

Businessowners Cannabis Exclusion



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**WSRB FILING
DESIGNATION NUMBER**
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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

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Filing at a Glance

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**COMMERCIAL LINES MANUAL
DIVISION TEN
BUSINESSOWNERS**

**RULE 12.
RESTRICTIONS OF COVERAGE OR INCREASED RATE**

Policies may be issued with special restrictions or at increased premium if:

- A. The insured agrees in writing; and
- B. The policy would not be written otherwise.

**RULES 13. – 15.
RESERVED FOR FUTURE USE**

**SECTION II
COVERAGE FORM RULES**

**RULE 16.
MANDATORY FORMS, COVERAGE AND LIMITS**

A. Mandatory Coverages

The Businessowners Policy must be written to provide:

- 1. Coverage on all Building and Business Personal Property.
- 2. Business Liability Insurance.

B. Forms

1. Businessowners Coverage Form BP 00 03

a. Property Coverage

Building and Business Personal Property for direct physical loss or damage, Business Income and Extra Expense Coverages are provided.

b. Liability And Medical Expenses Coverage

Liability and Medical Expenses Coverage is provided on a comprehensive occurrence basis for all operations and premises owned, operated or leased by the insured. Coverage includes bodily injury, property damage, medical expenses (subject to an additional "per person" limit), personal and advertising injury and Tenant's Fire Liability Coverage (subject to a separate limit).

c. Limits Of Insurance

- (1) Liability and Medical Expenses Coverage is provided at a basic limit of insurance of \$300,000 per occurrence which may be increased to either \$500,000, \$1,000,000 or \$2,000,000. An aggregate limit of twice the per occurrence limit applies.
- (2) An aggregate limit of twice the Liability and Medical Expenses limit applies to the products/completed operations hazard. Refer to Rule 29.B.2. for additional increased limits options.

(3) Tenant's Fire Liability Coverage is provided at a basic limit of \$50,000 and is a separate limit. This limit may be increased and should be indicated in the Declarations. Refer to Rule 28.B. for increased limits options.

(4) A "per person" Medical Expenses limit of \$5,000 applies which may be increased to \$10,000. This limit may be shown in the Declarations.

2. Condominium Association Coverage Endorsement BP 17 01

a. Description Of Coverage

This endorsement amends the Businessowners Policy to provide coverage for condominium associations. It must be attached when condominium associations are insured.

b. Endorsement

Use Condominium Association Coverage Endorsement **BP 17 01**.

c. Special Rule

Do not attach Endorsement **BP 17 01** to contractors' policies.

3. Condominium Commercial Unit-owners Coverage Endorsement BP 17 02

a. Description Of Coverage

This endorsement amends the Businessowners Policy to provide coverage for commercial condominium unit-owners. It must be attached when condominium unit-owners are insured.

b. Endorsement

Use Condominium Commercial Unit-owners Coverage Endorsement **BP 17 02**.

4. Contractors' Installation, Tools And Equipment Coverage Endorsement BP 07 01

When insuring eligible contractor risks, Contractors' Installation, Tools And Equipment Coverage Endorsement **BP 07 01** must be attached. The following limits are in addition to the Business Personal Property limit of insurance under Section I – Property of the Businessowners Coverage Form **BP 00 03**. These limits should not be included in the limit of insurance applicable to Business Personal Property under Section I – Property of Form **BP 00 03**.

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**RULE 16.
MANDATORY FORMS, COVERAGE AND LIMITS (Cont'd)**

a. Contractors' Mandatory Coverages

The attachment of Endorsement **BP 07 01** includes the following mandatory coverages:

(1) Coverage 1 – Contractors' Installation Coverage

(a) Description Of Coverage

This coverage adds the following property as business personal property:

- (i) Property sold under an installation agreement; and
- (ii) Contractors' materials, supplies, equipment, machinery, fixtures and temporary structures while:
 - i. At any job site not owned, leased or operated by the insured contractor;
 - ii. Awaiting and during installation, or awaiting acceptance by the purchaser;
 - iii. In transit; or
 - iv. At a temporary storage location.

(b) Premium Determination

- (i) Refer to Table **16.B.4.a.(1)(b)(i)(LC)** to determine the Contractors' Installation rate.
- (ii) If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**
- (iii) Multiply the resulting rate by the Contractors' Installation limit of insurance (per \$100) to determine the premium.

(2) Coverage 2 – Contractors' Tools And Equipment Coverage

(a) Description Of Coverage

This coverage adds contractors' tools and equipment owned by, or in the care, custody or control of, the insured as business personal property. Such property is covered while away from the described premises. This coverage also applies to non-owned tools and equipment the insured leases for a term of six months or more.

(b) Limits Of Insurance

- (i) The limit of insurance for all tools and equipment under this coverage, that are not individually described, is shown in the Schedule. This limit is subject to a \$500, \$1,000 or \$2,000 sub-limit for any one tool or piece of equipment. The applicable \$500, \$1,000 or \$2,000 sub-limit must be selected if the blanket option is chosen. If coverage for all tools and equipment is individually described in the Schedule, a zero must be entered in the Blanket Limit section of the Schedule. An option to value property subject to the Blanket Limit at Actual Cash Value is also provided.
- (ii) Coverage may be provided for individually described tools or equipment by entering an applicable limit of insurance in the Schedule for such items.

(c) Premium Determination

(i) Blanket Limit Subject To A Per Tool Or Piece Of Equipment Sub-limit

- i. Refer to Table **16.B.4.a.(2)(c)(i)(LC)** to determine the Blanket Contractors' Tools And Equipment rate based on the sub-limit selected in the Schedule.
- ii. If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**
- iii. Multiply the resulting rate by the Blanket Contractors' Tools And Equipment limit of insurance (per \$100) to determine the premium.
- iv. If the Actual Cash Value option is selected, multiply the premium calculated in Paragraph iii. by the factor shown in Table **16.B.4.a.(2)(c)(i)iv.(RF)** to determine the adjusted premium.

(ii) Scheduled Limit

- i. Refer to Table **16.B.4.a.(2)(c)(ii)(LC)** to determine the Scheduled Contractors' Tools And Equipment rate.

