40+ AdvantagePAC endorsement

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Coverage provided by this endorsement:

1. Applies to the described premises listed on the Commercial Property Declarations Page.
2. Is not subject to coinsurance
3. Is subject to the deductible listed on the Commercial Property Declarations Page
4. A \$40,000 limit will go towards the aggregate accumulation when this endorsement is added for locations that are in Coastal areas where wind coverage is provided on the Policy.

Premium charge: A minimum premium of \$250 applies for this endorsement

Additional Issuance Instructions: The Commercial Property Declarations should be completed as follows:

Loc/Bldg	Show applicable locations
Coverages:	“COMPAC ENDORSEMENT”
Limits:	“See endorsement GSI-04-P496 ”
Causes of Loss:	“Special Causes of Loss”
Coinsurance:	“N/A”
Rates:	“Flat Charge”
Premium:	\$250

COVERAGES/ PERSONAL LINES

We are not a market for personal lines coverage, whether on an individual risk basis or program basis.

DEDUCTIBLES

Our minimum deductible is \$500. The use of higher deductibles is desirable and appropriate depending upon loss frequency, coverage(s) and causes of loss provided, the total limits at risk, etc.

With regard to deductible credits, please refer to the “[Pricing](#)” section under “[Deductibles](#)”.

WIND OR HAIL DEDUCTIBLES

In areas particularly vulnerable to wind and/or hail, it is desirable that a separate and higher windstorm or hail deductible apply. In certain coastal areas, the Company will mandate minimum windstorm or hail deductibles.

Windstorm or hail deductibles should always be expressed as “Wind **or** Hail” NOT “Wind **and** Hail”. Using the word “and” can be interpreted as implying that both wind and hail must both exist for the deductible to apply.

When a separate windstorm or hail deductible is applicable, it is the Company’s intention that this deductible apply to all coverages being provided, including but not limited to business income, outside signs, spoilage, glass, etc. When issuing policies with separate windstorm or hail deductibles, the phrase “applicable to all coverages” should immediately follow the stated

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windstorm or hail deductible on the Commercial Property Declarations Page (for example, "\$1000 deductible except for \$20,000 wind or hail deductible applicable to all coverages.")

Wind or hail deductibles must be stated as a dollar amount rather than as a percentage.

Wind or hail deductibles will apply on a "per occurrence" basis unless prior approval is given.

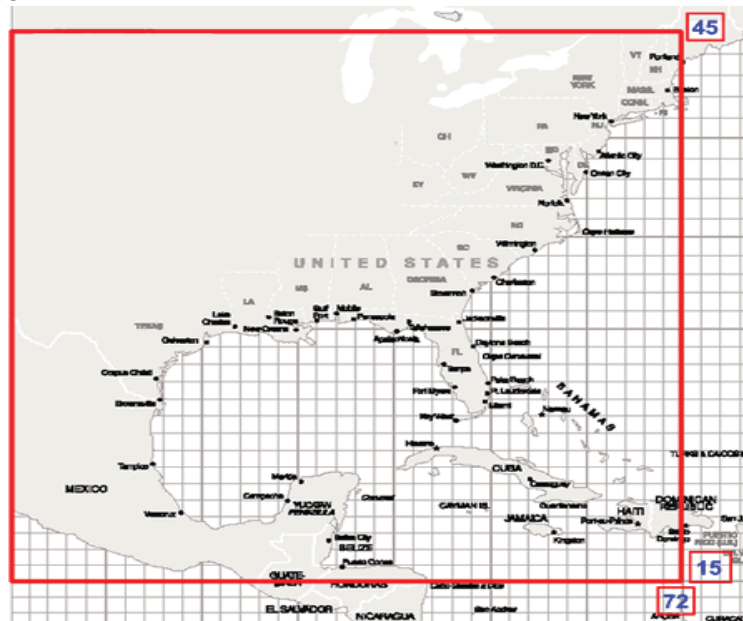
HURRICANE AND TROPICAL STORM RESTRICTIONS

It is the responsibility of the Producer to be fully aware of windstorm activity in their territory and to abide by the following restrictions:

For risks located in the coastal states From Maine to Texas, and that include Wind Coverage, no new business or increased coverage shall be bound on properties within 100 miles of tidal waters when a tropical storm or hurricane is within the following boundaries:

- West of 72 degrees West Longitude,
- South of 45 degrees North Latitude,
- East of 100 degrees West Longitude,
- North of 15 degrees North Latitude.

Renewals, which reflect continuous coverage without increases, may be bound as per our renewal procedures.

**POLICY FORMS**

The Company requires that only standard ISO simplified coverage forms and endorsements and its own specialized coverage forms and endorsements be used. No other forms or coverage changes are authorized without the prior approval of the Company.

Please refer to the Forms Library section of this GUIDE for a listing and sample copies of the Company's specialized property coverage forms and endorsements.

Please refer to the Policy Issuance section of this GUIDE for a listing of all mandatory property forms.

PRICING

Subject to minimum rates and minimum premiums, authority is granted to apply rates which you believe are commensurate with the exposure and reflective of the terms and conditions provided. We do expect that the rates applied ultimately result in an underwriting profit to the Company.

