

Businessowners Cannabis Exclusion



CIRCULAR NUMBER
BP-2019-02



**WSRB FILING
DESIGNATION NUMBER**
*BP-2019-OMITF
BP-2019-RMITR
BP-2019-RMITL*



EFFECTIVE DATE
These changes are applicable to all
policies effective on or after
September 1, 2019



QUESTIONS

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CHANGES

These filings introduce Businessowners cannabis-related exclusionary endorsements. Additionally, we have revised the Contractors' Installation, Tools and Equipment Coverage Endorsement BP 07 01 and its corresponding rules and loss costs.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are NOT required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to NOT use our revision, you must make an appropriate submission with the Insurance Department.

In all correspondence with the Insurance Department regarding this revision, include the WSRB Filing Designation Number, not this Circular number.

MANUAL DISTRIBUTION

Insurance Service Office, Inc. will print and distribute revised manual pages prior to the effective date. A complete copy of the filing is available at the WSRB web site using the Compliance Filings Library. Circular notification is available by e-mail only. Register to receive electronic notification at the Compliance Filings Library page inside the Members section at wsrb.com

State: Washington **Filing Company:** Washington Surveying and Rating Bureau
TOI/Sub-TOI: 05.0 CMP Liability and Non-Liability/05.0002 Businessowners
Product Name: BOP Cannabis Exclusion and Multistate Endorsement Revision
Project Name/Number: BOP Cannabis Exclusion and Multistate Endorsement Revision/BP-2019-OMITF

Filing at a Glance

Company: Washington Surveying and Rating Bureau
Product Name: BOP Cannabis Exclusion and Multistate Endorsement Revision
State: Washington
TOI: 05.0 CMP Liability and Non-Liability
Sub-TOI: 05.0002 Businessowners
Filing Type: Form
Date Submitted: 03/14/2019
SERFF Tr Num: WSRB-131866683
SERFF Status: Closed-Approved
State Tr Num: 366438
State Status: Approved
Co Tr Num: BP-2019-OMITF
Co Status: Approved
Effective Date: 09/01/2019
Requested (New):
Effective Date: 09/01/2019
Requested (Renewal):
Author(s): Jim Antush
Reviewer(s): Mary Kay Schaefer (primary)
Disposition Date: 03/18/2019
Disposition Status: Approved
Effective Date (New): 09/01/2019
Effective Date (Renewal): 09/01/2019
Destruction Date:

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

Total Scheduled Property Limit Of Insurance	\$
Additional Premium: \$	
Item	Limit Of Insurance
Coverage 3 – Non-owned Tools And Equipment Coverage	\$
Additional Premium: \$	
Coverage 4 – Employees' Tools Coverage	\$
	However, not in excess of \$2,500 for all tools of any one employee
Additional Premium: \$	
Deductible:	\$
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.

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.**

2019 Businessowners Multistate Endorsement Revision

About This Filing

This filing introduces cannabis-related exclusionary endorsements and revises BP 07 01 – Contractors' Installation, Tools And Equipment Coverage.

New Forms

We are introducing the following forms:

- ◆ BP 15 30 09 19 – Cannabis Property Exclusion
- ◆ BP 15 31 09 19 – Cannabis Property Exclusion With Hemp Exception
- ◆ BP 15 32 09 19 – Cannabis Liability Exclusion
- ◆ BP 15 33 09 19 – Cannabis Liability Exclusion With Hemp Exception
- ◆ BP 15 34 09 19 – Cannabis Liability Exclusion With Hemp And Lessors Risk Exceptions

Revised Form

We are revising BP 07 01 07 13 – Contractors' Installation, Tools And Equipment Coverage.

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the 07 13 edition to the 09 19 edition. Concurrent with implementation, the 09 19 edition will supersede the 07 13 edition.

Related Filing(s)

The following companion filings are being filed with a concurrent effective date:

- ◆ BP-2019-RMITR (Rules)
- ◆ BP-2019-RMITL (Loss Costs)

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Cannabis Exclusion Endorsements

Background

Marijuana

Marijuana is currently listed as a Schedule I drug under the federal Controlled Substances Act of 1970 (CSA), which defines Schedule I as drugs "with no currently accepted medical use and a high potential for abuse" and are considered "the most dangerous drugs of all the drug schedules with potentially severe psychological or physical dependence." In addition to marijuana, Schedule I includes other drugs including heroin, peyote, and LSD. Additionally, according to a Final Rule published by the Drug Enforcement Administration (DEA), any good or product that contains "any amount" of Tetrahydrocannabinol (THC) is to be considered a Schedule I controlled substance, with the exception of "certain industrial products, processed plant materials, and feed mixtures...to the extent such products, plant materials, and feed mixtures contain THC but are not used, or intended for use, for human consumption".