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**RULE 16.
MANDATORY FORMS, COVERAGE AND LIMITS (Cont'd)**

- ii. If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph 4.d.
- iii. Multiply the resulting rate by the total Scheduled Contractors' Tools And Equipment limit of insurance (per \$100) to determine the premium.

b. Contractors' Optional Coverages

The following optional coverages are available under Endorsement **BP 07 01**:

(1) Coverage 3 – Non-owned Tools And Equipment Coverage

(a) Description Of Coverage

If a limit of insurance is shown in the Schedule of the endorsement for this optional coverage, non-owned tools and equipment leased or rented from others (other than employees' tools) that are in the insured's care, custody or control are added as business personal property. Such property is covered while away from the described premises. This coverage does not apply to non-owned tools and equipment leased for a term of six months or more.

(b) Premium Determination

- (i) Refer to Table **16.B.4.b.(1)(b)(i)(LC)** to determine the Non-owned Tools And Equipment rate.
- (ii) If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph 4.d.
- (iii) Multiply the resulting rate by the Non-owned Contractors' Tools And Equipment limit of insurance (per \$100) to determine the additional premium.

(2) Coverage 4 – Employees' Tools

(a) Description Of Coverage

If a limit of insurance is selected for this optional coverage, employees' tools which are used in connection with your operations are added as business personal property. Such property is covered while away from the described premises. Coverage is subject to a \$100 limit per tool and a \$500 limit for all tools of any one employee.

(b) Premium Determination

- (i) Refer to Table **16.B.4.b.(2)(b)(i)(LC)** to determine the Employees' Tools And Equipment Rate.
- (ii) If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph 4.d.
- (iii) Multiply the resulting rate by the Employees' Tools And Equipment limit of insurance (per \$100) to determine the additional premium.

c. Endorsement

Use Endorsement **BP 07 01**.

d. Special Rules

When an optional deductible is entered in the Schedule, use the total limits for Coverages 1 through 4 of this endorsement as the Total Building And Business Personal Property Limit Of Insurance for the purpose of obtaining the fixed dollar deductible factor from Table **24.C.4.(RF)**.

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**RULE 29.
ENDORSEMENTS (Cont'd)**

(3) Premium Determination

Develop the additional premium by multiplying the premium determined in Paragraph **g.(2)** through **g.(6)** by the factor shown in Table **29.E.1.i.(3)(RF)**.

j. Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees

(1) Description Of Coverage

This endorsement replaces Exclusion **r.** in Endorsement **BP 15 07** to provide an exception for dishonest, malicious or fraudulent acts committed by an employee which give rise to a claim or loss covered under Endorsement **BP 15 07**.

(2) Endorsement

Use Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees Endorsement **BP 15 10**.

(3) Premium Determination

Develop the additional premium by multiplying the premium determined in Paragraph **g.** by the factor shown in Table **29.E.1.j.(3)(RF)**.

2. Unmanned Aircraft

As used in this rule, an unmanned aircraft means an aircraft that is not designed, manufactured or modified after manufacture to be controlled directly by a person from within or on the aircraft.

a. Liability Options

The following optional endorsements address liability arising out of unmanned aircraft:

(1) Endorsements

(a) Unmanned Aircraft Exclusion

Attach Exclusion – Unmanned Aircraft Endorsement **BP 15 11** to exclude liability for:

(i) Bodily injury and property damage arising out of the ownership, maintenance, use or entrustment to others of any unmanned aircraft regardless of whether such aircraft is owned or operated by or rented or loaned to any insured; and

(ii) Personal and advertising injury arising out of the ownership, maintenance, use or entrustment to others of any unmanned aircraft.

To only exclude liability for bodily injury and property damage with respect to unmanned aircraft or to only exclude liability for personal and advertising injury with respect to unmanned aircraft, mark the appropriate checkbox in the Schedule of the endorsement to make the selected exclusion **not** applicable.

(b) Designated Unmanned Aircraft Coverage

Coverage for bodily injury and property damage, and/or personal and advertising injury may be excluded with respect to unmanned aircraft, but with an exception to provide limited coverage for designated unmanned aircraft and only with respect to designated operations or projects. To provide such limited coverage attach Limited Coverage For Designated Unmanned Aircraft Endorsement **BP 15 12**.

The Schedule of the endorsement provides:

- (i) Checkboxes to indicate the applicability of the bodily injury and property damage and/or personal and advertising injury limited coverage;
- (ii) Entries to designate unmanned aircraft;
- (iii) Entries to designate unmanned aircraft operation(s) or project(s); and
- (iv) An entry for an optional Unmanned Aircraft Liability Aggregate Limit. If a limit is shown in the Schedule, any coverage provided by the endorsement is subject to that aggregate limit.

When Endorsement **BP 15 12** is attached to the policy, do not attach Endorsement **BP 15 11**.

(2) Premium Determination

Refer to company.

3. Cannabis

a. Property Options

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**RULE 29.
ENDORSEMENTS (Cont'd)**

- (1) Coverage for cannabis and that part of Business Income loss or Extra Expense incurred, due to a suspension of operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis may be excluded by attaching Cannabis Property Exclusion Endorsement **BP 15 30**; or
 - (2) Coverage for cannabis and that part of Business Income loss or Extra Expense incurred, due to a suspension of operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis may be excluded, with a hemp exception, by attaching Cannabis Property Exclusion With Hemp Exception Endorsement **BP 15 31**.
- b. Liability Options**
- (1) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; property damage to cannabis; and (if Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded by attaching Cannabis Liability Exclusion Endorsement **BP 15 32**;

- (2) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; property damage to cannabis; and (if Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded, with a hemp exception, by attaching Cannabis Liability Exclusion With Hemp Exception Endorsement **BP 15 33**; or
- (3) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; and (if Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded, with a hemp and lessor's risk exception, by attaching Cannabis Liability Exclusion With Hemp And Lessors Risk Exceptions Endorsement **BP 15 34**. This exclusion does not include the property damage to cannabis exclusion that is included in Endorsements **BP 15 32** and **BP 15 33**.