Minimum Rates

Please refer to your specific territory rates provided under separate cover.

It is our intent that our minimum rates reflect a risk with the following characteristics: low hazard occupancy, favorable loss history, experienced operation, protection class 1-6, good housekeeping/ building maintenance, etc. An appropriate increase in rate should apply when the risk has a higher exposure to loss due to class, and/or inferior risk characteristics. Because underwriting factors vary widely based on the type of risk, we expect that your property book reflect a range of property rates.

Factors to consider when pricing and underwriting an account:

- **Insured:** Years of experience, financial stability, prior loss history (Refer to “Submit Procedures” tab for loss history guidelines), attitude toward loss control, etc.
- **Occupancy:** Consider probability and severity of loss.
 - Cause- how might a fire loss occur? What special hazards are unique to the insured? (i.e.: Flammable use and storage, woodworking, cooking.)
 - Medium- how will the fire load contribute to the spread of fire? (i.e.: paper goods distributor vs. metal parts distributor)
 - Effect- to what extent will property be damaged by a loss? (i.e.: Insuring MNC bldg vs. BPP of a paper goods distributor; or BPP of grocery store vs. heavy machinery). In addition, a small loss can equate to significant damages. (i.e.: a small fire in a grocery store could lead to large loss from smoke and water damage.)
- **Construction:** Construction will either contribute to or help contain the loss. Consider the effect of the insured’s fire load on the construction.

Mixed Construction- If at least two thirds or more of the building is of one construction class, that class should be used for rating calculations. In all other cases, use the highest rated class of construction.

- **Structure** – Consider age of structure and maintenance.
- **Protection:** Consider both private and public protection.

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- Private (fire extinguishers, sprinkler systems, fire alarm, automatic extinguishing system, dust collection, spray booth, etc.)
- Public (Protection class 1-10). Please refer to PROTECTION GRADE section noted below. A significant surcharge in rate must apply to risks located in Protection Grade 8, 9 & 10.
- **Location:** Consider Crime/Vandalism & Malicious Mischief potential, accessibility for fire department, suitably for occupancy, wind/hail exposure, etc.
- **External Exposures:** Consider what external exposures contribute to a loss at the insured's location. (i.e.: occupancy of nearby buildings; brush, etc.)
- **Causes of Loss:** Consider the causes of loss form selected and determine how perils provided under each form will contribute to a loss. (i.e.: Special- theft & water damage concerns; Broad- water damage and weight of snow & ice concerns.)
- **Deductibles:** We do not provide specific deductible credits. When considering any type of price relief for higher deductibles, consideration must be given to loss history and limits at risk. Final rate must not be below our published minimum rates.

Minimum Premium:

	Monoline Property	Package Policies (Property + GL limit \$1M/\$2M)	Package Policies (Property + GL limit \$2M/\$2M)	Package Policies + <i>The 50 - Product Liability Classes</i>
Annual	\$500	\$750	\$1,000	See below
Minimums per line of business	N/A	Minimum \$250 for GL portion of the package	Minimum \$250 for GL portion of the package	Refer to the State Specific Product Liability Rating Sheets for the minimum per line of business. No minimum for Property
Short Term (6 months or less)	\$450	\$450, minimum \$125 for GL portion	\$750, minimum \$250 for GL portion	\$1000

***** Minimum Premiums do not include premiums for:**

Equipment Breakdown, AdvantagePAC +7, AdvantagePAC +5, COMPAC endorsement, Liquor Liability, Hired & Non-owned, Additional Insureds, and/or any premium bearing endorsements.

The rate shown on the policy should reflect the actual property rate charged, rather than what the rate equates to when backing in the Minimum Premium into the policy limit.

Package Credit:

Package credits are no longer available on new and renewal business.

PROTECTION GRADE

Authorization is granted for risks located in all protection classes (1-10) with the understanding that a significant surcharge in rate will apply in PC 8-10 (Please also consider the limits exposed to loss when determining whether or not a risk should be written in your contract.)

SEASONAL RISKS

Authority is granted for seasonal risks. File must document how often risk is occupied/unoccupied throughout the year, and what controls are in place when risk is unoccupied. Rate should be a composite rate using both our vacant rates and occupied rate.

VALUATION:**INSURANCE TO VALUE:**

It is the Producer's responsibility to verify that adequate insurance to value exists on all property risks. It is critical that the insurance to value calculation be clearly documented in your underwriting file to access whether the building limit is in line with RC or ACV valuation, and any discrepancies addressed with the agent.

Valuation formula = [(TIV/Coinsurance)/ Square Footage]

Please submit to your General Star Underwriter all buildings that are valued at less than \$25 a square foot.

VALUED POLICY LAWS:

It is paramount in states with valued policy statutes (Arkansas, California, Florida, Georgia, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Ohio, South Carolina, South Dakota, Tennessee, Texas, West Virginia, Wisconsin) that the producer be familiar with the applicable law in the risk state. Valued policy laws generally require that in the event of a total loss to an insured building by a cause of loss specified in the law, the amount stated in the policy declarations is considered the value of the structure at the time of loss and is payable in full. Therefore, it is critical to ensure that buildings are not overinsured.

