

FORMS – AVAILABILITY

MAY 8, 2019

BUSINESSOWNERS

LI-BP-2019-040

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## BUSINESSOWNERS MULTISTATE ENDORSEMENTS (EDITION 09 19) AVAILABLE

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### KEY MESSAGE

This circular provides final copies of the multistate endorsements that are being implemented under forms filing BP-2019-OMITF.

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### BACKGROUND

In circular:

- [LI-BP-2019-024](#), we announced the submission of Businessowners forms filing BP-2019-OMITF on a multistate basis.
- [LI-BP-2019-039](#), we announced the initial implementation of forms filing BP-2019-OMITF in various jurisdictions and included a status report.

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### CAUTION

Please note that this circular is intended only to provide final copies of the endorsements and is NOT announcing implementation of filing BP-2019-OMITF in any jurisdiction. Circulars announcing implementation of this filing are being released on an ongoing basis in the usual manner. Refer to those implementation circulars and state supplement circulars referenced therein, for information specific to each state, including state-specific forms and any exceptions to state applicability of the multistate forms.

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### REFERENCE(S)

- [LI-BP-2019-039](#) (05/08/2019) Businessowners Multistate Forms, Rules And Loss Costs Revisions To Be Implemented
- [LI-BP-2019-024](#) (03/13/2019) Businessowners Multistate Forms Revision Being Submitted

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### [ATTACHMENT\(S\)](#)

Final copies of multistate endorsements, edition 09 19

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## CONTACT INFORMATION

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS PROPERTY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**Section I – Property** is amended as follows:

**A.** The following is added to Paragraph **A.2. Property Not Covered:**

**a.** "Cannabis".

**B.** For the purpose of this endorsement, the following applies to Business Income and Extra Expense:

Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred, due to a suspension of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".

**C.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

**(1)** Resin, oil or wax;

**(2)** Hash or hemp; or

**(3)** Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS PROPERTY EXCLUSION WITH HEMP EXCEPTION**

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

**Section I – Property** is amended as follows:

**A. Paragraph A.2. Property Not Covered** of the Businessowners Coverage Form is amended as follows:

1. The following is added to Paragraph **A.2. Property Not Covered**:

a. "Cannabis".

2. Paragraph **A.1.** of this endorsement does not apply to goods or products containing or derived from hemp, including, but not limited to:

- a. Seeds;
- b. Food;
- c. Clothing;
- d. Lotions, oils or extracts;
- e. Building materials; or
- f. Paper.

However, this Paragraph **A.2.** does not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.

**B.** For the purpose of this endorsement, the following applies to Business Income and Extra Expense:

1. Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred, due to a suspension of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".

2. Paragraph **B.1.** of this endorsement does not apply to Business Income loss or Extra Expense incurred which is attributable to goods or products containing or derived from hemp, including, but not limited to:

a. Seeds;

b. Food;

c. Clothing;

d. Lotions, oils or extracts;

e. Building materials; or

f. Paper.

However, this Paragraph **B.2.** does not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.

**C.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

b. Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

**A. The following exclusion is added to Section II – Liability:**

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**B. The exclusion in Paragraph A. does not apply to "personal and advertising injury" arising out of the following offenses:**

1. False arrest, detention or imprisonment; or
2. The wrongful eviction from, wrongful entry into, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

**C. The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement BP 05 96 if it is attached to this Policy:**

The following exclusion is added to **Section II – Liability:**

This insurance does not apply to:

"Loss of electronic data":

1. Arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.

However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**D.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS LIABILITY EXCLUSION WITH HEMP EXCEPTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

**A. The following exclusion is added to Section II – Liability:**

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**B. The exclusion in Paragraph A. does not apply to:**

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of goods or products containing or derived from hemp, including, but not limited to:
  - a. Seeds;
  - b. Food;
  - c. Clothing;
  - d. Lotions, oils or extracts;
  - e. Building materials; or
  - f. Paper.
2. "Property damage" to goods or products described in Paragraph **B.1.** above.