Industrial Hemp

This above motioned Final Rule would generally encompass so called "hemp" food products and other "hemp" related products that, according to the DEA, "cause THC to enter the human body". Id. However, at least one Federal Court has placed a Stay on this Final Rule (See, Hemp Ind. Assoc. et al. v. DEA, Case No. 03-71366, 03-71603 (9th Cir. 2004)). Moreover, according to the National Conference of State Legislatures, "[a]t least 41 states have passed legislation related to industrial hemp, such as defining hemp and removing barriers, and at least 39 states have allowed for hemp cultivation and production programs".

Explanation of Changes

Property

We are introducing the following optional property endorsements:

- ◆ The first endorsement, BP 15 30 – Cannabis Property Exclusion:
 - Broadly excludes direct physical loss of or damage to cannabis via a modification of the Property Not Covered provision;
 - Excludes Business Income and Extra Expense coverage by indicating that such coverage does not apply to that part of Business Income loss or Extra Expense, due to a suspension of the insured's operations, which is attributable to the design cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; and

- Defines cannabis in a broad manner to include, among other things, any good or product that consists of or contains any amount of THC or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.
- ◆ The second endorsement, BP 15 31 – Cannabis Property Exclusion With Hemp Exception contains all the design attributes of endorsement BP 15 30 while also containing exceptions to the exclusions generally addressing goods or products containing or derived from hemp as follows:
 - The exclusion of coverage for direct physical loss of or damage to cannabis does not apply to goods or products containing or derived from hemp, including but not limit to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper.
 - The exclusion of coverage for Business Income and/or Extra Expense does not apply to Business Income loss or Extra Expense which is attributable to goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper.

Both exceptions 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 where such goods or products are located.

Liability

We are introducing the following optional liability endorsements:

The first endorsement, BP 15 32 – Cannabis Liability Exclusion:

- ◆ Broadly excludes bodily injury, property damage and personal and advertising injury related exposures associated with the defined term cannabis including, but not limited to, property damage to cannabis;
- ◆ Contains reinforcement language with respect to the exclusion generally addressing claims against any insured that allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured;

- ◆ Includes an exception generally relating to (1) the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with cannabis by an insured or any other person for whom the Named Insured is legally responsible (this exception only applies if the bodily injury or property damage does not arise out of the Named Insured's selling, serving or furnishing of cannabis to any person described in the exception); and (2) the personal and advertising injuries offenses addressing, in part, (i) false arrest, detention or imprisonment and (ii) wrongful eviction; and
- ◆ Defines cannabis in a manner generally consistent with endorsement BP 15 30.

The second endorsement, BP 15 33 – Cannabis Liability Exclusion With Hemp Exception, contains all the design attributes of endorsement BP 15 32, while also containing exceptions generally addressing, in part (1) bodily injury, property damage or personal advertising injury arising out of goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (iv) building materials, or (v) paper, and (2) property damage to any such goods or products. Both exceptions 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 location wherein the (i) bodily injury or property damage occurs, (ii) occurrence which caused the bodily injury or property damage takes place, or (iii) the offense which caused the personal and advertising injury was committed.

The third endorsement, BP 15 34 – Cannabis Liability Exclusion With Hemp And Lessors Risk Exceptions, contains all the design attributes of endorsements BP 15 32 and BP 15 33 (with the exception of an explicit exclusion addressing property damage to the defined term cannabis). Endorsement BP 15 34 also contains an explicit exception addressing bodily injury, property damage or personal and advertising injury arising out of the ownership, maintenance or use of a premises leased to others by the Named Insured.

All three endorsements address *loss of electronic data* to account for situations when BP 05 96 – Electronic Data Liability – Broad Coverage is attached to the policy.

Impact

Property

BP 15 30 – Cannabis Property Exclusion

To the extent that an exposure exists with respect to:

- ◆ Direct physical loss of or damage to cannabis, subject to individual insurer claim practices, the attachment of this endorsement represents a reinforcement of coverage intent.
- ◆ To the cannabis related activity addressed in this endorsement, the attachment of this endorsement may be considered a reduction in coverage with respect to that part of Business Income loss or Extra Expense, due to a suspension of the insured's operations, which is attributable to such activity.

