

RULES – FILED/IMPLEMENTATION

MARCH 11, 2021

BUSINESSOWNERS

LI-BP-2021-035

FLORIDA NON-RESIDENTIAL BUSINESSOWNERS MULTISTATE MANUAL RULES REVISION FILED AND TO BE IMPLEMENTED

KEY MESSAGE

New and revised non-residential Businessowners multistate and state-specific manual rules filed and to be implemented in Florida.

Filing ID: BP-2018-RNRRU

Effective Date: 7/1/2021

UPGRADE TO WORD AND EXCEL DOCUMENTS

ISO is currently implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format. These changes will be phased in by product/service tentatively beginning in second quarter 2021. We are providing advance notification so that you may prepare your internal systems. Products impacted include, but are not limited to, documents delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library (including PolicyWriting Support Forms Instructional Supplement), PRM, Statistical Plans and Suite +.

BACKGROUND

In multistate rules filings BP-2009-RRU09 and BP-2012-RRU12, we announced the introduction in other jurisdiction of various revisions to the Businessowners multistate manual rules.

Currently, there are three ISO Businessowners programs in effect in Florida: Residential – Condominium Association, Residential – Excluding Condominium (Ex-Condo) Association, and Non-Residential. Generally, the same Businessowners program applies for all three programs mentioned above, and in the past ISO would submit the Businessowners revisions three times – one for each separate Florida program.

The Florida Office of Insurance Regulation (FLOIR) has advised that filings addressing residential classes should be supported with adequate Florida-specific data. Therefore, at this time, we have decided to withdraw all residential risks in ISO's Businessowners program from the Florida Businessowners Non-Residential program. We are also withdrawing ISO's Businessowners program from the Florida Businessowners Residential Condo Association and Ex-Condo Association programs.

ISO ACTION

Filings BP-2009-RRU09, BP-2010-RCPR1, BP-2012-RRU12, BP-2013-ODBRU, BP-2014-OISRU, and BP-2015-RRU1 have been combined into the attached rules filing, BP-2018-RNRRU, together with state-specific provisions. Additionally, we have withdrawn all residential risks in this filing. Please note that after BP-2018-RNRRU was initially filed, due to comments from the FLOIR, BP-2018-RNRRU was subsequently resubmitted multiple times.

Refer to the attached explanatory material for complete details about the filing.

INSURANCE DEPARTMENT ACTION

The Insurance Department has acknowledged this revision as filed.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies **effective** on or after July 1, 2021.

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.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number BP-2018-RNRRU and State File Number 21-002386, not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- Additional information will be required from the policyholder to complete a rating calculation.
- New, additional factors are being introduced.
- Current factors are being withdrawn.
- New calculations are being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2021-004](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 7-21 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED FORMS AND LOSS COSTS REVISIONS

We are announcing in separate circulars the implementation of a corresponding forms revision and the filing and implementation of a corresponding loss costs revision. Please refer to the Reference(s) block for identification of those circulars.

RELATED RESIDENTIAL WITHDRAWAL INFORMATION

We are announcing in a separate circular the withdrawal of ISO's Businessowners program from the Florida Businessowners Residential Condo Association and Ex-Condo Association programs. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-BP-2021-037](#) (03/11/2021) Florida Withdrawal Of ISO's Businessowners Residential Condo Association And Ex-Condo Association Programs
- [LI-BP-2021-036](#) (03/11/2021) Florida Non-Residential Businessowners Multistate Loss Costs Revision Filed And To Be Implemented
- [LI-BP-2021-034](#) (03/11/2021) Florida Non-Residential Businessowners Multistate Forms Revision To Be Implemented
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing
- [LI-BP-2019-004](#) (01/14/2019) Florida Businessowners Forms Revision Filed; Withdrawal Of ISO's Businessowners Forms From The Florida Businessowners Residential Condo Association And Ex-Condo Association Programs To Be Submitted

ATTACHMENT(S)

Filing [BP-2018-RNRRU](#)

COPYRIGHT EXPLANATION

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file, or use same in any manner without the written permission of the copyright owner. Permission is hereby granted to members, subscribers, and service purchasers to reprint, copy, or otherwise use the enclosed material for purposes of their own business use relating to that territory or line or kind of insurance, or subdivision thereof, for which they participate, provided that:

- (A) Where ISO copyrighted material is reprinted, copied, or otherwise used **as a whole**, it must reflect the copyright notice actually shown on such material.
- (B) Where ISO copyrighted material is reprinted, copied, or otherwise used **in part**, the following credit legend must appear at the bottom of each page so used:
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

CONTACT INFORMATION

If you have any questions concerning:

- The content of this circular, please contact:
Nathaniel Brown
Compliance & Product Services – Liability
201-469-2796
Nathaniel.Brown@verisk.com
liability@verisk.com
- Other issues for this circular, please contact Customer Support:
E-mail: info@verisk.com
Phone: 800-888-4476

Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

Florida Businessowners Manual Rules Revisions

About This Filing

This filing introduces new and revised Businessowners manual rules, which correspond to the companion Businessowners multistate forms filing BP-2018-ONRFR. This filing includes multiple program changes in Florida that were made to ISO's multistate rules over several years. Accordingly, various revisions to the multistate rules have been made over this span of time. With respect to the Florida state exceptions, all revisions are marked against the currently applicable exceptions. Please note that any excerpts of revisions within the explanatory material are for illustrative purposes only and may not reflect revisions addressed in other modules or editorial revisions. Additionally, all references to "multistate" in this filing refer to ISO's multistate Businessowners rules.

Each revision is addressed in the filing, as outlined in the Table of Contents and contains a detailed explanation of the changes. Regarding updates to the Rating Relativities And Factors, refer to companion loss costs filing BP-2018-RNRLC for actuarial support for these revisions.

Additionally, the Florida Office of Insurance Regulation has advised that filings addressing residential classes should be supported with adequate Florida-specific data. Therefore, at this time we have decided to withdraw all residential risks in ISO's Businessowners program from the Florida Businessowners Non-Residential program. Please note that, based on our understanding, the Florida Office of Insurance Regulation does not consider residential risks to include motels, hence references to this class have not been revised.