However, Paragraphs **B.1.** and **B.2.** above do not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state wherein:

- (1) The "bodily injury" or "property damage" occurs;
  - (2) The "occurrence" which caused the "bodily injury" or "property damage" takes place; or
  - (3) The offense which caused the "personal and advertising injury" was committed; or
3. "Personal and advertising injury" arising out of the following offenses:
    - a. False arrest, detention or imprisonment; or
    - b. The wrongful eviction from, wrongful entry into, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

**C.** The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** if it is attached to this Policy:

The following exclusion is added to **Section II – Liability**:

This insurance does not apply to:

"Loss of electronic data":

**1.** Arising out of:

- a.** The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
- b.** The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or

**2.** With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.

However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1)** An insured; or
- (2)** Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**D.** The exclusion in Paragraph **C.** does not apply to "loss of electronic data":

**1.** Arising out of goods or products containing or derived from hemp, including, but not limited to:

- a.** Seeds;
- b.** Food;

- c.** Clothing;
- d.** Lotions, oils or extracts;
- e.** Building materials; or
- f.** Paper.

**2.** That is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of goods or products described in Paragraph **D.1.** above.

However, Paragraphs **D.1.** and **D.2.** above do not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state wherein the "loss of electronic data" or the "electronic data incident" takes place.

**E.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

**2.** Paragraph **E.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

**a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

**b.** Any compound, byproduct, extract, derivative, mixture or combination, such as:

- (1)** Resin, oil or wax;
- (2)** Hash or hemp; or
- (3)** Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **E.2.a.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANNABIS LIABILITY EXCLUSION WITH HEMP AND LESSORS RISK EXCEPTIONS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

**A. The following exclusion is added to Section II – Liability:**

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
2. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.2.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

**B. The exclusion in Paragraph A. does not apply to:**

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of goods or products containing or derived from hemp, including, but not limited to:

- a. Seeds;
- b. Food;
- c. Clothing;
- d. Lotions, oils or extracts;
- e. Building materials; or
- f. Paper.

2. "Property damage" to goods or products described in Paragraph **B.1.** above.

However, Paragraphs **B.1.** and **B.2.** above do not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state wherein:

- (1) The "bodily injury" or "property damage" occurs;
  - (2) The "occurrence" which caused the "bodily injury" or "property damage" takes place; or
  - (3) The offense which caused the "personal and advertising injury" was committed;
3. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance or use of a premises leased to others by you; or
  4. "Personal and advertising injury" arising out of the following offenses:
    - a. False arrest, detention or imprisonment; or

- b. The wrongful eviction from, wrongful entry into, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.
- C.** The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** if it is attached to this Policy:

The following exclusion is added to **Section II – Liability**:

This insurance does not apply to:

"Loss of electronic data":

1. Arising out of:
  - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.

However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

- D.** The exclusion in Paragraph **C.** does not apply to "loss of electronic data":

1. Arising out of goods or products containing or derived from hemp, including, but not limited to:
  - a. Seeds;
  - b. Food;
  - c. Clothing;
  - d. Lotions, oils or extracts;
  - e. Building materials; or
  - f. Paper.
2. That is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of goods or products described in Paragraph **D.1.** above.

However, Paragraphs **D.1.** and **D.2.** above do not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state wherein the "loss of electronic data" or the "electronic data incident" takes place.

- E.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

1. Means:
 

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.
2. Paragraph **E.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:
  - a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
  - b. Any compound, byproduct, extract, derivative, mixture or combination, such as:
    - (1) Resin, oil or wax;
    - (2) Hash or hemp; or
    - (3) Infused liquid or edible cannabis;
 whether or not derived from any plant or part of any plant set forth in Paragraph **E.2.a.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## CONTRACTORS' INSTALLATION, TOOLS AND EQUIPMENT COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### SCHEDULE

Item	Limit Of Insurance
<b>Coverage 1 – Contractors' Installation Coverage</b>	\$
<b>Additional Premium: \$</b>	
<b>Coverage 2 – Contractors' Tools And Equipment Coverage</b>	
<b>1. Blanket Limit</b>	\$
<p>An "X" displayed to the right indicates the applicable per-item sub-limit.</p> <p><b>Actual Cash Value Option</b> (Applicable to Blanket Limit only if an "X" is shown in the box to the right) <input style="float: right; margin-left: 20px;" type="checkbox"/></p>	<p style="text-align: center;"><b>Not in excess of</b></p> <p><input type="checkbox"/> \$500  <input type="checkbox"/> \$1,000  <input type="checkbox"/> \$2,000</p> <p style="text-align: center;"><b>for any one item</b></p>
<b>2. Scheduled Limit (And Description Of Property)</b>	
<b>A.</b>	\$
<b>B.</b>	\$
<b>C.</b>	\$
<b>D.</b>	\$
<b>E.</b>	\$