**RULES 30. – 39.
RESERVED FOR FUTURE USE**

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**SECTION V
CLASS-SPECIFIC ENDORSEMENTS RULES**

**RULE 40.
APPLICATION OF SECTION V – CLASS-SPECIFIC
ENDORSEMENTS**

A. Description

Section **V** contains the rules and rating procedures for class-specific endorsements. Eligible classifications under the rules in this Section may have their policies endorsed to provide a series of coverage enhancements designed to meet specific coverage needs of their business.

B. Manual Rules

Risks for which class-specific endorsements modify Businessowners Coverage Form **BP 00 03** are subject to all applicable rules of Sections **I** through **IV** of this division, except as specifically modified by the rules in this Section **V**.

C. Eligibility

Refer to the individual rules in this section for a description of the classifications eligible for class-specific Businessowners endorsements.

D. Multiple Classifications

If a coverage provided under the rules in Section **V** applies to more than one classification at a location, use the highest rated classification in determining premium for that coverage.

**RULE 41.
APARTMENT BUILDINGS CLASS-SPECIFIC
ENDORSEMENTS**

A. Description Of Coverage

The endorsements described in Paragraph **B**, modify the coverage available for Apartment Buildings insureds on the Businessowners Coverage Form. All of the endorsements are optional; however, Apartment Buildings Endorsement **BP 07 75** must be attached if any of the other endorsements are to be attached.

B. Endorsements

1. Apartment Buildings

a. Coverages

This endorsement modifies the Businessowners Coverage Form **BP 00 03** under:

(1) Section **I** – Property to provide either new or enhanced coverage for lock replacement; ordinance or law equipment coverage; pollutant clean-up and removal; reward payment; and tenant move back expense coverage. Additionally, if employee dishonesty coverage is provided in the Businessowners Coverage Form, this endorsement expands the employee dishonesty coverage to include coverage for theft of tenants' property by an identified employee.

(2) Section **II** – Liability to:

(a) Provide coverage for property damage to tenants' property while the property is in the care, custody or control of the insured apartment building owner inside a tenant's leased unit, apartment or storage at an insured premises;

(b) Provide coverage for liability arising out of denying tenants access to their property or out of the sale, removal or disposal of tenants' property; and

(c) Provide coverage for reimbursement for payments made voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning due to mechanical breakdown or electrical failure of the heating or air conditioning system.

b. Endorsement

Use Endorsement **BP 07 75**.

c. Premium Determination

(1) If the Employee Dishonesty Optional Coverage is provided in the Businessowners Coverage Form, multiply the premium determined for that coverage in Rule **28.A.8.b.(5)** by the factor displayed in Table **41.B.1.c.(1)(RF)** to develop the total premium for Employee Dishonesty Coverage including theft of tenants' property.

(2) For each location where coverage applies, refer to the state rates Table **41.B.1.c.(2)(LC)** to determine the additional premium for Endorsement **BP 07 75**.

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**RULE 41.
APARTMENT BUILDINGS CLASS-SPECIFIC
ENDORSEMENTS (Cont'd)**

2. Apartment Buildings – Loss Or Damage To Tenants' Autos (Legal Liability Coverage)

a. Coverage

Coverage is available for loss or damage to tenants' and invitees' autos in the care, custody or control of the insured while at the described premises. Losses are payable only for the account of the owner of the auto. Coverage applies only for the insured's legal liability for the loss or damage.

b. Endorsement

Use Apartment Buildings – Loss Or Damage To Tenants' Autos (Legal Liability Coverage) Endorsement **BP 07 76**.

c. Deductibles

This coverage is subject to a deductible of \$250 for each tenant's auto for loss caused by theft or mischief or vandalism, subject to a maximum deductible of \$500 for all loss in any one event, and a \$500 deductible for each tenant's auto for loss caused by collision. Optional deductibles are available. The deductible applies per location; however, the deductible amount selected for the insured's primary premises is the deductible amount that applies to any additional premises for which Loss Or Damage To Tenants' Autos coverage is provided.

d. Premium Determination

- (1) Determine the applicable limit of insurance for each location where coverage applies.
- (2) Refer to the state rates Table **41.B.2.d.(2)(LC)** to determine the premium for the total limits of insurance covered under the policy for all locations.
- (3) Select the desired deductible, then multiply the premium determined in Paragraph (2) by the appropriate factor displayed in Table **41.B.2.c.(3)(RF)** Apartment Buildings – Loss Or Damage To Tenants' Autos Deductible Factors to determine the final premium.

3. Fine Arts Coverage

a. Description Of Coverage

Coverage is available for direct loss of or damage to fine arts owned by or in the care, custody or control of the insured.

b. Endorsement

Use Fine Arts Coverage Endorsement **BP 07 77**.

c. Premium Determination

For each location where coverage applies, refer to the state rates Table **41.B.3.c.(LC)** to determine the additional premium.

4. Apartment Buildings Supplemental Schedule

a. Description

The Apartment Buildings Supplemental Schedule may be used when it is necessary to provide additional information that is not contained in the Declarations or Apartment Buildings Endorsements.

b. Form

Use Apartment Buildings Supplemental Schedule **BP DS 02**.

C. Eligible Classifications

1. The following classifications in the Businessowners Classification Table are the only ones eligible for the Apartment Buildings endorsements:

Description	Class Code
Apartment Building	
4 families or fewer, with no office occupancy – includes 3- or 4-family lessor's risk only	65144
4 families or fewer, with office occupancy – includes 3- or 4-family lessor's risk only and garden apartments	65145
Over 4 families with no office occupancy	65146
Over 4 families with office occupancy	65147
Boarding Houses/Rooms	
No mercantile or office occupancy	65132
Mercantile or office occupancy	65133
Three or four family lessor's risks only – no mercantile or office occupancy	65141
Three or four family lessor's risks only – mercantile or office occupancy	65142

Table 41.C.1. Eligible Classifications

2. Any of the classifications listed in Paragraph 1. of this rule are eligible even if they also engage in any other types of operations for which an additional classification in the Businessowners Classification Table is required, except as provided in Paragraph D. of this rule.