BP 15 31 – Cannabis Property Exclusion With Hemp Exception

To the extent that an exposure exists with respect to:

- ◆ Direct physical loss of or damage to cannabis, subject to individual insurer claim practices, the attachment of this endorsement represents a reinforcement of coverage intent.
- ◆ To the cannabis related activity addressed in this endorsement, the attachment of this endorsement may be considered a reduction in coverage with respect to that part of Business Income loss or Extra Expense, due to a suspension of the insured's operations, which is attributable to such activity.

However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- ◆ Direct physical loss of or damage to goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, unless, and 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.
- ◆ Business Income loss or Extra Expense which is attributable to goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, unless, and 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.

Liability

BP 15 32 – Cannabis Liability Exclusion:

To the extent that an exposure exists with respect to the cannabis related activity or events addressed in this endorsement, attachment of this endorsement will result in a reduction in coverage. However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- ◆ Bodily injury, property damage or the loss of electronic data arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with cannabis by an insured or any other person for whom the Named Insured is legally responsible, but only if the bodily injury, property damages or the loss of electronic data does not arise out of the Named Insured's selling, serving or furnishing of cannabis to any such person; and
- ◆ Personal and advertising injury arising out of the offenses addressing, in part, (i) false arrest, detention or imprisonment and (ii) wrongful eviction.

BP 15 33 – Cannabis Liability Exclusion With Hemp Exception:

To the extent that an exposure exists with respect to the cannabis related activity or events addressed in this endorsement, attachment of this endorsement will result in a reduction in coverage. However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- ◆ Bodily injury, property damage or the loss of electronic data arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with cannabis by an insured or any other person for whom the Named Insured is legally responsible, but only if the bodily injury, property damages or the loss of electronic data does not arise out of the Named Insured's selling, serving or furnishing of cannabis to any such person;
- ◆ Personal and advertising injury arising out of the offenses addressing, in part, (i) false arrest, detention or imprisonment and (ii) wrongful eviction;
- ◆ Bodily injury, property damage, personal advertising injury arising out of goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, and property damage to any such goods or products, unless, and 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 (i) bodily injury or property damage occurs, (ii) occurrence which caused

the bodily injury or property damage takes place, or (iii) the offense which caused the personal and advertising injury was committed; and

- ◆ Loss of electronic data arising out of goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, and, with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of any such goods or products, unless, and 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.

BP 15 34 – Cannabis Liability Exclusion With Hemp And Lessors Risk

Exceptions:

To the extent that an exposure exists with respect to the cannabis related activity or events addressed in this endorsement, attachment of this endorsement will result in a reduction in coverage. However, due to related exceptions in the endorsement, the attachment of this endorsement will not result in a reduction of coverage for:

- ◆ Bodily injury, property damage or the loss of electronic data arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with cannabis by an insured or any other person for whom the Named Insured is legally responsible, but only if the bodily injury, property damages or the loss of electronic data does not arise out of the Named Insured's selling, serving or furnishing of cannabis to any such person;
- ◆ Personal and advertising injury arising out of the offenses addressing, in part, (i) false arrest, detention or imprisonment and (ii) wrongful eviction, due to related exceptions in the endorsement;
- ◆ Bodily injury, property damage or personal advertising injury arising out of goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, and property damage to any such goods or products, unless, and 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 (i) bodily injury or property damage occurs, (ii) occurrence which caused the bodily injury or property damage takes place, or (iii) the offense which caused the personal and advertising injury was committed;

- ◆ Loss of electronic data arising out of goods or products containing or derived from hemp, including, but not limited to: (i) seeds, (ii) food, (iii) clothing, (iv) lotions, oils or extracts, (v) building materials, or (vi) paper, and, with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of any such goods or products, unless, and 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.
- ◆ Bodily injury, property damage or personal advertising injury arising out of the ownership, maintenance or use of a premises leased to others by the Named Insured.

New Forms

- ◆ BP 15 30 – Cannabis Property Exclusion
- ◆ BP 15 31 – Cannabis Property Exclusion With Hemp Exception
- ◆ BP 15 32 – Cannabis Liability Exclusion
- ◆ BP 15 33 – Cannabis Liability Exclusion With Hemp Exception
- ◆ BP 15 34 Cannabis Liability Exclusion With Hemp And Lessors Risk Exceptions

BP 07 01 – Contractors' Installation, Tools And Equipment Coverage

Background

Currently, BP 07 01 – Contractors' Installation, Tools And Equipment Coverage is designed to split coverage with respect to contractors' tools and equipment between BP 07 01 and Businessowners Coverage Form BP 00 03 depending on the cause of loss.