Related Filing(s)

Companion filings:

- ◆ BP-2018-ONRFR (Businessowners Forms and Endorsements)
- ◆ BP-2018-RNRLC (Businessowners Loss Costs)

are being submitted and will be implemented with an effective/distribution date that coincides with the effective/distribution date of this filing.

Copyright Explanation

The material distributed by Insurance Services Office, Inc. is copyrighted. All rights reserved. Possession of these pages does not confer the right to print, reprint, publish, copy, sell, file or use same in any manner without the written permission of the copyright owner.

Important Note

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO rules and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of rules intent nor opinions expressed by members of ISO's staff necessarily reflect every insurer's view or control any insurer's application of manual rules.

Table of Contents

About This Filing	1
Related Filing(s).....	1
Copyright Explanation.....	2
Important Note	2
Condominium Office Classification	5
Introduction Of New Building And Business Personal Property Relativities	7
Introduction Of Businessowners Limit Of Insurance Relativities And Related Rules Revisions	8
Employment-related Practices Liability Rating Factors	9
Information Security Protection Rule Introduced	10
Section I – General Rules.....	15
Rule 1. Application Of This Division.....	15
Rule 2. Referrals To Company	16
Rule 4. Policy Term	17
Rule 7. Policy Writing Minimum Premium.....	18
Rule 8. Additional Premium Changes	19
Rule 9. Return Premium Changes.....	20
Rule 10. Policy Cancellation	21
Section II - Coverage Form Rules	22
Rule 16. Mandatory Forms, Coverages And Limits (Change No. 1)	22
Section III – Rating And Eligibility Rules.....	25
Rule 22. Eligibility	25
Rule 24. Deductibles.....	27
Section IV – Optional Coverage Rules	28
Rule 28. Optional Coverages.....	28
Rule 29. Endorsements	31
Section V – Class-specific Endorsements Rules.....	42
Rule 40. Application Of Section V – Class-Specific Endorsements.....	42
Rule 41. Apartment Buildings Class-specific Endorsements	43
Rule 42. Restaurants Class-Specific Endorsements	44
Rule 43. Residential Cleaning Services-Specific Endorsement	45
Rule 44. Photography Class-specific Endorsements.....	46
Rating Relativities And Factors (RF Pages)	48
Classification Table Pages (CT Pages)	51

Rating Examples Appendix (RX Pages)	53
Section VI - Florida Exceptions	54
Deletion Of Florida Exceptions In Favor Of Multistate Material	54
Revisions to Florida Exceptions To Track Multistate Revisions	55
Revisions To Florida Exceptions Regarding Residential Risks	56
Florida Rating Relativities Revisions	58
Rule 9. Return Premium Changes and Rule 10. Policy Cancellation	59
Rule 29. Endorsements and Rule A3. Windstorm Or Hail Exclusion.....	60
Additional Florida Office of Insurance Regulation (FLOIR) Revisions	61
Attachment Of Rules.....	63
Revised Multistate Rules	A-1
Revised Florida Exceptions	B-1

Condominium Office Classification

Background

Change #1

Currently, the ISO Businessowners program addresses condominium-office classifications under the -O- Classification (Offices) of the Businessowners classifications section of the manual, on a lessors' risk liability basis. The applicable Premium Determination provision (Rule **23.C.6.b.(2)(b)**) generally instructs the manual user to calculate the liability state final rate, based on the Class Group assigned, by multiplying the liability state base rate by the Class Group Relativity from Table **23.C.6.b.(2)(b)(i)#1(RF)**, **#2(RF)**, **#3(RF)** or **#4(RF)**. For illustrative purposes, accounting services - except CPAs (class code 63621) has a liability class group number of 18. The relativity that relates to class group 18 can **only** be found under Table **23.C.6.b.(2)(b)(i)#4(RF)** Liability Class Group Relativities--for Lessors Liability.

Change #2

Currently, in the -O- Classification (Offices) of the Classification Table Pages, three sub-classifications apply to each of the Office Classifications. For example, the sub-classifications that apply to Accounting Services – Except CPAs are:

- ◆ the *Office* sub-classification that addresses Accounting Services – Except CPAs on an occupant liability basis (other than condominiums)
- ◆ the *Lessors Risk Only* sub-classification that addresses Accounting Services – Except CPAs on an lessors-risk liability basis (other than condominiums)
- ◆ the *Condominium – Office* sub-classification that addresses Accounting Services – Except CPAs on an occupant-liability basis (only condominiums)

Change #3

Currently, Rule **23.C.6.b.(3)(c)** generally provides that, for lessors' risk, the premium for mandatory Liability and Medical Expenses coverage is to be determined by multiplying the liability state final rate by the building limit of insurance.

Explanation of Changes

Change #1

We are introducing a relativity, associated with liability class group 18, for use in **Table 23.C.6.b.(2)(b)(i)#1(RF)**. As such, condominium-office classifications may be addressed on an occupant liability basis.

Change #2

We are amending the -O- Classification (Offices) to add a new sub-classification: *Condominium – Office – Lessors Risk Only*. This new sub-classification addresses condominium-offices that are occupied on a lessors-risk liability basis. The existing sub-classification, *Condominium – Office*, will continue to address Condominium-Offices that are occupied on an occupant-liability basis. In addition, we are:

- ◆ revising the last digit of the *Lessors Risk Only* sub-classification to reflect 1 rather than 0.
- ◆ updating the SIC Code for the *Lessors Risk Only* sub-classifications.