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**RULE 41.
APARTMENT BUILDINGS CLASS-SPECIFIC
ENDORSEMENTS (Cont'd)**

D. Ineligible Operations

Any of the classifications described in Paragraph **C.** of this rule are ineligible if they engage in any combination of the following activities or types of operations:

Description	Class Code
Motels	
No Restaurants	69151
With Limited Cooking Restaurants	69161
With Fast Food Restaurants	69171

Table 41.D. Ineligible Operations

**RULE 42.
RESTAURANTS CLASS-SPECIFIC ENDORSEMENTS**

A. Description Of Coverage

The endorsements described in Paragraph **B.** below modify the coverage available for Restaurants insureds on the Businessowners Coverage Form. All of the endorsements are optional; however, Restaurants Endorsement **BP 07 78** must be attached if any of the other endorsements are to be attached. When Endorsement **BP 07 78** is attached to the policy, do not attach either Spoilage Endorsement **BP 04 15** or Food Contamination Endorsement **BP 04 31**.

B. Endorsements

1. Restaurants

a. Coverages

This endorsement modifies the Businessowners Coverage Form **BP 00 03** under:

- (1) Section **I** – Property to provide either new or enhanced coverage for brands and labels; food contamination; lock replacement; ordinance or law equipment coverage; reward payment; and spoilage. Additionally, if employee dishonesty coverage is provided in the Businessowners Coverage Form, this endorsement expands the employee dishonesty coverage to include coverage for theft of customers' property by an identified employee.
- (2) Section **II** – Liability to:
 - (a) Provide coverage for errors and omissions in the delivery of items sold by the restaurant; and
 - (b) Provide coverage for costs associated with merchandise withdrawal, including notifications, overtime, transportation, storage space and/or disposal.

b. Optional Limits

The limit of insurance for the following coverages may be increased:

(1) Food Contamination

The \$10,000 limit of insurance for business income expenses incurred as a result of the insured's business at described premises being ordered closed by the Board of Health or another governmental authority may be increased. The \$3,000 limit of insurance for additional advertising expense may also be increased.

(2) Spoilage

The \$10,000 per occurrence limit of insurance for loss resulting from spoilage may be increased.

c. Endorsement

Use Endorsement **BP 07 78**.

d. Premium Determination

- (1) For each location where coverage applies, refer to the state rates Table **42.B.1.d.(1)(LC)** to determine the additional premium for Endorsement **BP 07 78**.
 - (2) If the Employee Dishonesty Optional Coverage is provided in the Businessowners Coverage Form, multiply the premium determined for that coverage in Rule **28.A.8.b.(5)** by the factor displayed in Table **42.B.1.d.(2)(RF)** to develop the total premium for Employee Dishonesty Coverage including theft of customers' property.
 - (3) For each location where an optional increased limit of food contamination coverage or advertising expense applies, refer to multistate rates Tables **29.A.11.e.(1)(LC)** and **29.A.11.e.(2)(LC)** to determine the additional premium.
 - (4) For each location where an optional increased limit of spoilage coverage applies, refer to the multistate rates Table **29.A.21.d.(2)(LC)** to determine the additional premium.
- 2. Restaurants – Loss Or Damage To Customers' Autos (Legal Liability Coverage)**
- a. Coverage**
- Coverage is available for loss or damage to customers' and invitees' autos in the care, custody or control of the insured while at the described premises. Losses are payable only for the account of the owner of the auto. Coverage applies only for the insured's legal liability for the loss or damage.

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**RULE 42.
RESTAURANTS CLASS-SPECIFIC ENDORSEMENTS
(Cont'd)**

b. Endorsement

Use Restaurants – Loss Or Damage To Customers' Autos (Legal Liability Coverage) Endorsement **BP 07 79**.

c. Deductibles

This coverage is subject to a deductible of \$250 for each customer's auto for loss caused by theft or mischief or vandalism, subject to a maximum deductible of \$500 for all loss in any one event, and a \$500 deductible for each customer's auto for loss caused by collision. Optional deductibles are available. The deductible applies per location; however, the deductible amount selected for the insured's primary premises is the deductible amount that applies to any additional premises for which Loss Or Damage To Customers' Autos coverage is provided.

d. Premium Determination

- (1) Determine the applicable limit of insurance for each location where coverage applies.
- (2) Refer to the state rates Table **42.B.2.d.(2)(LC)** to determine the premium for the total limits of insurance covered under the policy for all locations.
- (3) Select the desired deductible, then multiply the premium determined in Paragraph (2) by the appropriate factor displayed in Table **42.B.2.d.(3)(RF)** Restaurants – Loss Or Damage To Customers' Autos Deductible Factors to determine the final premium.

3. Fine Arts Coverage

a. Description Of Coverage

Coverage is available for direct loss of or damage to fine arts owned by or in the care, custody or control of the insured.

b. Endorsement

Use Fine Arts Coverage Endorsement **BP 07 77**.

c. Premium Determination

For each location where coverage applies, refer to the state rates Table **42.B.3.c.(LC)** to determine the additional premium.

4. Restaurants Supplemental Schedule

a. Description

The Restaurants Supplemental Schedule may be used when it is necessary to provide additional information that is not contained on the Declarations or Restaurants endorsements.

b. Form

Use Restaurants Supplemental Schedule **BP DS 03**.

C. Eligible Classifications

1. Any restaurant described in Rule **22.A.9.** and in the Businessowners Classification Table is eligible for the Restaurants endorsements.
2. Any of the classifications referenced in Paragraph 1. of this rule are eligible even if they also engage in any other types of operations for which an additional classification in the Businessowners Classification Table is required.

**RULE 43.
RESIDENTIAL CLEANING SERVICES –
CLASS-SPECIFIC ENDORSEMENT**

A. Description Of Coverage

The optional endorsement described in Paragraph **B.** modifies the coverage available for Residential Cleaning Services insureds on the Businessowners Coverage Form.

B. Endorsement

1. Coverages

This endorsement modifies the Businessowners Coverage Form **BP 00 03** under:

- a. Section I – Property to provide either new or enhanced coverage for key and lock replacement, and reward payment. Additionally, if employee dishonesty coverage is provided in the Businessowners Coverage Form, this endorsement expands the employee dishonesty coverage to include coverage for theft of certain property of customers by an identified employee.
- b. Section II – Liability to provide reimbursement to the named insured for sums paid to clients because of property damage resulting from the insured's work ("your work") for a client. A limit of \$5,000 per occurrence is subject to a \$10,000 annual aggregate.