Explanation of Changes

BP 07 01 is revised as follows:

- ◆ Under the limit of insurance provision of each coverage, a reinforcement is made that such limit(s) is in addition to the Limits of Insurance of Section I – Property of the Businessowners Coverage Form.
- ◆ Reference to property sold under an installation agreement as well as other property that is subject to Coverage 1 – Contractors' Installation Coverage has been added to Paragraph A.1. to reinforce that such property is considered Property Not Covered under BP 00 03.
- ◆ Paragraph A.2.e., which identified the causes of loss covered under BP 00 03, has been deleted. Therefore, coverage with respect to contractor's property is addressed on an all-risk basis under this endorsement. Corresponding revisions have been made under Coverage 2 – Contractors' Tools And Equipment Coverage, Coverage 3 – Non-owned Tools And Equipment Coverage and Coverage 4 – Employees' Tools Coverage.
- ◆ The exceptions to the Earth Movement and Water exclusion, which previously applied only to Coverage 2, have been extended, under paragraph C., to apply to each coverage provided under this endorsement. Additionally, a revision has been made to address paragraphs (1) through (4) of the Earth Movement exclusion in line with the similar exception in earlier versions of ISO's Businessowners Tools And Equipment Coverage.
- ◆ To include additional types of property commonly installed by contractors, exceptions have been included to the underlying Property Not Covered provision in BP 00 03, with respect to Coverage 1, under paragraph D.1.c. Similarly, reference to trees, grass, sod, shrubbery or plants has been removed from Paragraph D.1.d.

- ◆ Coverage 1 is now subject to a per occurrence limit of insurance which replaces the separate job site, in transit and temporary storage location limits.
- ◆ Coverage 2 is revised to reinforce that property is covered while it is away from the described premises. Similar revisions have been made under Coverage 3 and Coverage 4.
- ◆ A reinforcement that Coverage 2 does not include any property covered under Coverage 1 is made under Paragraphs D.2.c.(5), (6) and (7).
- ◆ An additional sub-limit option of \$1,000 is provided in the Schedule applicable to the Coverage 2 blanket limit of insurance.
- ◆ The per tool sub-limit has been removed from Coverage 4. Additionally, the per employee sub-limit has been increased from \$500 to \$2,500.
- ◆ A new deductible provision is included which indicates that the insurer will not pay for loss or damage to property covered under the endorsement in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule. No other deductible applies to such coverage. Further, language to address situations when an occurrence results in loss or damage to property covered under this endorsement and to other Covered Property that is also subject to a deductible has been included within this provision.
- ◆ An option to value property which is subject to the blanket limit of insurance, under Coverage 2, at actual cash value is provided under Paragraph F and activated via Schedule entry.
- ◆ Other revisions are editorial.

Impact

Contractors' coverages are now addressed on an all-risk basis under this endorsement. The limits selected would determine whether this is a broadening or restriction of coverage.

Extending the exceptions to the Earth Movement and Water exclusions to apply to all coverages under this endorsement represents a broadening of coverage.

The revisions made to Coverage 1 under Paragraphs D.1.c and d. represent a broadening of coverage.

The per occurrence limit of insurance selected with respect to Coverage 1 would determine whether this is a broadening or restriction of coverage.

The introduction of an additional sub-limit for Coverage 2 represents a potential broadening of coverage.

The removal of the per tool limit and the increase in the per employee limit under Coverage 4 represents a broadening of coverage.

Revised Form

BP 07 01 – Contractors' Installation, Tools And Equipment Coverage

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

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- 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
Coverage 1 – Contractors' Installation Coverage	\$
1. Property At Each Covered Job Site	\$
2. Property At All Covered Job Sites Combined	Three Times The Property At Each Covered Job Site Limit Of Insurance
3. Property In Transit	\$ 5,000
4. Property At A "Temporary Storage Location"	\$ 5,000
Additional Premium:	\$
Coverage 2 – Contractors' Tools And Equipment Coverage	
1. Blanket Limit	\$
	Not in excess of
An "X" displayed to the right indicates the applicable per-item sub-limit.	<input type="checkbox"/> \$500 <input type="checkbox"/> \$1,000 <input type="checkbox"/> \$2,000 for any one item not in excess of \$500 for any one item not in excess of \$2,000 for any one item
<u>Actual Cash Value Option</u> <u>(Applicable to Blanket Limit only if an "X" is shown in the box to the right)</u> <input type="checkbox"/>	
2. Scheduled Limit (And Description Of Property)	
A.	\$