VALUATION OPTIONS:

- 1) **Replacement Cost.** The Company authorizes the use of replacement cost on well-maintained buildings that are insured to value, providing replacement with identical property is possible and necessary. There must not be a great disparity between the replacement cost value and the actual cash value. It is acceptable to provide replacement cost on business personal property that is not subject to rapid depreciation (i.e.: machinery, etc.).
- 2) **Functional Replacement Cost.** The Company will consider functional replacement cost on a SUBMIT basis. Provides coverage for buildings, which can be replaced with similar property that performs the same function, but with much less costly material. This option is intended to be applied to buildings that are functional, but which are no longer used for their original purpose; or are no longer fully utilized for any purpose; or whose market value is much less than actual cash value. Under this valuation option, the coinsurance provision is deleted and Ordinance or Law Coverage is automatically provided. As such, this coverage carries a significant surcharge in rate. When submitting, please provide reason for this option and what the insured's plans are for a new building,

- 3) **Flat or No Co-Insurance.** The Company will consider “Flat” or “No Co-Insurance” coverage on a SUBMIT basis. “Flat” coverage is typically requested when the insured wishes to insure the building for much less than Actual Cash Value. When submitting, please provide reason for “No Coinsurance”, what the true ACV value is, and what limit the insured wishes to carry. Because the insured is knowingly underinsuring the building, a significantly higher rate applies to this option.
- 4) **Agreed Amount.** We will consider Agreed Amount on a SUBMIT basis for building coverage only. When this option is requested, it is essential that there be insurance to value, as agreed amount coverage suspends the coinsurance condition. Buildings must meet all the requirements for replacement cost and a signed statement of values is required. A modest surcharge in rate applies.
- 5) **Blanket Coverage.** We are not a market for blanket coverage.

WATER BACK-UP AND SUMP OVERFLOW

Water Back-up and Sump Overflow – [CPR 04 0001](#)

This endorsement broadens coverage already afforded under the Special Causes of Loss form and can only be used when the Special Causes of Loss form is applicable. Please refer to the [CPR 04 0001](#) form for the full details.

- Provides \$10,000 per occurrence limit for:
 - (a) Water which backs up through or overflows from a sewer or drain; or
 - (b) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.
- \$250 Flat Premium charge “per policy”

Only available for accounts with no prior flood or water back-up losses.

GeneralStar®



Beyond Security®

PROPERTY FORMS

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED THEFT COVERAGE

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM

A. When the **Causes Of Loss – Basic Form** is attached to this policy:

1. The following changes apply to section **A. Covered Causes Of Loss**:

a. Paragraph **8.** is deleted and replaced by the following:

8. Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

b. The following covered cause of loss is added as paragraph **12.**:

12. Theft.

2. The following exclusions are added to section **B. 2. Exclusions**:

g. Dishonest or criminal act, including theft, stealing, embezzlement, extortion, swindling, or any other act of illegally taking property, by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

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

h. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

3. Section **D. Limitation** is amended by the addition of the following:

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

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

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

However, this limitation does not apply to:

(a) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(b) Business Income coverage or Extra Expense coverage.

- (2) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- b. The special limit shown for each category, (1) through (4) below, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.
 - (4) \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property. This limitation does not apply to Business Income coverage or to Extra Expense coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ROOF

This endorsement modifies insurance provided under the following:

**CAUSE OF LOSS – SPECIAL
CAUSE OF LOSS – BROAD
CAUSE OF LOSS - BASIC**

SCHEDULE

Prem. No.	Bldg. No.	Location
----------------------	----------------------	-----------------

The following is added to B. Exclusions:

We will not pay for loss, damage or expense caused directly or indirectly by the actual, alleged or threatened damage to the building including the roof, contents or interior, of the building(s) scheduled as a result of any condition of the roof.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER DAMAGE LIMITATION

This endorsement modifies insurance provided under this Policy.

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

SCHEDULE

Prem No.

Bldg.

Sublimit Per Loc.

The following is added to the Limitation(s) section:

- a) With respect to the buildings listed in the attached Schedule, the most we will pay for loss or damage caused by or resulting from covered Water Damage, in any one occurrence, is the sublimit specified in the schedule.

All other terms, conditions and exclusions remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY IN TRANSIT

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS-SPECIAL FORM

Section F. ADDITIONAL COVERAGE EXTENSIONS, 1. Property In Transit., b. and c. are deleted and replaced with the following:

- b. Coverage for loss or damage provided by this Extension is subject to the Causes of Loss- Special Form, but the following limitation will apply:

Loss or damage caused by theft is limited to theft of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$10,000.