2. Endorsement

Use Residential Cleaning Services Endorsement **BP 07 81**.

3. Premium Determination

- a. For each location where coverage applies, refer to multistate rate Table **43.B.3.a.(LC)** to determine the additional premium for Endorsement **BP 07 81**.
- b. If the Employee Dishonesty Optional Coverage is provided in the Businessowners Coverage Form, multiply the premium determined for that coverage in Rule **28.A.8.b.(5)** by the factor displayed in Table **43.B.3.b.(RF)** to develop the total premium for Employee Dishonesty Coverage including theft of clients' property.

**COMMERCIAL LINES MANUAL
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BUSINESSOWNERS**

**RULE 43.
RESIDENTIAL CLEANING SERVICES –
CLASS-SPECIFIC ENDORSEMENT (Cont'd)**

C. Eligible Classifications

1. The following classifications in the Businessowners Classification Table are the only ones eligible for the Residential Cleaning Service endorsement:

Description	Class Code
Carpet, Rug, Furniture Or Upholstery Cleaning – On customer's premises	
Office	74251
Shop	74261
Residential Cleaning Services	
Office	76221
Shop	76231
Window Cleaning – 3 stories or less in height	
Office	76171
Shop	76181

Table 43.C.1. Eligible Classifications

2. Any of the classifications listed in Paragraph 1. of this rule are eligible even if they also engage in any other types of operations for which an additional classification in the Businessowners Classification Table is required.

**RULE 44.
PHOTOGRAPHY CLASS-SPECIFIC ENDORSEMENTS**

A. Description Of Coverage

The endorsements described in Paragraph B. modify the coverage available for Photographers insureds on the Businessowners Coverage Form. All of the endorsements are optional; however, Photography Endorsement **BP 07 83** must be attached if any of the other endorsements are to be attached. When Endorsement **BP 07 83** is attached to the policy, attach either Abuse Or Molestation Exclusion Endorsement **BP 04 39** or Abuse Or Molestation Exclusion – Specified Services Endorsement **BP 14 11**.

B. Endorsements

1. Photography

a. Coverages

This endorsement modifies the Businessowners Coverage Form **BP 00 03** under:

- (1) Section I – Property to provide either new or enhanced coverage for employees' "photographic equipment"; "photographic equipment" off-premises; and reward payment. Additionally, if employee dishonesty coverage is provided in the Businessowners Coverage Form, this endorsement expands the employee dishonesty coverage to include coverage for theft of customers' property by an identified employee.
- (2) Section II – Liability to provide coverage for failure to deliver "photographic product" to customers.

b. Limits For "Photographic Equipment"

(1) "Photographic Equipment" On-premises

(a) Unscheduled "Photographic Equipment"

Loss of or damage to unscheduled "photographic equipment" at the described premises is subject to a limit of insurance of \$5,000 per item.

(b) Scheduled "Photographic Equipment"

Loss of or damage to scheduled "photographic equipment" at the described premises is subject to the Limit of Insurance shown in the Photography – Supplemental Photographic Equipment Schedule **BP DS 07** for that item.

(2) "Photographic Equipment" Off-premises

(a) Unscheduled "Photographic Equipment"

Loss of or damage to unscheduled "photographic equipment" in the course of transit or at a premises the Named Insured does not own, lease or operate is subject to a limit of insurance of \$5,000 per item and \$25,000 per occurrence.

**COMMERCIAL LINES MANUAL
DIVISION TEN
BUSINESSOWNERS**

**RULE 44.
PHOTOGRAPHY CLASS-SPECIFIC ENDORSEMENTS
(Cont'd)**

(b) Scheduled "Photographic Equipment"

Loss of or damage to scheduled "photographic equipment" in the course of transit or at a premises the Named Insured does not own, lease or operate is subject to the Limit of Insurance shown in the Schedule **BP DS 07** for that item.

The \$5,000 per-item and \$25,000 per-occurrence limits of insurance do not apply to individually described items of "photographic equipment" at scheduled limits.

c. Endorsement

Use Endorsement **BP 07 83**.

d. Premium Determination

- (1)** Refer to the multistate rates Table **44.B.1.d.(1)(LC)** to determine the additional premium.
- (2)** When "photographic equipment" is individually described at scheduled limits:
 - (a)** Refer to multistate rates Table **44.B.1.d.(2)(a)(LC)** to determine the scheduled "photographic equipment" rate.
 - (b)** Multiply the rate determined in Paragraph **(a)** by the total scheduled "photographic equipment" limit of insurance (per \$100) to determine the additional premium.
- (3)** Add the results of Paragraphs **(1)** and **(2)(b)** to determine the total additional premium.
- (4)** If the Employee Dishonesty Optional Coverage is provided in the Businessowners Coverage Form, multiply the premium determined for that coverage in Rule **28.A.8.b.(5)** by the factor displayed in Table **44.B.1.d.(4)(RF)** to develop the additional premium for the theft of the customers' property component of the Employee Dishonesty Coverage.

2. Photography – Amendment Of Coverage Territory For "Photographic Equipment" – Worldwide Coverage

a. Coverage

With respect to loss or damage to "photographic equipment", the coverage territory for property losses may be expanded worldwide. Coverage may be excluded for property losses occurring in countries specified in the Schedule of the endorsement. Coverage is excluded for losses occurring in any country subject to trade sanctions by the United States of America.

b. Endorsement

Use Photography – Amendment Of Coverage Territory For "Photographic Equipment" – Worldwide Coverage Endorsement **BP 07 87**.

c. Premium Determination

- (1)** Add the premium shown in Table **44.B.2.c.(1)(LC)** to the additional premium derived in Paragraph **1.d.(2)(b)**, if applicable.
- (2)** Multiply the result in Paragraph **(1)** by the factor shown in Table **44.B.2.c.(2)(RF)**.

3. Photography – Supplemental Photographic Equipment Schedule

a. Description

The Photography – Supplemental Photographic Equipment Schedule may be used to individually describe items of "photographic equipment" at scheduled limits.