Change #3

We are amending Rule **23.C.6.b.(3)(c)** such that the premium calculation for new sub-classification *Condominium-Offices Lessors Risk Only* is determined as follows:

[Total floor space (square ft.) of
condominium-office risk/total floor space
(square ft.) of entire condominium building]
* condominium building limit of insurance
(per \$100)

Revised Rules

- ◆ Rule **23.C.6.b.(3)(c)** Premium Calculation
- ◆ Table **23.C.6.b.(2)(b)(i)#1(RF)** Liability Class Group Relativities (Limit of Insurance)
- ◆ -O- Classifications (Offices) Classification Table Pages

Introduction Of New Building And Business Personal Property Relativities

Explanation Of Changes

When relativities were initially introduced for various Businessowners Rating Relativities And Factors Tables, the factors for Buildings and Business Personal Property were combined to arrive at one set of factors. A more recent assessment of Businessowners data shows that separate relativities for Buildings and Business Personal Property are indicated. To reflect the introduction of separate Buildings and Business Personal Property relativities, the following tables are being revised:

- **23.C.1.b.(RF)** Rate Number Relativities;
- **23.C.3.(RF)** Construction Relativities;
- **23.C.4.a.(RF)** Public Protection (Fire) Classification Relativities;
- **23.C.5.(RF)** Sprinklered Factors.

We are also amending the following Liability Class Group Relativities Tables to reflect more recently indicated rating relativities:

- **23.C.6.b.(2)(b)(i)#1(RF)** Liability Class Group Relativities (Limit Of Insurance);
- **23.C.6.b.(2)(b)(i)#2(RF)** Liability Class Group Relativities (Annual Gross Sales);
- **23.C.6.b.(2)(b)(i)#3(RF)** Liability Class Group Relativities (Annual Payroll);
- **23.C.6.b.(2)(b)(i)#4(RF)** Liability Class Group Relativities; and
- **23.C.6.b.(2)(b)(ii)(RF)** Increased Limits Factors.

In addition, we are making editorial revisions to various rules with no impact on coverage.

Introduction Of Businessowners Limit Of Insurance Relativities And Related Rules Revisions

Introduction

We are introducing building and business personal property limit of insurance relativities as a result of an assessment of losses by limit of insurance for Businessowners. This review signified that average property losses sustained by policies written at higher limits are generally a smaller portion of the total limit than those losses sustained by policies written at lower limits. With this filing we are introducing the limit of insurance relativity factor tables and revised premium determination procedures to complement the introduction of the limit of insurance relativities. For further details and support of these relativity factors please refer to loss costs filing BP-2018-RNRLC.

Explanation of Changes

To reflect the introduction of limit of insurance relativities for buildings and business personal property, we are:

- ◆ Revising paragraph **C.6.a.** Building And Personal Property Coverage of Rule **23.** Premium Development – Mandatory Coverages as follows:
 - Revising paragraph **23.C.6.a.(1)** to indicate that the property base rates are displayed for public protection (fire) classification 01 (previously, the base rates were displayed for classifications of 01-04).
 - Introducing paragraph **23.A.2.d** Interpolation Rule – Limit Of Insurance. This paragraph provides steps to determine the applicable limit of insurance relativity factor when using a limit of insurance that is not displayed in the multistate Limit Of Insurance Relativity Factors tables.
- ◆ Paragraph **23.C.6.b.(2)(b)(iii)** contains editorial revisions.

Lastly, we are revising the Rating Examples to reflect the revised premium determination calculation for buildings and business personal property.

Employment-related Practices Liability Rating Factors

Explanation of Changes

Tables **29.B.7.b.(2)(RF)** and **29.B.7.b.(3)(RF)** are being revised to reflect updated limit of insurance and deductible rating factors for Employment-related Practices Liability endorsement BP 05 89. Actuarial support for these revised factors is contained in concurrent loss costs filing BP-2018-RNRLC.

Information Security Protection Rule Introduced

Background

In companion forms filing BP-2018-ONRFR, we are introducing Information Security Protection Endorsement BP 15 07, which addresses first-party and third-party cyber/data breach exposures of Businessowners insureds. We are also introducing optional endorsements that can be used with BP 15 07: Payment Card Industry (PCI) – Provide Coverage For Defense Expenses And Fines Or Penalties Endorsement BP 15 08* and Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees Endorsement BP 15 10.

Explanation of Changes

We are introducing Paragraph E.1. Information Security Protection Endorsement under Rule 29. Endorsements to provide instruction on new Information Security Protection Endorsement BP 15 07 and optional endorsements BP 15 08* and BP 15 10. Noteworthy points in this rule include:

- ◆ The rule provides a basic description of the insuring agreements written under Information Security Protection Endorsement BP 15 07:
 - Insuring Agreement a. Replacement Or Restoration Of Electronic Data provides coverage for the costs to replace or restore electronic data.
 - Insuring Agreement b. Public Relations Expense provides coverage for fees and costs of a public relations firm to restore the insured's reputation in response to negative publicity resulting from an e-commerce incident or security breach.
 - Insuring Agreement c. Security Breach Expense provides coverage for expenses incurred by the insured as a result of a security breach.
 - Insuring Agreement d. Security Breach Liability applies to the insured's liability for security breaches and to claims against the insured in the form of regulatory proceedings.
 - Insuring Agreement e. Extortion Threats provides coverage for extortion expenses and ransom payments incurred by the insured resulting directly from an extortion threat. Extortion expenses include:
 - ◇ Fees and costs of a person or organization hired to determine the validity and severity of an extortion threat;
 - ◇ Interest costs for a loan from a financial institution taken to pay a ransom demand;

- ◇ Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss; and
- ◇ Any other reasonable expenses incurred by the insured with the insurer's written consent.
- Insuring Agreement f. Business Income And Extra Expense provides coverage for the actual loss of business income and/or extra expense incurred by the insured, up to the limit of insurance, resulting directly from an e-commerce incident or extortion threat.
- Insuring Agreement g. Web Site Publishing Liability applies to the insured's liability arising out of claims for wrongful acts committed by an insured with respect to the content an insured posts on its web site.
- ◆ The insuring agreements are provided in three Coverage Tiers. Tier 1 automatically applies. Tier 2 can be applied only in addition to Tier 1 coverage. Tier 3 can only be applied in addition to Tier 1 and Tier 2 coverage.
 - Tier 1:
 - ◇ Insuring Agreement a. Replacement Or Restoration Of Electronic Data;
 - ◇ Insuring Agreement b. Public Relations Expense; and
 - ◇ Insuring Agreement c. Security Breach Expense
 - Tier 2:
 - ◇ Insuring Agreement d. Security Breach Liability
 - Tier 3:
 - ◇ Insuring Agreement e. Extortion Threats;
 - ◇ Insuring Agreement f. Business Income And Extra Expense; and
 - ◇ Insuring Agreement g. Web Site Publishing Liability
- ◆ The Information Security Protection Endorsement may be written with an aggregate limit of insurance of \$10,000, \$ 25,000, \$50,000, \$75,000 or \$100,000.
- ◆ A Retroactive Date can be entered in the Schedule for Insuring Agreements d. and g. Any wrongful act which occurred prior to the Retroactive Date is not covered. If "None" is entered in the Schedule of the endorsement, there is no Retroactive Date and coverage may be afforded for wrongful acts occurring prior to the inception date of the policy.
- ◆ Basic Extended Reporting Period
 - With respect to Insuring Agreements d. and g., if circumstances specified in the endorsement related to cancellation or nonrenewal of coverage are

met, a Basic Extended Reporting Period of 30 days (BASIC) is automatically provided at no cost.