GENERAL STAR INDEMNITY COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THEFT LIMITATION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL COVERAGE PART

Under Section C. Limitations, Item 3., the following is added:

e. \$_____ for all other covered property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under this policy:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

SCHEDULE*

Bldg. No.	Prem. No.	Coverage A Sublimit Of Insurance	Coverage B Sublimit Of Insurance	Coverage C Sublimit Of Insurance	Coverage B And C Combined Sublimit Of Insurance **	Blanket Coverage A, B, and C Combined Sublimit Of Insurance **
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$

* Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

** Do **not** enter a Combined Sublimit of Insurance if individual Sublimits of Insurance are selected for Coverages **A, B** or **C**, or if one of these Coverages is not applicable.

All Sublimits of Insurance described above are included in, and do not increase the amount of, the Limit of Insurance noted on the Declarations Page. Any amount of loss in excess of the applicable Sublimit(s) of Insurance will not be considered to be part of the covered loss under this endorsement for purposes of application of any deductible(s) and, as such, will not offset, defray, or erode any deductible(s) provided in this policy.

A. Each Coverage – Coverage A, Coverage B and Coverage C – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2. a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

C. We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

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

Coverage **A** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

Coverage **B** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage **B** does not increase the Limit of Insurance.

3. Coverage C – Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Coverage **C** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage **C** does not increase the Limit of Insurance.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **3.a.**:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, **3.b.**

The following item applies only with respect to the Building and Personal Property Coverage Form and the Condominium Association Coverage Form.

- c. Paragraph **e. Increased Cost Of Construction** of subsection **4. Additional Coverages** in **A. Coverage** of the Coverage Form is deleted.

E. Loss Payment

1. All following loss payment Provisions, **E.2.** through **E.5.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Sublimit of Insurance shown for Coverage **B** in the schedule above and included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

4. Unless Paragraph **E.5.** applies, loss payment under Coverage **C** – Increased Cost of Construction Coverage will be determined as follows:

a. We will not pay under Coverage **C**:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Sublimit of Insurance shown for Coverage **C** in the schedule above and included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Sublimit of Insurance shown for Coverage **C** in the schedule above and included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

5. If a **Combined** Limit of Insurance is shown for Coverages **B** and **C** or Coverages **A, B** and **C** in the Schedule above, Paragraphs **E.2.**, **E.3.** and **E.4.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Coverage **B** and Coverage **C**, is the Combined Sublimit of Insurance shown for Coverages **B** and **C** in the Schedule above and included within the Limit of Insurance shown in the Declarations as applicable to the covered building. The most we will pay, for the total of all covered losses for Coverage **A**, Coverage **B** and Coverage **C**, is the Combined Sublimit of Insurance shown for Coverages **A, B** and **C** in the Schedule above and included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Subject to these Combined Sublimits of Insurance, the following loss payment provisions apply:

- a. For Coverage A—Coverage For Loss To The Undamaged Portion Of the Building, the most we will pay is the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
 - b. For Coverage B-Demolition Cost Coverage, we will not pay more than the amount you actually spend to demolish and clear the site or the described premises.
 - c. For Coverage C-With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement.)
- Assume:
- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
 - The building has a value of \$200,000
 - Total direct physical damage to building: \$100,000
 - The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
 - Portion of direct physical damage that is covered (caused by wind): \$30,000
 - Portion of direct physical damage that is not covered (caused by flood): \$70,000
 - Loss under Ordinance Or Law Coverage C of this endorsement: \$60,000
- Step 1:
Determine the proportion that the covered direct physical damage bears to the total direct physical damage.
 $\$30,000 \div \$100,000 = .30$
- Step 2:
Apply that proportion to the Ordinance or Law loss.
 $\$60,000 \times .30 = \$18,000$
- In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.
- NOTE: The same procedure applies to losses under Coverages A and B of this endorsement.
- I. The following definition is added:
- "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Commercial Property Additional Coverage Endorsement (COMPAC)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CONDOMINIUM ASSOCIATION COVERAGE FORM CAUSES OF LOSS- SPECIAL FORM

The following is a summary of the Limits of Insurance for each Additional Coverage, Coverage Extension and Optional Coverage provided by this endorsement. Unless otherwise noted these Limits of Insurance apply per occurrence.

COVERAGE	LIMIT OF INSURANCE
1. Fire Department Service Charge	\$2,500 each occurrence
2. Personal Effects & Property Of Others	\$5,000 at described location subject to \$1,000 any one item
3. Valuable Papers & Records (Other Than Electronic Data)	\$10,000 each described premises
4. Property Off-Premises	\$15,000 each occurrence
5. Outdoor Property – Trees, Shrubs, Plants	\$2,500 each occurrence subject to \$500 any one item
6. Outdoor Property – Fences; Radio / Television Antennas; Signs	\$10,000 each occurrence fences; radio / television antennas (broadened specified perils); \$2,500 each occurrence per sign (non-specified perils)
7. Accounts Receivable	\$10,000 each occurrence at the described premises
8. Employee Dishonesty	\$5,000 all claims or occurrence
9. Loss Of Monies & Securities	\$5,000 all claims or occurrences during the policy period
10. Property In Transit – Your Vehicles	\$10,000 each occurrence

A. ADDITIONAL COVERAGES

Provision **c.** in Section **A.4. Additional Coverages** of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form [which ever coverage form is attached to the policy]** is amended as follows:

FIRE DEPARTMENT SERVICE CHARGES

Paragraph **c. Fire Department Service Charge** of Section **A.4. Additional Coverages** is deleted and replaced with the following:

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 \$2,500 at each premises described in the Declarations. Such limit is the most we will pay regardless of the number of responding fire units, and regardless of the number or type of services performed.