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B.	\$
C.	\$
D.	\$
E.	\$
Total Scheduled Property Limit Of Insurance	\$
Additional Premium:	\$
Item	Limit Of Insurance
Coverage 3 – Non-owned Tools And Equipment Coverage	\$
Additional Premium: \$	
Coverage 4 – Employees' Tools Coverage	\$
	hHowever, not more than \$100 per tool and not in excess of \$2,500 for all tools of any one employee
Additional Premium: \$	
Deductible:	\$

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)a. Accessories, whether or not attached; and

(2)b. Spare parts, that are specifically designed and intended for use in the maintenance and operation of the tools and equipment;

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

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 following:

a. Coverage provided under Coverage 1 – Contractors' Installation Coverage, but only with respect to property described in Paragraph **A.1.** of this endorsement which is to be installed by you or at your direction;

b. Coverage provided under Coverage 2 – Contractors' Tools And Equipment Coverage;

- c. ~~Coverage provided under Coverage 3 – Non-owned Tools And Equipment Coverage; or~~
- d. ~~Coverage provided under Coverage 4 – Employees' Tools Coverage; or~~
- e. ~~Loss of or damage to property described in Paragraph A.1, caused by the "specified causes of loss", theft or building glass breakage.~~

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

~~The Personal Property Off-premises Coverage Extension is amended by adding the following:~~

~~This extension does not apply to loss of or damage 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).

CD. 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.(2) Business Personal Property of the Businessowners Coverage Form:

(1) This coverage also includes pProperty 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.

b. The insurance that applies to Business Personal Property is extended to include:

(2) The following property:

(a1) 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

(b2) Temporary structures built or assembled on-site, including falsework, cribbing, scaffolding and construction forms.

This property is covered while:

(i4) At any job site you do not own, lease or operate;

(ii2) Awaiting and during installation, or awaiting acceptance by the purchaser;

(iii3) In transit; or

(iv4) 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 in addition to Property Not Covered in Paragraph A.2. Property Not Covered of the Businessowners Coverage Form, the following property is not covered with respect to this Coverage 1:

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- (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) Trees, grass, sod, shrubbery or plants; and~~
 - (45) 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 Limits of Insurance apply 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.

~~(1) Property At Covered Job Sites~~

~~(a) Subject to Paragraph b., the most we will pay for direct physical loss of or damage to Covered Property at each covered job site in any one occurrence is the Property At Each Covered Job Site Limit Of Insurance shown in the Schedule.~~

~~(b) The most we will pay for loss or damage to Covered Property at all covered job sites combined in any one occurrence is three times the Property At Each Covered Job Site Limit Of Insurance shown in the Schedule.~~

~~(2) Property In Transit~~

~~The most we will pay for direct physical loss of or damage to Covered Property in transit is \$5,000.~~

~~(3) Property At A Temporary Storage Location~~

~~The most we will pay for direct physical loss of or damage to Covered Property at a "temporary storage location" is \$5,000.~~

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2. Coverage 2 – Contractors' Tools And Equipment Coverage

- a. ~~The insurance that applies to Business Personal Property is extended to~~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**~~include~~:

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 ~~With respect to this 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:~~However, this Coverage 2 does not apply to:~~

- (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

- (96) Your employees' (including temporary or leased employees') tools;or

- (7) ~~Loss of or damage to property caused by the "specified causes of loss", theft or building glass breakage.~~

- d. ~~With respect to this Coverage 2, Paragraph (1) of Exclusion B.1.b. Earth Movement does not apply to loss or damage caused directly or indirectly by earthquake.~~

- e. ~~With respect to this Coverage 2, the Water Exclusion of the Businessowners Coverage Form 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).~~

- df. 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.

eg. 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.eg.(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, other than temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

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: However, this Coverage 3 does not apply to:

(1)a. Non-owned tools and equipment leased or rented from any of your employees (including temporary or leased employees);

(2)b. Any other non-owned tools you lease for a term of six months or more; or

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~~(3) Temporary structures built or assembled on-site, including falsework, cribbing, scaffolding and construction forms.~~

~~c. Loss of or damage to property caused by the "specified causes of loss", theft or building glass breakage.~~

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 Covered Property includes:~~

~~• 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 any one tool, and all tools of any one employee, is \$2,500 the following: The Coverage 4 Limit of Insurance is in addition to the Limits of Insurance of Section I – Property of the Businessowners Coverage Form.~~

~~a. \$100 per tool; and~~

~~b. \$500 for all tools of any one employee.~~

~~However, this Coverage 4 does not apply to loss of or damage to property caused by the "specified causes of loss", theft or building glass breakage.~~

~~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.~~

~~DG. 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.~~

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.**

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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.**

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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.

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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.**

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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.

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- 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.**

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