<b>Total Scheduled Property Limit Of Insurance</b>	<b>\$</b>
<b>Additional Premium: \$</b>	
<b>Item</b>	<b>Limit Of Insurance</b>
<b>Coverage 3 – Non-owned Tools And Equipment Coverage</b>	<b>\$</b>
<b>Additional Premium: \$</b>	
<b>Coverage 4 – Employees' Tools Coverage</b>	<b>\$</b>
	<b>However, not in excess of \$2,500 for all tools of any one employee</b>
<b>Additional Premium: \$</b>	
<b>Deductible:</b>	<b>\$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Section I – Property** is amended as follows:

**A. Paragraph A.2. Property Not Covered** of the Businessowners Coverage Form is amended as follows:

1. The following is added to Paragraph **A.2. Property Not Covered**:

- a. Tools and equipment, including their:
  - (1) Accessories, whether or not attached; and
  - (2) Spare parts that are specifically designed and intended for use in the maintenance and operation of the tools and equipment;
- b. Property sold under an installation agreement;
- c. Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction; and
- d. Temporary structures built or assembled on-site, including falsework, cribbing, scaffolding and construction forms.

2. However, Paragraph **A.1.** of this endorsement does not apply to the extent that coverage is provided under:

- a. Coverage **1** – Contractors' Installation Coverage;
- b. Coverage **2** – Contractors' Tools And Equipment Coverage;

c. Coverage **3** – Non-owned Tools And Equipment Coverage; or

d. Coverage **4** – Employees' Tools Coverage.

**B. The following is added to Paragraph A.6.b. Coverage Extensions** of the Businessowners Coverage Form:

This extension does not apply to property covered under the following:

- (1) Coverage **1** – Contractors' Installation Coverage;
- (2) Coverage **2** – Contractors' Tools And Equipment Coverage;
- (3) Coverage **3** – Non-owned Tools And Equipment Coverage; and
- (4) Coverage **4** – Employees' Tools Coverage.

**C. Paragraph B. Exclusions** of the Businessowners Coverage Form is amended as follows:

1. Paragraphs **B.1.b.(1)** through **(4) Earth Movement** do not apply to loss or damage caused directly or indirectly by earthquake.

2. Paragraph **B.1.g. Water** does not apply to loss or damage caused directly or indirectly by flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge).

## D. Coverages

### 1. Coverage 1 – Contractors' Installation Coverage

- a. For the purposes of the coverage provided by Coverage 1, the following is added to Paragraph **A.1.b.** Business Personal Property of the Businessowners Coverage Form:

- (1) Property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed.
- (2) The following property:
  - (a) Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction; and
  - (b) Temporary structures built or assembled on-site, including falsework, cribbing, scaffolding and construction forms.

This property is covered while:

- (i) At any job site you do not own, lease or operate;
  - (ii) Awaiting and during installation, or awaiting acceptance by the purchaser;
  - (iii) In transit; or
  - (iv) At a "temporary storage location".
- b. Coverage provided under this Coverage 1 will end when one of the following first occurs:
- (1) This policy expires or is cancelled;
  - (2) The property covered under this Coverage 1 is accepted by the purchaser;
  - (3) Your interest in the property covered under this Coverage 1 ceases;
  - (4) You abandon the project to be performed by you for the purchaser, with no intention to complete it; or
  - (5) 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing.

- c. For the purposes of the coverage provided by Coverage 1, the following items are removed from Paragraph **A.2. Property Not Covered** of the Businessowners Coverage Form:

- (1) Growing crops;
- (2) Outdoor fences;
- (3) Radio or television antennas (including satellite dishes); and
- (4) Trees, shrubs or plants.