This additional Coverage applies to 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

B. COVERAGE EXTENSIONS

Provisions **b.** through **e.** in Section **A.5. Coverage Extensions** of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form** [which ever coverage form is attached to the policy] are amended as follows:

PERSONAL EFFECTS AND PROPERTY OF OTHERS

Paragraph **b. Personal Effects And Property Of Others** of Section **A.5. Coverage Extensions** is deleted and replaced with the following:

b. Personal Effects And Property Of Others

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

- (1) Personal effects owned by you, your officers, your partners or 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, but not more than \$1,000 for any one item of property. 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 **c.(4)** in **Valuable Papers And Records (Other Than Electronic Data)** of Section **A.5. Coverage Extensions** is deleted and replaced with the following:

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

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$10,000 at each described premises, unless a higher limit is shown in the **Declarations**. Such amount is additional insurance.
- (5) 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.

PROPERTY OFF-PREMISES

Subparagraph **d.(3)** in **Property Off-Premises** of Section **A.5. Coverage Extensions** is deleted and replaced by the following:

d. Property Off-Premises

- (3) The most we will pay for loss or damage under this Extension is \$15,000 each occurrence.

OUTDOOR PROPERTY

Paragraph **e. Outdoor Property** of Section **A.5. Coverage Extensions** is deleted and replaced by the following:

e. Outdoor Property

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

- (1) For trees, shrubs, or plants:
- (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or Civil Commotion; or
 - (e) Aircraft.

The most we will pay for loss or damage for the property listed above under Subparagraph e.(1) is \$2,500 but not more than \$500 for any one tree, shrub, or plant.

- (2) For outdoor fences, radio and television antennas (including satellite dishes) and signs:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion;
- (e) Aircraft;
- (f) Windstorm, if not excluded elsewhere in the policy;
- (g) Hail, if not excluded elsewhere in the policy;
- (h) Smoke;
- (i) Vehicles;
- (j) Vandalism;
- (k) Breakage of glass;
- (l) Falling objects;
- (m) Weight of snow, ice, or sleet;
- (n) Water damage; or
- (o) Collapse resulting from use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling, or renovation.

The most we will pay for loss or damage for the property listed above under Subparagraph e.(2) is \$10,000.

- (3) For signs, the most we will pay for loss or damage caused by a covered cause of loss not listed in Paragraph (2) above is \$2,500 per sign in any one occurrence.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

The following provisions g. through i. are added to Section A.5. Coverage Extensions of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form [which ever form is attached to the policy]**:

ACCOUNTS RECEIVABLE

g. Accounts Receivable

- (1) If this policy covers Your Business Personal Property, this Extension extends that insurance to apply to accounts receivable.

We will pay as a result of direct physical loss or damage by a Covered Cause of Loss to your records of accounts receivable:

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

- (2) Coverage does not apply to:
 - (a) Records of account receivable in storage away from the described premises; or
 - (b) Contraband, or property in the course of illegal transportation or trade.
- (3) If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:
 - (a) At a safe place away from the described premises;
 - (b) Being taken to and returned from that place.
- (4) The most we will pay under this Extension for loss or damage in any one occurrence at the described premises is \$10,000.
- (5) With respect to this Extension, the following Exclusions as stated in Section **B. Exclusions** in the **Causes of Loss – Special Form** apply:
 - (a) Paragraph **B.1.c. Governmental Action**;
 - (b) Paragraph **B.1.d. Nuclear Hazard**;
 - (c) Paragraph **B.1.f. War and Military Action**;
 - (d) Paragraph **B.2.i.**; and
 - (e) Paragraph **B.3.**
- (6) Paragraph **B.2.h.** of the **Causes of Loss – Special Form** is deleted and replaced by the following:
 - h. Dishonest or criminal acts by you, anyone else with an interest in the property, or their employees or authorized representatives, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.
 This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered;
- (7) With respect to this Extension, the following exclusions are added:
 - (a) Loss or damage caused by or resulting from:
 - i. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities, or other property;
 - ii. Bookkeeping, accounting or billing errors or omissions;
 - iii. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (i) Programming errors or faulty machine instructions;
 - (ii) Faulty installation or maintenance of data processing equipment or component parts;
 - (iii) An occurrence that took place more than 100 feet from the described premises; or
 - (iv) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from the described premises.
 But we will pay for direct loss or damage caused by lightning;
 - iv. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss; or
 - v. Unauthorized instructions to transfer property to any person or to any place.
 - (b) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

EMPLOYEE DISHONESTY

h. Employee Dishonesty

- (1) We will pay for direct loss of or damage to Your Business Personal Property and “money” and “securities” resulting from dishonest acts committed by any of your “employees” acting alone or in collusion with other persons (except you or your partner) with the 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:
 - i. Any “employee”; or