For "photographic equipment" at the described premises, the \$5,000 per-item limit of insurance does not apply to items of "photographic equipment" individually described in the Photography – Supplemental Photographic Equipment Schedule.

For "photographic equipment" in the course of transit or at a premises the Named Insured does not own, lease or operate, the \$5,000 per-item and \$25,000 per-occurrence limits of insurance do not apply to items of "photographic equipment" individually described in the Photography – Supplemental Photographic Equipment Schedule.

**COMMERCIAL LINES MANUAL
DIVISION TEN
BUSINESSOWNERS**

**RULE 44.
PHOTOGRAPHY CLASS-SPECIFIC ENDORSEMENTS
(Cont'd)**

b. Form

Use Schedule **BP DS 07**.

4. Photography – Makeup And Hairstyling

a. Description

The Photography – Makeup And Hairstyling endorsement makes the liability coverage of Form **BP 00 03** applicable to losses caused by the rendering of or the failure to render "hairstyling services" or "makeup application" in connection with the Named Insured's business as a photographer.

b. Endorsement

Use Photography – Makeup And Hairstyling Endorsement **BP 07 84**.

c. Premium Determination

Refer to company.

5. Abuse Or Molestation

When Endorsement **BP 07 83** is attached to the policy, attach either Endorsement **BP 04 39** or Endorsement **BP 14 11**.

a. Abuse Or Molestation Exclusion

(1) Description

This endorsement amends Businessowners Liability Coverage by excluding abuse or molestation by anyone of any person while in the care, custody or control of any insured.

(2) Endorsement

Use Endorsement **BP 04 39**.

(3) Rating

Refer to company.

b. Abuse Or Molestation Exclusion – Specified Professional Services

(1) Description

This endorsement amends Businessowners Liability Coverage by excluding abuse or molestation in the course of providing specified services by anyone of any person while in the care, custody, or control of any insured.

(2) Endorsement

Use Endorsement **BP 14 11**.

(3) Rating

Refer to company.

C. Eligible Classifications

1. Any photographer described in the Businessowners Classification Table is eligible for the Photography endorsements.
2. Any of the classifications referenced in Paragraph 1. of this rule are eligible even if they also engage in any other types of operations for which an additional classification in the Businessowners Classification Table is required.

**COMMERCIAL LINES MANUAL
DIVISION TEN
BUSINESSOWNERS
RATING RELATIVITIES AND FACTORS PAGES**

**SECTION I
GENERAL RULES**

**RULE 4.
POLICY TERM**

Term Of Policy	Term Factor
6 months	0.5
18 months	1.5
2 years	2.0
3 years	3.0

Table 4.C.1.a.(RF) Policy Term Factor

Term Of Policy	Term Factor
<1	1.1

Table 4.C.1.b.(RF) Policy Term Less Than One Year Factor

Premium	Factor
<\$500	1.05

Table 4.C.2.a.(RF) Annual Payment Plan Policies Factor

**RULE 10.
POLICY CANCELLATION**

Factor
.90

Table 10.B.(RF) Other Calculations Factor

**SECTION II
COVERAGE FORM RULES**

**RULE 16.
MANDATORY FORMS, COVERAGE AND LIMITS**

Factor
.87

Table 16.B.4.a.(2)(c)(i)iv.(RF) Contractors' Tools And Equipment – Blanket Basis Actual Cash Value Factor

**SECTION III
RATING AND ELIGIBILITY RULES**

**RULE 23.
PREMIUM DEVELOPMENT – MANDATORY
COVERAGES**

Property Rate Numbers	Building Factor	Business Personal Property Factor
01	1.000	1.000
02	0.704	0.673
03	0.712	0.579
04	0.976	1.043
05	1.107	0.990
06	0.979	0.722
07	1.322	1.702
08	1.401	1.461
09	1.467	1.788
10	2.057	2.149
11	2.295	2.487
12	2.857	2.846
13	1.263	1.304
14	1.838	1.889
15	2.256	2.370
16	2.658	2.537
17	2.331	2.451
18	3.302	3.257
19	0.979	1.517
20	1.321	1.860
21	2.488	3.987
22	2.488	3.987
23	2.488	3.987
24	2.126	2.225
25	2.368	2.426
26	3.215	3.215
27	1.909	1.792
28	3.614	2.632
29	3.614	2.632

Table 23.C.1.b.(RF) Rate Number Relativities

2019 Businessowners Multistate Rules Revision

About This Filing

This filing revises multistate rules in Division Ten – Businessowners of the Commercial Lines Manual to reflect, in part, changes made in companion forms filing BP-2019-OMITF.

Revised Rules

We are revising the following rules:

- ◆ Rule 16. Mandatory Forms, Coverage And Limits
- ◆ Rule 29. Endorsements

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Related Filing(s)

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

- ◆ BP-2019-OMITF (Forms)
- ◆ BP-2019-RMITL (Loss Costs)

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Rule 16. Mandatory Forms, Coverage And Limits

Background

In companion forms filing BP-2019-OMITF, we are making various revisions to BP 07 01 – Contractors' Installation, Tools And Equipment.

Explanation of Changes

To complement the revisions made to BP 07 01, this rule is being revised as follows:

- ◆ The introductory paragraph under B.4. is revised to include a statement that the limits included under **BP 07 01** are in addition to the Business Personal Property limit of insurance under Section I – Property of the Businessowners Coverage Form **BP 00 03**. Additionally, it's noted that such limits should not be included in the limit of insurance applicable to Business Personal Property under Section I – Property of Form **BP 00 03**.
- ◆ Paragraph B.4.a.(1) is revised:
 - By removing references to the base limits of insurance previously applicable to Coverage 1 – Contractors' Installation Coverage.
 - To provide premium determination procedures based on the selected limit of insurance (per \$100). As a result, the higher limit options for Coverage 1, under prior Paragraph 4.c., have been removed.
- ◆ Paragraph B.4.a.(2) is revised:
 - By removing references to the base limits of insurance previously applicable to Coverage 2 – Contractors Tools And Equipment Coverage.
 - To provide premium determination procedures for the blanket and scheduled limit options based on the selected limit of insurance (per \$100). As a result, the higher limit options for Coverage 2, under prior Paragraph 4.c., have been removed.
 - An Actual Cash Value option applicable to the blanket limit is also provided. Table 16.B.4.a.(2)(c)(i)iv.(RF) is introduced to provide a rating factor for this option. Refer to companion Loss Cost filing BP-2019-RMITL for information on the derivation of this new Rating Relativities and Factors Table.
- ◆ The Special Rule, under Paragraph 4.d., has been revised to provide guidance on the appropriate method of determining the fixed dollar deductible factor from Table 24.C.4.(RF).
- ◆ Other changes are editorial.