- d. For the purposes of the coverage provided by Coverage 1, the following is added to Paragraph **A.2. Property Not Covered** of the Businessowners Coverage Form:

- (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
- (2) Property stored at a permanent warehouse or storage yard that you own;
- (3) A plan, blueprint, design or specification; and
- (4) Machinery, tools, equipment, supplies or similar property that does not become a permanent part of the project. This includes contractors' equipment and other tools belonging to a contractor or subcontractor.

- e. With respect to this Coverage 1, the following additional exclusions apply:

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

- (1) The cost to make good or replace faulty or defective materials or workmanship;
- (2) Testing. However, if testing results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion;
- (3) A fault, defect, deficiency, error or omission in a plan, blueprint, design or specification;
- (4) The weight of a load when it exceeds the designed capacity of any property covered under this Coverage 1 to lift, move or support the load from any position; or

(5) Collision, upset or overturn of any property covered under this Coverage 1 to the extent of any loss of or damage to the tires or inner tubes of such property. But we will pay for the loss of or damage to the tires or inner tubes if the same accident causes other covered loss to the same property covered under this Coverage 1.

f. The following Limit of Insurance applies to **Coverage 1 – Contractors' Installation Coverage:**

The most we will pay for direct physical loss of or damage to Covered Property under this Coverage 1, in any one occurrence of loss or damage, is the Coverage 1 – Contractors' Installation Coverage Limit Of Insurance shown in the Schedule. The Coverage 1 Limit of Insurance is in addition to the Limits of Insurance of Section I – Property of the Businessowners Coverage Form.

**2. Coverage 2 – Contractors' Tools And Equipment Coverage**

a. For the purposes of the coverage provided by Coverage 2, the following is added to Paragraph A.1.b. Business Personal Property of the Businessowners Coverage Form:

Tools and equipment, including their:

- (1) Accessories, whether or not attached; and
- (2) Spare parts that are specifically designed and intended for use in the maintenance and operation of property covered under this Coverage 2;

that you own, or that you do not own but that are in your care, custody or control.

This property is covered while away from the described premises.

b. For the purposes of the coverage provided by Coverage 2, Paragraph A.2.a. **Property Not Covered** of the Businessowners Coverage Form is replaced by the following:

a. Aircraft, watercraft, their equipment or parts; automobiles; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all-terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use;

c. For the purposes of the coverage provided by Coverage 2, the following is added to Paragraph A.2. **Property Not Covered** of the Businessowners Coverage Form:

- (1) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
- (2) Property you have loaned, rented or leased to others;
- (3) Property that is or will become a permanent part of any building or structure;
- (4) Property held for sale;
- (5) Property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed;
- (6) Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction;
- (7) Temporary structures built or assembled on-site, including falsework, cribbing, scaffolding and construction forms;
- (8) Non-owned tools and equipment leased or rented from others that are in your care, custody or control, but this does not apply to non-owned tools and equipment you lease for a term of six months or more; or
- (9) Your employees' (including temporary or leased employees') tools.

d. With respect to this Coverage 2, the following additional exclusions apply:

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

- (1) Theft of any property covered under this Coverage 2 from any unattended vehicle unless, at the time of theft, the vehicle's windows, doors and compartments were closed and locked, and there are visible signs that the theft was a result of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
- (2) The weight of a load when it exceeds the designed capacity of any property covered under this Coverage 2 to lift, move or support the load from any position.

- (3) Collision, upset or overturn of any property covered under this Coverage 2 to the extent of any loss of or damage to the tires or inner tubes of such property. But we will pay for the loss of or damage to the tires or inner tubes if the same accident causes other covered loss to the same property covered under this Coverage 2.

e. The following Limits of Insurance apply to **Coverage 2 – Contractors' Tools And Equipment Coverage:**

**(1) Blanket Limit Of Insurance**

The blanket Limit Of Insurance shown in the Schedule is the most we will pay in any one occurrence for the total of all covered losses to Covered Property under this Coverage 2. Subject to the blanket Limit Of Insurance shown in the Schedule, the most we will pay for direct physical loss of or damage to any one tool or any one piece of equipment is the applicable per-item sub-limit shown in the Schedule. However, this Paragraph (1) does not apply to Covered Property that is individually described in the Schedule and that is subject to a scheduled Limit of Insurance in accordance with Paragraph D.2.e.(2) of this endorsement.