- ii. Any other person or organization.
- (2) We will not pay for loss or damage:
 - (a) Resulting from any dishonest or criminal act that you, any of your partners, or any of your “members” commit whether acting alone or in collusion with any other persons.
 - (b) The only proof of which as its existence or amount is dependent upon,
 - i. An inventory computation; or
 - ii. A profit and loss computation.
 However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of loss claimed.
 - (c) Resulting from an “employee” of yours or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
 - (d) Resulting from trading, whether in your name or in genuine or fictitious account.
 - (e) Resulting from fraudulent or dishonest signing, issuing, canceling, or failing to cancel, a warehouse receipt or any papers connected with it.
- (3) All loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts; is considered one occurrence.
- (4) The most we will pay, under this Employee Dishonesty Coverage Extension, for loss or damage regardless of the number of claims or occurrences is \$5,000.
- (5) 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.
- (6) This Extension does not apply to any “employee” immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, officers or directors not in collusion with the “employee”; of any dishonest act committed by that “employee” before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Extension, provided:
 - (a) This Extension 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 Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under Subparagraph (8) above is part of, not in addition to, the Limit of Insurance applying to this Extension and is limited to the lesser of the amount recoverable under:
 - (a) This Extension as of its effective date; or
 - (b) The prior insurance had it remained in effect.
- (10) With respect to this Extension only, paragraph a. in Section **A.2. Property Not Covered** is deleted and replaced with the following:
 - a. Accounts, bills, currency, food stamps, notes or other evidences of debt.
- (11) With respect to this Extension only, Paragraph **2.h.** in Section **B. Exclusions** of the **Causes of Loss – Special Form** does not apply.
- (12) With respect to this Extension only, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds a \$250 Deductible. We will then pay the amount of loss excess of that Deductible, up to the applicable Limit of Insurance. No other Deductible in this policy applies to the coverage provided by this Extension.
- (13) With respect to this Extension only, the following definitions apply:
 - (a) “Employee(s)” means:
 - i. Any natural person:
 - (i) While in your service (and for 30 days after termination of service);
 - (ii) Who you compensate directly by salary, wages or commissions; and
 - (iii) Whom you have the right to direct and control while performing services for you; or

- ii. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.
- (b) "Manager" means a person serving in a directorial capacity.
- (c) "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- (d) "Money" means:
 - i. Currency, coins and bank notes in current use and having a face value; and
 - ii. Traveler's checks, register checks and money orders held for sale to the public.
- (e) "Securities" means negotiable and non-negotiable instruments or contract representing either "money" or other property includes:
 - i. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 "Securities" does not include "money" or lottery tickets held for sale.

LOSS OF MONEY AND SECURITIES

i. Loss Of Money And Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, at the described premises or in transit between any of these places, resulting directly from:
 - (a) "Theft", unless excluded elsewhere in the policy;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the limitations shown in Section **C. Limitations** and exclusions shown in Section **B. Exclusions** of the **Covered Causes of Loss – Special Form**, we will not pay for the loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
 - (d) i. Of property after it has been transferred or surrendered to a person or place outside the bank or savings institution or the described premises:
 - (i) On the basis of unauthorized instructions; or
 - (ii) As a result of a threat to do:
 - 1) Bodily harm to any person; or
 - 2) Damage to any property.
 - ii. But, this exclusion does not apply to loss of Covered Property while outside the bank or savings institution or the described premises if you:
 - (i) Had no knowledge of any threat at the time the conveyance began; or
 - (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
 - (e) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
- (3) Loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;

Is considered one occurrence.
- (4) The most we will pay under this Extension for loss or damage regardless of the number of claims or occurrences is \$5,000.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) With respect to this Extension only, paragraph **a.** in Section **A.2. Property Not Covered** is deleted and replaced with the following:
 - a.** Accounts, bills, currency, food stamps, notes or other evidences of debt.

- (7) With respect to this Extension only, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds a \$250 Deductible. We will then pay the amount of loss excess of that Deductible, up to the applicable Limit of Insurance. No other Deductible in this policy applies to the coverage provided by this Extension.
- (8) With respect to this Extension only, the following definitions apply:
- (a) "Money" means:
 - i. Currency, coins and bank notes in current use and having a face value; and
 - ii. Traveler's checks, register checks and money orders held for sale to the public.
 - (b) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - i. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;"Securities" does not include "money" or lottery tickets held for sale.
 - (c) "Theft" means any act of stealing except by an employee, director, officer, trustee or representative.

C. LIMITS OF INSURANCE

Section C. of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form [which ever form is attached to the policy]** is deleted and replaced by the following:

C. Limits of Insurance

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

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

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

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

D. LOSS CONDITIONS

Paragraph 4. **Loss Payment** of Section E. **Loss Conditions** of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form [which ever form is attached to the policy]** is deleted and replaced by the following:

4. LOSS PAYMENT

- a. Except with respect to loss or damage provided under Paragraph g. **Accounts Receivable**, Paragraph h. **Employee Dishonesty** and Paragraph i. **Loss of Money And Securities** in Section B. **Coverage Extensions** of this endorsement, the following condition applies:

(1) In the event of loss or damage covered by this Coverage Part, at our option, we will either:

- (a) Pay the value of lost or damaged property;
- (b) Pay the cost of repairing or replacing the lost or damage property, subject to Subparagraph (2) below;
- (c) Take all or any part of the property at an agreed or appraised value; or
- (d) Repair, rebuild or replace the property with other property of like kind and quality, subject to Subparagraph (2) below.