- The BASIC does not apply to claims that are covered under subsequent insurance or claims that would be covered but for the exhaustion of the aggregate limit of insurance.
- The limit of insurance available during the BASIC shall be the remaining amount, if any, of the Information Security Protection Aggregated Limit of Insurance available at the end of the policy period.

◆ Deductibles

- A deductible applies to Insuring Agreements a., b., c., d., e. and g. The deductible will be shown in the Schedule and is available in amounts of \$500, \$1,000, \$2,500 or \$5,000.
- Insuring Agreement f. is subject to the greater of the deductible amount shown in the Schedule or the amount of loss incurred during the waiting period shown in the Schedule from the beginning of the interruption. While the default waiting period is 24 hours, an option to reduce the waiting period to eight hours is also available and can be specified in the Schedule.
- In the event a loss is covered under more than one Insuring Agreement, the applicable deductible amount will be applied only once per occurrence, wrongful act or interrelated wrongful acts.

◆ Premium Determination

- Loss costs are shown based on the limit of insurance and deductible selected, and on the number of coverage tiers selected.
- A rating factor is provided to determine the increased premium if an eight-hour waiting period is selected for business income and extra expense coverage-- as opposed to the 24 hour period.
- Rating factors are provided to determine the decreased premium if the insured has contracted with a company to provide pre or post-security breach services, or both.
- Rating factors are provided to determine the increased or decreased premium if various risk characteristics apply. The characteristics that reflect increased premium include:
 - ◇ Insured conducts online transactions
 - ◇ Remote access to insured's computer system(s) is granted to authorized third parties (employees, customers and/or business partners)
 - ◇ Insured has active social media profiles

- ◇ Insured collects data from customers or visitors to their website(s) that are required by law to be protected
- ◇ Insured collects and retains information on minors
- ◇ Insured utilizes medical records in daily business
- ◇ Insured utilizes background and/or credit checks in daily business and retains this information
- ◇ The insured belongs to a high hazard classification, which includes, in part: accounting services; collection agencies; lawyers; and medical offices or health maintenance organizations.

The characteristics that reflect decreased premium are:

- ◇ Insured does not have a website
- ◇ Insured employs encryption in customer communications
- ◆ Supplemental Extended Reporting Period
 - With respect to Insuring Agreements d. and g., if circumstances specified in the endorsement related to cancellation or nonrenewal are met, a Supplemental Extended Reporting Period of one year (SUPP) is available for an additional charge.
 - The Named Insured must request the SUPP in writing within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
 - The premium for the SUPP may not exceed 1.00 times the annual premium for Endorsement BP 15 07.
 - The limit of insurance available during the SUPP shall be the remaining amount, if any, of the Information Security Protection Aggregated Limit of Insurance available at the end of the BASIC.
- ◆ Optional Payment Card Industry Coverage
 - Payment Card Industry (PCI) – Provide Coverage For Defense Expenses And Fines Or Penalties Endorsement BP 15 08* provides coverage for both loss (meaning fines or penalties assessed against the insured to the extent such fines or penalties are insurable by law) and defense expenses as a result of a claim in the form of an action taken by a card company for noncompliance with Payment Card Industry Data Security Standards in response to a wrongful act covered under Insuring Agreement d. Security Breach Liability.
 - A rating factor is provided to develop the additional premium for this endorsement.

- ◆ Optional Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees
 - Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees Endorsement BP 15 10 replaces Exclusion r. in Endorsement BP 15 07 to provide an exception to allow coverage for loss arising from dishonest, malicious or fraudulent acts committed by an employee under Endorsement BP 15 07.
 - A rating factor is provided to develop the additional premium for this endorsement.

* Please note that in Florida, we have filed Payment Card Industry (PCI) - Provide Coverage For Defense Expenses endorsement BP 15 09 03 15 in lieu of BP 15 08. For more information regarding this endorsement, as well as other Florida-specific exceptions, please refer to Section VI – Florida Exceptions of this memorandum.

Impact

This is a new coverage option, which broadens coverage under a policy to which it is endorsed.

Section I – General Rules

Rule 1. Application Of This Division

Description Of Rule

This rule describes the contents, section and format of Division Ten - Businessowners.

Explanation Of Changes

This rule is revised to add reference to Section V – Class-Specific Endorsements Rules under Paragraph **B**.

Rule 2. Referrals To Company

Description Of Rule

This rule advises the user to refer to company for any applicable rating plan modification and for rating or classifying any risk or exposure for which there is no manual rate or applicable classification.

Explanation Of Changes

This rule is revised to introduce facultative reinsurance rules to the Businessowners manual applicable to Property and Liability coverages. The rule explains how to calculate the premium for the portion of property or liability coverage that is reinsured on a facultative basis.

Rule 4. Policy Term

Description Of Rule

This rule specifies the time period for which policies may be written and describes the computation of premium.

Explanation Of Changes

This rule is revised to reflect prepaid and continuous policies as well as special premium computation instructions to complement the above mentioned revision.

In addition, we are revising Rule 10. Policy Cancellation to address cancellation of Prepaid Policies. Refer to the module addressing Rule 10 revisions for further details.

Rule 7. Policy Writing Minimum Premium

Description Of Rule

This rule describes the application of policy writing minimum premiums for prepaid policies and continuous policies.