Rule 29. Endorsements

Background

In companion forms filing BP-2019-OMITF, we are introducing several optional exclusions related to cannabis.

Explanation of Changes

Paragraph E.3. is being introduced to reference and instruct on the usage of the new exclusion options related to cannabis.

MULTISTATE RULES EXCERPTS

16. MANDATORY FORMS, COVERAGE AND LIMITS

B. Forms

4. Contractors' Installation, Tools And Equipment Coverage Endorsement BP 07 01

When insuring eligible contractor risks, Contractors' Installation, Tools And Equipment Coverage Endorsement **BP 07 01** must be attached. The following limits are in addition to the Business Personal Property limit of insurance under Section I – Property of the Businessowners Coverage Form **BP 00 03**. These limits should not be included in the limit of insurance applicable to Business Personal Property under Section I – Property of Form **BP 00 03**.

a. Contractors' ~~Base~~ Mandatory Coverages

The attachment of ~~Contractors' Installation, Tools And Equipment Coverage~~ Endorsement **BP 07 01** includes the following ~~base~~ mandatory coverages and limits of insurance:

(1) Coverage 1 – Contractors' Installation Coverage

(a) Description Of Coverage

This coverage ~~extends the insurance that applies to business personal property to apply to~~ adds the following property as business personal property:

- (i) Property sold under an installation agreement; and
- (ii) ~~e~~Contractors' materials, supplies, equipment, machinery, fixtures and temporary structures while:
 - (i) At any job site not owned, leased or operated by the insured contractor;
 - (ii) Awaiting and during installation, or awaiting acceptance by the purchaser;
 - (iii) In transit; or
 - (iv) At a temporary storage location.

(b) Limits Of Insurance

- (i) The minimum limit of insurance for covered property at any one job site is \$3,000. The limit for covered property at all covered job sites combined is three times the limit of insurance at each covered job site. Refer to Paragraph ~~c.(1)~~ for optional higher limits for property at covered job sites.
- (ii) The limit of insurance for covered property while in transit is \$5,000.
- (iii) The limit of insurance for covered property while at a temporary storage location is \$5,000.

(b) Premium Determination

- (i) Refer to Table **16.B.4.a.(1)(b)(i)(LC)** to determine the Contractors' Installation rate.
- (ii) If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d**.
- (iii) Multiply the resulting rate by the Contractors' Installation limit of insurance (per \$100) to determine the premium.

(2) Coverage 2 – Contractors' Tools And Equipment Coverage

(a) Description Of Coverage

This coverage ~~extends the insurance that applies to business personal property to apply to~~ adds contractors' tools and equipment owned by, or in the care, custody or control of, the insured as business personal property while temporarily at a premises not owned, leased or operated by the insured or while in transit. Such property is covered while away from the described premises. This coverage also applies to non-owned tools and equipment the insured leases for a term of six months or more.

(b) Limits Of Insurance

The minimum limit of insurance for all tools and equipment under this coverage that are not individually described in the Schedule is \$3,000

(i) The limit of insurance for all tools and equipment under this coverage, that are not individually described, is shown in the Schedule. This limit is subject to a \$500, \$1,000 or \$2,000 sub-limit for any one tool or piece of equipment. The applicable \$500, \$1,000 or \$2,000 sub-limit must be selected if the blanket option is chosen. If coverage for all tools and equipment is individually described in the Schedule, a zero must be entered in the Blanket Limit section of the Schedule. ~~Refer to Paragraph c.(2) for optional higher limits for contractors' tools and equipment. An option to value property subject to the Blanket Limit at Actual Cash Value is also provided.~~

(ii) Coverage may be provided for individually described tools or equipment by entering an applicable limit of insurance in the Schedule for such items.

(c) Premium Determination

(i) Blanket Limit Subject To A Per Tool Or Piece Of Equipment Sub-limit

i. Refer to Table **16.B.4.a.(2)(c)(i)(LC)** to determine the Blanket Contractors' Tools And Equipment rate based on the sub-limit selected in the Schedule.

ii. If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**

iii. Multiply the resulting rate by the Blanket Contractors' Tools And Equipment limit of insurance (per \$100) to determine the premium.

iv. If the Actual Cash Value option is selected, multiply the premium calculated in Paragraph **iii.** by the factor shown in Table **16.B.4.a.(2)(c)(i)(iv)(RF)** to determine the adjusted premium.

(ii) Scheduled Limit

i. Refer to Table **16.B.4.a.(2)(c)(ii)(LC)** to determine the Scheduled Contractors' Tools And Equipment rate.

ii. If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.d.**

iii. Multiply the resulting rate by the total Scheduled Contractors' Tools And Equipment limit of insurance (per \$100) to determine the premium.

(3) Premium Determination

~~Refer to Table **16.B.4.a.(3)(LC)** to determine the premium for the base coverages provided in Endorsement BP 07 01.~~

b. Contractors' Optional Coverages

The following optional coverages are available under Endorsement **BP 07 01**:

(1) Coverage 3 – Non-owned Tools And Equipment Coverage

(a) Description Of Coverage

If a limit of insurance is shown in the Schedule of the endorsement for this optional coverage, ~~coverage is provided for~~ non-owned tools and equipment leased or rented from others (other than employees' tools) that are in the insured's care, custody or control ~~are added as business personal property. Such property is covered while away from the described premises.~~ This coverage does not apply to non-owned tools and equipment leased for a term of six months or more.

(b) Premium Determination

(i) Refer to Table **16.B.4.b.(1)(b)(i)(LC)** to determine the ~~Non-owned~~ ~~Tools and~~ ~~Equipment~~ rate.