We will determine the value of lost or damage property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph 7. **Valuation** in Section E. **Loss Conditions** of the

Building and Personal Property Coverage Form or any applicable provision that amends or supersedes Paragraph **7. Valuation**, or Paragraph **8. Valuation** in Section **E. Loss Conditions** of the **Condominium Association Coverage Form** or any applicable provisions that amends or supersedes Paragraph **8.** which ever coverage form is attached to the policy.

- (2) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (3) We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- (4) We will not pay you more than your financial interest in the Covered Property.
- (5) We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- (6) We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- (7) We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.If you are a condominium association and you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.
- (8) A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including the Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights OF Recovery Against Others To US Condition in this policy.

b. Accounts Receivable Condition

With respect to coverage provided in Paragraph **g. Accounts Receivable** in Section **B. Coverage Extensions** of this Endorsement, the following condition applies:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (a) We will determine the total of the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

c. Employee Dishonesty Condition

With respect to coverage provided in Paragraph **h. Employee Dishonesty** in Section **4. Coverage Extensions** of this Endorsement, the following condition applies:

- (1) We will pay for:
 - (a) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - i. At face value in the "money" issued by the country; or

- ii. In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
- (b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - i. Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in those "securities".
 - ii. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of those "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the "securities" at the close of business on the day the loss was discovered or the Limit of Insurance.
- (2) We may at our option pay for loss of, or loss from damage to property other than "money":
 - (a) In the "money" of the country in which the loss occurred; or
 - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

d. Loss Of Money And Securities Condition

With respect to coverage provided in Paragraph i. **Loss Of Money And Securities** of Section 2. **Coverage Extensions** of this Endorsement, the following condition applies:

- (1) We will pay for:
 - (a) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - i. At face value in the "money" issued by the country; or
 - ii. In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (b) Loss of "securities" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - i. Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in those "securities".
 - ii. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of those "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the "securities" at the close of business on the day the loss was discovered or the Limit of Insurance.
- (2) We may at our option pay for the loss of, or loss from damage to property other than "money":
 - (a) In the "money" of the country in which the loss occurred; or
 - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

E. ADDITIONAL COVERAGE EXTENSIONS

PROPERTY IN TRANSIT

Paragraph 1.c. in **Property in Transit** of Section F. **Additional Coverage Extensions** of the **Causes of Loss – Special Form** is deleted and replaced by the following:

1. Property In Transit

- c. The most we will pay for loss or damage under this Extension is \$10,000.

- (d) "Money" means:
 - i. Currency, coins and bank notes in current use and having a face value; and
 - ii. Traveler's checks, register checks and money orders held for sale to the public.
- (e) "Securities" means negotiable and non-negotiable instruments or contract representing either "money" or other property includes:
 - i. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 "Securities" does not include "money" or lottery tickets held for sale.

LOSS OF MONEY AND SECURITIES

i. Loss Of Money And Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, at the described premises or in transit between any of these places, resulting directly from:
 - (a) "Theft", unless excluded elsewhere in the policy;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the limitations shown in Section **C. Limitations** and exclusions shown in Section **B. Exclusions** of the **Covered Causes of Loss – Special Form**, we will not pay for the loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
 - (d)
 - i. Of property after it has been transferred or surrendered to a person or place outside the bank or savings institution or the described premises:
 - (i) On the basis of unauthorized instructions; or
 - (ii) As a result of a threat to do:
 - 1) Bodily harm to any person; or
 - 2) Damage to any property.
 - ii. But, this exclusion does not apply to loss of Covered Property while outside the bank or savings institution or the described premises if you:
 - (i) Had no knowledge of any threat at the time the conveyance began; or
 - (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
 - (e) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
- (3) Loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts; Is considered one occurrence.
- (4) The most we will pay under this Extension for loss or damage regardless of the number of claims or occurrences is \$5,000.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) With respect to this Extension only, paragraph **a.** in Section **A.2. Property Not Covered** is deleted and replaced with the following:
 - a.** Accounts, bills, currency, food stamps, notes or other evidences of debt.
- (7) With respect to this Extension only, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds a \$250 Deductible. We will then pay the amount of loss excess of that Deductible, up to the applicable Limit of Insurance. No other Deductible in this policy applies to the coverage provided by this Extension.
- (8) With respect to this Extension only, the following definitions apply:
 - (a) "Money" means:
 - i. Currency, coins and bank notes in current use and having a face value; and

- ii. Traveler's checks, register checks and money orders held for sale to the public.
- (b) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - i. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 "Securities" does not include "money" or lottery tickets held for sale.
- (c) "Theft" means any act of stealing except by an employee, director, officer, trustee or representative.