Explanation Of Changes

This rule is revised to reflect policywriting minimum premium for annual premium payment plan policies. In addition, this rule contains editorial revisions.

Rule 8. Additional Premium Changes

Description Of Rule

This rule describes the rating procedures for calculating additional premium when changes are made to a policy during the policy period.

Explanation Of Changes

This rule contains editorial revisions.

Rule 9. Return Premium Changes

Description Of Rule

This rule describes the rating procedures for calculating return premium when changes are made to a policy during the policy period.

Explanation Of Changes

This rule contains editorial revisions.

Rule 10. Policy Cancellation

Description Of Rule

This rule describes rating procedures for calculating return premium when a policy is canceled.

Explanation Of Changes

This rule is revised to address the cancellation of prepaid policies.

Section II - Coverage Form Rules

Rule 16. Mandatory Forms, Coverages And Limits (Change No. 1)

Description Of Rule

This rule provides a description of the basic property and liability coverages contained in the Businessowners Policy Coverage Form BP 00 03 and lists the mandatory endorsements that accompany the policy for certain risks.

Explanation of Changes

We are revising:

- ◆ Paragraph **B.1.c.(3)** to remove the last sentence of the paragraph which reflects that Tenants Fire Liability Optional Coverage is not subject to an aggregate limit.
- ◆ Paragraph **B.1.c.(4)** to reflect the \$10,000 per person Medical Expenses increased limit option.
- ◆ We are making several revisions to Paragraph **B.4. Contractors' Installation, Tools And Equipment Coverage** to reinforce various aspects of the coverages provided under BP 07 01.
 - Under Paragraph **B.4.a**, we have replaced *Mandatory* with *Base* to reinforce that Coverage 1 and Coverage 2 is provided when this endorsement is purchased. Coverage 3 and Coverage 4 are optional coverages and will only apply for an additional premium and if a limit of insurance is shown on the Schedule for those coverages.
 - Under Paragraph **B.4.a.(1)** Coverage 1, we have added a *Limits Of Insurance* paragraph to restate how the limits for coverage apply.
 - Under Paragraph **B.4.a.(2)** Coverage 2, we are explicitly stating that this coverage applies to non-owned tools and equipment the insured leases for a term of six months or more. In addition, we have added a *Limits Of Insurance* paragraph to restate how the limits for this coverage apply.
 - Under Paragraph **B.4.b.(1)** Coverage 3, we are explicitly stating that coverage for this option does not apply to non-owned tools and equipment leased for a term of six months or more.

- Under Paragraph **B.4.b.(2)** Coverage 4, we are restating that coverage under this option is subject to a \$500 limit for all tools of any one employee and a \$100 limit per tool.
- Under Paragraph **B.4.c.(1)** Coverage 1, we have deleted Table **16.B.4.c.(1)** since these limits are displayed in loss costs Table **16.B.4.c.(1)(LC)**.
- Under Paragraph **B.4.c.(2)** Coverage 2, we have renamed subparagraphs **(a)** and **(b)** to read:
 - (a) Blanket Limit Subject To A \$2,000 Sublimit Per Tool Or Piece Of Equipment
 - (b) Blanket Limit Subject To A \$500 Sublimit Per Tool Or Piece Of Equipment

in recognition of the newly introduced \$500 sublimit option. With these revisions, old paragraph **(b)** *Scheduled Basis* becomes paragraph **(c)** and is renamed *Scheduled Limit*.

- ◆ Paragraph **B.6.** is revised to reflect the revised title of Pesticide Or Herbicide Applicator – Limited Pollution Coverage Endorsement BP 07 08.
- ◆ Paragraph **B.7.** Self-storage Facilities Endorsement BP 07 12, subparagraph **a.** Property Coverage to remove reference to customers' property. In companion forms filing BP-2018-ONRFR we are revising BP 07 12 to **delete** current Paragraph **A.** which indicates that Property Not Covered under the Businessowners Coverage Form includes customers' property. As such, customers' property will be subject to the applicable provisions of **Section I – Property** in the policy. To correspond with this change, the Customers' Goods Legal Liability Coverage is being revised to exclude any loss that is covered under **Section I – Property**. Therefore, we are also revising subparagraph **b.** Liability Coverage to indicate that any loss covered under **Section I – Property** is excluded. Additionally, the dollar limit for Customers' Goods Legal Liability coverage is being changed from \$25,000 to \$50,000 and the limit for Sale and Disposal Liability is being changed from \$5,000 to \$25,000.
- ◆ Paragraph **B.8.** is introduced to reference and instruct on the usage of Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties) Endorsement BP 14 78 which was introduced in the companion forms filing. BP 14 78 may be used to exclude coverage for property damage or business interruption resulting from any substance released in the course of production or

processing operations performed at the rental premises described in the Schedule.

We are also deleting Paragraph **E. Exclusion Of Loss Due To Virus Or Bacteria** BP 06 01 and replacing it with Paragraph **E. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception** Endorsement BP 15 04. We are also deleting Paragraph **F. Water Exclusion** Endorsement BP 01 59. In companion forms filing BP-2018-ONRFR we are revising the Businessowners Coverage Form BP 00 03 to incorporate the provisions of BP 06 01 and BP 01 59 and thus withdrawing these endorsements from use with the Businessowners Program. Paragraph **E.** will now reference and instruct on the usage of mandatory endorsement BP 15 04, **Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability With Limited Bodily Injury Exception** which is being introduced in companion forms filing BP-2018-ONRFR. In addition, the rule instructs that BP 15 04 may be replaced by other endorsements generally designed to address varying levels of coverage with respect to the access to or disclosure of a person's or organization's confidential or personal information. In addition, this rule contains editorial revisions.

Section III – Rating And Eligibility Rules

Rule 22. Eligibility

Description Of Rule

This rule specifies classes of business eligible for coverage under Division Ten - Businessowners.