**(2) Scheduled Limit Of Insurance**

The most we will pay in any one occurrence for direct physical loss of or damage to each item of Covered Property under this Coverage 2 that is individually described in the Schedule is the Limit Of Insurance shown in the Schedule for that item.

The Coverage 2 Limit(s) of Insurance is in addition to the Limits of Insurance of Section I – Property of the Businessowners Coverage Form.

**3. Coverage 3 – Non-owned Tools And Equipment Coverage**

a. When a Limit Of Insurance is shown in the Schedule for Coverage 3 – Non-owned Tools And Equipment Coverage, for the purposes of the coverage provided by Coverage 3, the following is added to Paragraph A.1.b. Business Personal Property of the Businessowners Coverage Form:

Contractors' non-owned tools and equipment leased or rented from others that are in your care, custody or control.

This property is covered while away from the described premises.

b. The following Limit of Insurance applies to **Coverage 3 – Non-owned Tools And Equipment Coverage:**

The most we will pay for direct physical loss of or damage to Covered Property under this Coverage 3, in any one occurrence, is the Coverage 3 – Non-owned Tools And Equipment Coverage Limit Of Insurance shown in the Schedule. The Coverage 3 Limit of Insurance is in addition to the Limits of Insurance of Section I – Property of the Businessowners Coverage Form.

c. For the purposes of the coverage provided by Coverage 3, the following is added to Paragraph A.2. **Property Not Covered** of the Businessowners Coverage Form:

- (1) Non-owned tools and equipment leased or rented from any of your employees (including temporary or leased employees);
- (2) Any other non-owned tools you lease for a term of six months or more; or
- (3) Temporary structures built or assembled on-site, including falsework, cribbing, scaffolding and construction forms.

#### 4. Coverage 4 – Employees' Tools Coverage

- a. When a Limit Of Insurance is shown in the Schedule for Coverage 4 – Employees' Tools Coverage, for the purposes of the coverage provided by Coverage 4, the following is added to Paragraph **A.1.b.** Business Personal Property of the Businessowners Coverage Form:

Your employees' (including temporary or leased employees') tools which are used in connection with your operations.

This property is covered while away from the described premises.

- b. The following Limit of Insurance applies to **Coverage 4 – Employees' Tools Coverage**:

The most that we will pay for direct physical loss of or damage to Covered Property under this Coverage 4, in any one occurrence, is the Coverage 4 – Employees' Tools Coverage Limit Of Insurance shown in the Schedule. Subject to the Coverage 4 – Employees' Tools Coverage Limit of Insurance, the most we will pay for direct physical loss of or damage to all tools of any one employee is \$2,500. The Coverage 4 Limit of Insurance is in addition to the Limits of Insurance of Section I – Property of the Businessowners Coverage Form.

- E. With respect to loss or damage to property covered under this endorsement, Paragraph **D. Deductibles** of the Businessowners Coverage Form is replaced by the following:

#### **D. Deductibles**

1. If a Deductible is shown in the Schedule, we will not pay for loss or damage to property covered under this endorsement in any one occurrence until the amount of loss or damage exceeds such Deductible. No other Deductible applies to such coverage.

2. If an occurrence of a Covered Cause of Loss results in loss or damage to property covered under this endorsement and to other Covered Property that is subject to a Deductible, the following applies:

- a. The Deductible shown in the Schedule of this endorsement will apply to property covered under this endorsement; and
- b. The Deductible that applies to the other Covered Property will apply to such Covered Property.

However, the larger of these deductibles shall be reduced by the amount of the smaller deductible.

- F. For the purposes of the coverage provided by Coverage 2, the following is added to Paragraph **E.5. Loss Payment** of the Businessowners Coverage Form:

If the Schedule indicates that the Actual Cash Value Option applies, for Coverage 2, we will determine the value of property subject to the blanket Limit of Insurance at actual cash value.

- G. The following is added to Paragraph **H. Property Definitions**:

"Temporary storage location" means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a job site:

1. That you do not own, lease or operate; and
2. Where work is in progress, or will begin in 30 days.