C. LIMITS OF INSURANCE

Section C. of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form [which ever form is attached to the policy]** is deleted and replaced by the following:

C. Limits of Insurance

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

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

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

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

D. LOSS CONDITIONS

Paragraph 4. **Loss Payment** of Section E. **Loss Conditions** of the **Building And Personal Property Coverage Form** or the **Condominium Association Coverage Form [which ever form is attached to the policy]** is deleted and replaced by the following:

4. LOSS PAYMENT

- a. Except with respect to loss or damage provided under Paragraph g. **Accounts Receivable**, Paragraph h. **Employee Dishonesty** and Paragraph i. **Loss of Money And Securities** in Section B. **Coverage Extensions** of this endorsement, the following condition applies:

(1) In the event of loss or damage covered by this Coverage Part, at our option, we will either:

- (a) Pay the value of lost or damaged property;
- (b) Pay the cost of repairing or replacing the lost or damage property, subject to Subparagraph (2) below;
- (c) Take all or any part of the property at an agreed or appraised value; or
- (d) Repair, rebuild or replace the property with other property of like kind and quality, subject to Subparagraph (2) below.

We will determine the value of lost or damage property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph 7. **Valuation** in Section E. **Loss Conditions** of the **Building and Personal Property Coverage Form** or any applicable provision that amends or supersedes Paragraph 7. **Valuation**, or Paragraph 8. **Valuation** in Section E. **Loss Conditions** of the **Condominium Association Coverage Form** or any applicable provisions that amends or supersedes Paragraph 8. which ever coverage form is attached to the policy.

- (2) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (3) We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- (4) We will not pay you more than your financial interest in the Covered Property.
- (5) We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- (6) We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- (7) We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.If you are a condominium association and you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.
- (8) A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including the Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights OF Recovery Against Others To US Condition in this policy.

b. Accounts Receivable Condition

With respect to coverage provided in Paragraph **g. Accounts Receivable** in Section **B. Coverage Extensions** of this Endorsement, the following condition applies:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (a) We will determine the total of the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

c. Employee Dishonesty Condition

With respect to coverage provided in Paragraph **h. Employee Dishonesty** in Section **4. Coverage Extensions** of this Endorsement, the following condition applies:

- (1) We will pay for:
 - (a) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - i. At face value in the "money" issued by the country; or
 - ii. In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - i. Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in those "securities".

- ii. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of those "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the "securities" at the close of business on the day the loss was discovered or the Limit of Insurance.
- (2) We may at our option pay for loss of, or loss from damage to property other than "money":
- (a) In the "money" of the country in which the loss occurred; or
 - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

d. Loss Of Money And Securities Condition

With respect to coverage provided in Paragraph **i. Loss Of Money And Securities** of Section **2.**

Coverage Extensions of this Endorsement, the following condition applies:

- (1) We will pay for:
- (a) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - i. At face value in the "money" issued by the country; or
 - ii. In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (b) Loss of "securities" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - i. Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in those "securities".
 - ii. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of those "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the "securities" at the close of business on the day the loss was discovered or the Limit of Insurance.
- (2) We may at our option pay for the loss of, or loss from damage to property other than "money":
- (a) In the "money" of the country in which the loss occurred; or
 - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

E. ADDITIONAL COVERAGE EXTENSIONS

PROPERTY IN TRANSIT

Paragraph **1.c.** in **Property in Transit** of Section **F. Additional Coverage Extensions** of the **Causes of Loss – Special Form** is deleted and replaced by the following:

1. Property In Transit

- c. The most we will pay for loss or damage under this Extension is \$10,000.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Water Back-Up And Sump Overflow

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CAUSES OF LOSS – SPECIAL FORM

The following provision is added to Section **A.5. Coverage Extensions** of the **Building And Personal Property Coverage Form**:

Water Back-up And Sump Overflow

- (1)** We will pay for direct physical loss or damage to Covered Property caused by or resulting from:
 - (a)** Water which backs up through or overflows from a sewer or drain; or
 - (b)** Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Subparagraph **(b)** above, we will pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.
- (2)** The coverage described in Paragraph **(1)** of this Extension does not apply to loss or damage resulting from an insured's failure to:
 - (a)** Keep a sump pump or its related equipment in proper working condition; or
 - (b)** Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- (3)** The most we will pay for this extension is \$10,000 each occurrence.
- (4)** With respect to this Extension only, Exclusion **B.1.g. Water** in the **Covered Causes of Loss – Special Form** is replaced by the following exclusion:

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

g. Water

- (1)** Flood, which includes a release of water held by a dam, levee or dike or by a water or flood control device, or its spray, whether driven by wind or not;
- (2)** Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (3)** Mudslide or mudflow; or
- (4)** Water under the ground surface pressing on, or flowing or seeping through:
 - (a)** Foundations, walls, floors or paved surfaces;
 - (b)** Basements, whether paved or not; or
 - (c)** Doors, windows or other openings.

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

All other terms, conditions and exclusions remain unchanged.