Explanation Of Changes

This rule is being revised as follows:

- ◆ The limitation on total floor area for eligible risks is increased from 25,000 square feet to 35,000 square feet.
- ◆ The limitation on annual gross sales at each location is increased from \$3,000,000 to \$6,000,000.
- ◆ Grocery Stores and Supermarkets with gasoline sales are newly eligible for the program.
- ◆ The gasoline sales percentage threshold as an eligibility requirement for Convenience Food Stores, Grocery Stores and Supermarkets is being replaced with a minimum total floor area requirement.
- ◆ We have expanded the currently eligible classifications for restaurants under Paragraph **A.9.** of this rule. *Casual Dining Restaurants* and *Fine Dining Restaurants*, respectively, have been added as eligible classes.

The class titled:

- *Casual Dining Restaurants* is intended to embrace *family-style restaurants, diners, cafes, bistros* and *brasseries*. These restaurants share the casual atmosphere typical of *family-style restaurants*, but may provide a broader or narrower range of food and may serve various types of alcoholic beverages. Table service is provided in these types of restaurants.
- *Fine Dining Restaurants* typically offer various types of food, ranging from traditional American steakhouses to country or region-specific cuisine, but tend to share some characteristics, including, for example, maître supervision of wait-staff and customer turnover and chef supervision of food preparation and other kitchen operations.

New Paragraphs **A.9.c.** and **d.** provide the respective definitions and additional eligibility requirements for these types of restaurants.

Rule 24. Deductibles

Description Of Rule

This rule describes the various deductible options available under Division Ten - Businessowners.

Explanation Of Changes

The following changes are being made to this rule:

- ◆ We are revising Paragraph **B.** to note the newly added increased property deductible options of \$5,000, \$7,500 and \$10,000.
- ◆ The base deductible of \$500 that applies to Building and Business Personal Property coverages under **Section I – Property** of the Businessowners Coverage Form applies to glass coverage as well. However, optional fixed dollar deductibles that are available for some coverages are not available for glass coverage. In forms filing BP-2018-ONRFR we are revising Paragraph **D.** Deductibles of the Businessowners Coverage Form to eliminate references to Glass. This change removes the separate glass deductible and makes the policy deductible apply to glass losses. This change makes the glass deductible consistent with the approach taken in ISO's Commercial Property forms.

We are eliminating the statement in Paragraph **B.3.c.** of Rule 24. that optional deductibles do **not** apply to glass.

- ◆ Paragraph **C.3.b.** is revised to reflect the revisions to Windstorm Or Hail Percentage Deductibles Endorsement BP 03 12 in companion forms filing BP-2018-ONRFR. The revisions to Endorsement BP 03 12 include revising the section of the endorsement that provides information about the nature and application of the deductible, as well as various editorial changes. These revisions are also reflected in the revisions to this rule.

We are also introducing a state exception to Rule **24.** Deductibles to point to new state Table **24.C.4.a.(RF)**.

Section IV – Optional Coverage Rules

Rule 28. Optional Coverages

Description Of Rule

This rule describes the optional coverages which may be used with Division Ten - Businessowners. The rule contains separate paragraphs for Property Coverages and Liability and Medical Expense Coverages.

Explanation Of Changes

The following changes are being made to this rule:

- ◆ We are revising the Business Income From Dependent Properties Additional Coverage to generally extend coverage to secondary dependent properties subject to the \$5,000 limit of insurance currently applicable to dependent properties. As a result, we are revising Paragraph **A.4.** to provide premium determination procedures to be used when coverage is provided with respect to secondary dependent properties at limits above \$5,000.
- ◆ We are revising the Extended Business Income (EBI) provision to increase the number of days provided for coverage following the period of restoration from 30 to 60 days. As a result, we are revising Paragraph **A.6.** Business Income (Extended) – Extended Period Of Indemnity to recognize the increase in the underlying EBI coverage.
- ◆ The Premium Determination provisions of Paragraphs **A.7.** Electronic Data and **A.11.** Interruption Of Computer Operations are revised to include references on developing the premium for these coverages when multiple locations are insured. Additionally, we are revising Businessowners Coverage Form BP 00 03 to remove the \$10,000 limitation with respect to loss or damage to electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system. We are also revising the Interruption Of Computer Operations Additional Coverage to indicate that the additional coverage does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system. Such electronic data is now Covered Property and is subject to the policy's full limits of insurance for a loss that is not otherwise excluded. As a

result, we are revising Paragraphs **A.7** and **11.** to complement the form revisions, by addressing the exception for such electronic data.

- ◆ The Fire Department Service Charge coverage grant is revised to specify that the designated coverage limit applies to each premises described in the Declarations. For consistency, we are revising Paragraph **A.9.** to specify that the coverage limit applies to each premises described in the Declarations. As revised, the rule addresses the possibility of having different limits at different premises. The rule is also revised to provide more explicit instruction on developing the increased limit premium under policies with multiple premises.
- ◆ In companion forms filing BP-2018-ONRFR we are incorporating the provisions of the Equipment Breakdown Protection Coverage Endorsement BP 04 59 into Businessowners Coverage Form BP 00 03 as an Optional Coverage. This new option replaces the current Mechanical Breakdown Optional Coverage in the Businessowners Coverage Form. As a result we are revising Paragraph **A.12.** of Rule 28. to delete reference to Mechanical Breakdown and replace it with rules instructing on the application of the new Equipment Breakdown Optional Coverage.
- ◆ Paragraph **A.16.** is added. The paragraph describes an option to increase the coverage for Outdoor Property under the Coverage Extensions Section of the Businessowners Coverage Form. The Outdoor Property Coverage limit of \$2,500 may be increased by entering a higher limit in the Businessowners Policy Declarations.
- ◆ We are introducing a Business Personal Property Temporarily Stored In Portable Storage Units Coverage Extension which extends business personal property coverage with respect to property temporarily stored in a portable storage unit, subject to a sub-limit of \$10,000 for the total of all loss or damage to business personal property in such storage units regardless of the number of units. A higher sub-limit may be indicated in the Declarations. Accordingly, we are introducing Paragraph **A.17.** to recognize the newly introduced coverage extension and the option to increase the sub-limit. The rule does not introduce rating provisions, therefore there is no rating impact associated with the rule as filed.
- ◆ Paragraph **B.1.b.** is editorially revised to reflect the title reference to endorsement BP 04 55.