(ii) If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.ed.**

(iii) Multiply the resulting rate by the ~~Non-owned~~ ~~Contractors'~~ ~~Tools and~~ ~~Equipment~~ limit of insurance (per \$100) to determine the additional premium.

(2) Coverage 4 – Employees' Tools

(a) Description Of Coverage

If a limit of insurance is selected for this optional coverage, ~~coverage is provided for~~ employees' tools which are used in connection with your operations ~~are added as business personal property. Such property is covered while away from the described premises.~~ Coverage is subject to a \$100 limit per tool and a \$500 limit for all tools of any one employee.

(b) Premium Determination

(i) Refer to Table **16.B.4.b.(2)(b)(i)(LC)** to determine the ~~Employees'~~ ~~Tools and~~ ~~Equipment~~ ~~Rate~~.

(ii) If applicable, multiply the rate by the deductible factor shown in Table **24.C.4.(RF)** or Table **24.C.4.c.(RF)**. Refer to Paragraph **4.ed.**

- (iii) Multiply the resulting rate by the ~~e~~Employees' ~~t~~Tools ~~a~~And ~~e~~Equipment limit of insurance (per \$100) to determine the additional premium.

~~c. Optional Higher Limits Of Insurance~~

~~(1) Coverage 1 – Installation Coverage~~

~~Refer to Table 16.B.4.c.(1)(LC) to determine the additional premium for limits in excess of the \$3,000 coverage automatically provided in the endorsement.~~

~~The only increased optional limits of insurance that may be selected for property at each covered job site and for property at all covered job sites are the limits displayed in Table 16.B.4.c.(1)(LC).~~

~~(2) Coverage 2 – Tools And Equipment Coverage~~

~~For an additional premium the contractors' tools and equipment limits may be increased in excess of the \$3,000 coverage automatically provided in the endorsement. Coverage for tools and equipment may be provided as follows:~~

~~(a) Blanket Limit Subject To A \$2,000 Sub-limit Per Tool Or Piece Of Equipment~~

~~(i) Refer to Table 16.B.4.c.(2)(a)(i)(LC) to determine the blanket owned contractors' tools and equipment rate subject to a \$2,000 sublimit.~~

~~(ii) If applicable, multiply the rate by the deductible factor shown in Table 24.C.4.(RF) or 24.C.4.c.(RF). Refer to Paragraph 4.e.~~

~~(iii) Multiply the resulting rate by the blanket owned contractors' tools and equipment limit of insurance (per \$100) to determine the additional premium.~~

~~(b) Blanket Limit Subject To A \$500 Sub-limit Per Tool Or Piece Of Equipment~~

~~(i) Refer to Table 16.B.4.c.(2)(b)(i)(LC) to determine the blanket owned contractors' tools and equipment rate subject to a \$500 sub limit.~~

~~(ii) If applicable, multiply the rate by the deductible factor shown in Table 24.C.4.(RF) or 24.C.4.c.(RF). Refer to Paragraph 4.e.~~

~~(iii) Multiply the resulting rate by the blanket owned contractors' tools and equipment limit of insurance (per \$100) to determine the additional premium.~~

~~(c) Scheduled Limit~~

~~For an additional premium, coverage may be provided for specifically described tools or pieces of equipment.~~

~~(i) Refer to Table 16.B.4.c.(2)(c)(i)(LC) to determine the scheduled contractors' tools and equipment rate.~~

~~(ii) If applicable, multiply the rate by the deductible factor shown in Table 24.C.4.(RF) or 24.C.4.c.(RF). Refer to Paragraph 4.e.~~

~~(iii) Multiply the resulting rate by the total scheduled contractors' tools and equipment limit of insurance (per \$100) to determine the additional premium.~~

~~cd. Endorsement~~

~~Use Endorsement BP 07 01.~~

~~de. Special Rules~~

~~When optional deductibles apply, use the deductible factor for the location with the highest contractors' business personal property limit of insurance. If two locations have the same limit of insurance, the highest deductible factor applies. When an optional deductible is entered in the Schedule, use the total limits for Coverages 1 through 4 of this endorsement as the Total Building And Business Personal Property Limit Of Insurance for the purpose of obtaining the fixed dollar deductible factor from Table 24.C.4.(RF).~~

~~f. Refer To Company~~

~~Requests for special rates and coverage conditions for risks with insured values of \$100,000 or more, applied separately to each of the contractors' coverages, should be referred to the company.~~

...

29. ENDORSEMENTS

The following endorsements may be attached to the Businessowners Policy:

...

E. Other Endorsements

...

3. Cannabis

a. Property Options

- (1) Coverage for cannabis and that part of Business Income loss or Extra Expense incurred, due to a suspension of operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis may be excluded by attaching Cannabis Property Exclusion Endorsement **BP 15 30**; or
- (2) Coverage for cannabis and that part of Business Income loss or Extra Expense incurred, due to a suspension of operations, which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis may be excluded, with a hemp exception, by attaching Cannabis Property Exclusion With Hemp Exception Endorsement **BP 15 31**.

b. Liability Options

- (1) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; property damage to cannabis; and (if Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded by attaching Cannabis Liability Exclusion Endorsement **BP 15 32**;
- (2) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; property damage to cannabis; and (if Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded, with a hemp exception, by attaching Cannabis Liability Exclusion With Hemp Exception Endorsement **BP 15 33**; or
- (3) Liability arising out of the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of cannabis; the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of cannabis; and (if Electronic Data Liability – Broad Coverage Endorsement **BP 05 96** is attached to the policy) loss of electronic data with respect to any electronic data that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of cannabis may be excluded, with a hemp and lessor's risk exception, by attaching Cannabis Liability Exclusion With Hemp And Lessors Risk Exceptions Endorsement **BP 15 34**. This exclusion does not include the property damage to cannabis exclusion that is included in Endorsements **BP 15 32** and **BP 15 33**.

RATING RELATIVITIES AND FACTORS EXCERPT

SECTION II – COVERAGE FORM RULES

16. MANDATORY FORMS, COVERAGE AND LIMITS

<u>Factor</u>
<u>.87</u>

Table 16.B.4.a.(2)(c)(i)iv.(RF) Contractors' Tools And Equipment – Blanket Basis Actual Cash Value Factor