Paragraph **B.3.** is added. The paragraph describes an option to increase the "per person" Medical Expenses limit of the Businessowners Coverage Form. The

Coverage Form's limit of \$5,000 may be increased to \$10,000 by entering the higher limit in the Businessowners Policy Declarations.

In addition, this rule contains editorial revisions.

Rule 29. Endorsements

Description Of Rule

This rule specifies the various endorsements which may be used with Division Ten - Businessowners. The rule is broken into separate paragraphs for Property Endorsements, Liability Endorsements, Additional Insured Endorsements, Endorsements Applicable To Specific Classes and Other Endorsements.

Explanation Of Changes

The following changes are being made to this rule:

- ◆ Paragraph **A.2.** is added. This paragraph describes coverage provided by new Business Income And Extra Expense Coverage Limit Of Insurance Endorsement BP 14 06 which provides business income and extra expense coverage subject to a specific single limit of insurance shown in the schedule of the endorsement.
- ◆ Paragraph **A.3.** is added. This paragraph describes coverage provided by new Business Income And Extra Expense - Revised Period Of Indemnity Endorsement BP 14 07 which provides business income and extra expense coverage on an actual loss sustained basis without being subject to the Limit of Insurance in **Section I - Property** of the Businessowners Coverage Form; however, the 12 consecutive month time period may be reduced or expanded via schedule entry.
- ◆ Paragraph **A.5.** is revised to complement the revisions to Condominium Commercial Unit-owners Optional Coverages Endorsement BP 17 03 in the companion forms filing. This revision reflects the option in BP 17 03 to increase the sub-limit applicable to loss assessments which result from a deductible in the Condominium Association's insurance.
- ◆ Paragraph **A.7.** is revised to reflect that when calculating the Businessowners Earthquake premium by utilizing the Commercial Lines Manual (CLM) Division Five – Fire and Allied Lines rating, the Time Element steps outlined under that division of the CLM are not applicable to the Businessowners Earthquake rating.
- ◆ Paragraph **A.8.** is added. This paragraph describes coverage provided by new Earthquake And Volcanic Eruption (Sub-limit) Endorsement BP 10 11 which extends Businessowners Property coverage to loss caused by earthquake and volcanic eruption at a lower limit than the limit which applies to other covered perils. This coverage is provided on an annual aggregate basis.

- ◆ Former Paragraph **A.7.** Equipment Breakdown is deleted. In companion forms filing BP-2018-ONRFR we are incorporating the provisions of the Equipment Breakdown Protection Coverage Endorsement BP 04 59 into Businessowners Coverage Form BP 00 03 as an Optional Coverage and thus withdrawing endorsement BP 04 59 from use with the Businessowners portfolio. This rule instructed on the usage of that endorsement and is therefore no longer necessary.
- ◆ Paragraph **A.13.** is revised to reflect that when determining the total Limit of Insurance for Business Personal Property (for the purpose of selecting the BPP Limit of Insurance relativity factor under Rule 23) insurers should include the limit(s) selected for items scheduled in the Functional Business Personal Property Valuation Endorsement in the total limit.
- ◆ Paragraph **A.16** is revised to reflect the revisions made to Loss Payable Provisions Endorsement BP 12 03 in companion forms filing BP-2018-ONRFR. The revisions to Endorsement BP 12 03 include adding an option, Building Owner Loss Payable Clause, to identify the building owner and recognize that entity as a loss payee. These revisions are reflected in the revisions to this rule.
- ◆ Paragraph **A.17.** is added. This paragraph instructs on the usage of new Additional Insured – Building Owners Endorsement BP 12 31 which enables the building owner to be added as an additional named insured under a tenant's policy with respect to property damage under **Section I – Property.**
- ◆ Paragraph **A.22.** is revised to indicate that Sprinkler Leakage – Earthquake Extension Endorsement BP 10 10 is not to be used with Earthquake And Volcanic Eruption (Sub-Limit) Endorsement BP 10 11 since BP 10 11 provides coverage for sprinkler leakage loss due to earthquake.
- ◆ Paragraphs **A.23.** and **A.24.** are revised. These paragraphs reflect the provisions of revised Utility Services Endorsements BP 04 56 and BP 04 57. The revision to these paragraphs in the rules complement the revisions made to the above mentioned endorsements. Paragraph **A.24.** is also revised to recognize the addition of wastewater removal service, complementing a revision to Utility Services – Time Element Endorsement BP 04 57 in the companion forms filing. This revision reflects a new coverage option. Wastewater removal service is subject to the same rates as power supply and water supply services. A separate premium applies to each utility service. Additionally, we are revising Paragraph **A.23.** to clarify that utility services direct

damage coverage may be provided at a limit less than the limit of insurance otherwise applicable to the covered property, as indicated in Endorsement BP 04 56. We are also revising the provision under Paragraph **A.23.d.** to clarify how to calculate the premium for direct damage coverage written on a sub-limit basis.

- ◆ Paragraph **A.26.** is revised to reflect the introduction of a separate \$5,000 aggregate limit of insurance for Business Income and Extra Expense Additional Coverages in the Water Back-up And Sump Overflow Endorsement BP 04 53. This limit is \$5,000, which is the same limit that is currently available for direct physical loss or damage. Both limits may be adjusted to be less than or greater than \$5,000.
- ◆ Paragraph **A.27.** is added. This paragraph describes coverage provided by new Brands And Labels Endorsement BP 14 10 which allows an insurer to take damaged property at an agreed or appraised value. The insured may then stamp the word "salvage" on the merchandise or may remove its brands and labels. The endorsement also provides coverage for reasonable costs associated with these activities, up to the limit of insurance on the property.
- ◆ Paragraph **A.28.** is added. This paragraph describes coverage provided by new Windstorm Or Hail Losses To Roof Surfacing – Actual Cash Value Loss Settlement Endorsement BP 14 04 which changes the Loss Payment Property Loss Condition to provide that loss or damage to roof surfacing caused by windstorm or hail will be settled on an actual cash value basis rather than a replacement cost basis. The rule provides for a reduced building premium when the endorsement is used.
- ◆ Paragraph **A.29.** is added. This paragraph describes coverage provided by new Identity Fraud Expense Coverage Endorsement BP 14 01 which provides a \$25,000 aggregate limit of coverage to pay the expenses, as defined in the endorsement, incurred by the insured as a direct result of any act of identity fraud discovered or learned of during the policy period. The endorsement also provides a \$5,000 aggregate limit of coverage for advertising expense incurred by the insured to restore the insured's reputation.
- ◆ Rule **A.30.** is added. This paragraph describes coverage provided by new endorsement Theft Of Clients' Property Endorsement BP 14 03 which provides \$5,000 of coverage to pay for loss or damage to money, securities, and other property, as defined in the endorsement, sustained by a client of the insured resulting directly from theft

committed by any of the insured's employees while the property is on the client's premises.

- ◆ Paragraph **A.31.** is added. This paragraph instructs on the usage of new Discretionary Payroll Expense Endorsement BP 14 30. Under this endorsement, the payroll expense of selected job classifications and employees will be included as continuing operating expenses in determining business income loss regardless of whether such expense is necessary to resume operations.
- ◆ Paragraph **A.32.** is added. This paragraph describes coverage provided under new Debris Removal Additional Insurance Endorsement BP 14 09. Endorsement BP 14 09 modifies **Section I – Property** of the Businessowners Coverage Form to increase the amount of additional coverage currently available for debris removal and contains a schedule which permits the additional debris removal expense coverage to be increased at a specified location. Endorsement BP 14 09 also indicates that the amount stated in the schedule replaces the additional amount of \$25,000 for debris removal expense coverage in the Businessowners Coverage Form.
- ◆ Paragraph **A.33.** is added. This paragraph describes coverage provided under new Flood Coverage Endorsement BP 10 79. Endorsement BP 10 79 modifies **Section I – Property** of the Businessowners Coverage Form to provide coverage for flood above the federally-insured limits or on a first-dollar basis. This rule also instructs on the usage of Endorsement BP 10 79 and Flood Coverage Schedule BP DS 06.
- ◆ Paragraph **A.34.** is introduced to refer to and instruct on the usage of new Specified Business Personal Property Temporarily Away From Premises Endorsement BP 14 79. BP 14 79 provides coverage with respect to specified Business Personal Property temporarily away from the described premises in the course of daily activities, while in the care, custody or control of the named insured or an employee of the named insured. This is a new optional coverage subject to additional premium.
- ◆ Paragraph **A.35.** is introduced to refer to and instruct on the usage of new Higher Limits Endorsement BP 14 80. BP 14 80 can be used as an alternative to using the Declarations to increase certain specified dollar limits. There is no change in rating established options. Rating provisions for higher theft sublimits are provided.
- ◆ Paragraph **A.36.** is introduced to refer to and instruct on the usage of new Limitations On Coverage For Roof Surfacing Endorsement BP 14

81. BP 14 81 provides options with respect to covering roof surfacing at actual cash value (ACV) and with respect to excluding cosmetic damage to roof surfacing caused by wind and hail. This rule provides for reduced building premiums when the endorsement is used to settle roof surfacing losses at ACV and/or exclude cosmetic damage.
- ◆ Paragraph **A.37.** is introduced to refer to and instruct on the usage of new Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis) Endorsement BP 14 82. BP 14 82, in general, provides an additional amount of coverage with respect to rebuilding after a disaster when increased expenses for labor and/or materials (demand surge) result in a total cost of repair or rebuilding which exceeds the applicable Limit of Insurance.
 - ◆ Paragraph **A.38.** is introduced to refer to and instruct on the usage of new Employee Dishonesty – Named Employee(s) Endorsement BP 14 83. BP 14 83 may be used to schedule certain employee(s) that are known to have previously committed theft or any other dishonest act prior to the effective date of the policy. The scheduled employee(s) would no longer be subject to exclusion b.(4) under the Employee Dishonesty Optional Coverage.
 - ◆ Paragraph **A.39.** is introduced to refer to and instruct on the usage of new Windstorm Or Hail Exclusion Endorsement BP 14 84. BP 14 84 may be used to exclude loss or damage caused directly or indirectly by windstorm or hail. Rate modification procedures are also provided.
 - ◆ Paragraph **B.5.a.** is revised to provide further instruction on the usage of Electronic Data Liability – Limited Coverage Endorsement BP 05 95 which may also be used in lieu of Exclusion – Access or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement BP 15 04 and is not to be attached to a policy containing BP 15 04, Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement BP 15 05 or Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement BP 15 06.
 - ◆ Paragraph **B.5.b.** is revised to note that, with respect to Electronic Data Liability – Broad Coverage Endorsement BP 05 96, liability arising out of any access to or disclosure of any person's or organization's confidential or personal information is excluded.
 - ◆ Paragraph **B.5.c.** is revised to reflect that the Extended Reporting Period (ERP) for Electronic Data Liability is available when the

endorsement is replaced with other insurance that does not provide claims-made coverage. In addition, the Premium Determination rule is revised to state that the premium for the ERP cannot exceed 2.00 times the annual premium for the Electronic Data Liability – Broad Coverage Endorsement.

- ◆ Paragraph **B.7.** is revised. This paragraph is revised to:
 - Replace the word "*injury*" with "*wrongful act*" to track changes being made to the Employment-related Practices Liability Endorsement BP 05 89.
 - Instruct on the option to select "malicious prosecution" as a covered "wrongful act."
 - Add reference to the Prior Or Pending Litigation date which was incorporated into the schedule of Endorsement BP 05 89.
- ◆ Paragraph **B.13.a.(2)** is revised to refer to and instruct on the usage of new Liquor Liability Coverage – Bring Your Own Alcohol Establishments Endorsement BP 14 89. BP 14 89 may be used to provide liquor liability coverage to an insured who permits any person to bring alcoholic beverages on their premises, for consumption on their premises.
- ◆ Paragraph **B.13.a.(3)** is revised to indicate that the liquor liability exclusion in Amendment – Liquor Liability Exclusion – Exception For Scheduled Activities Endorsement BP 04 19 applies if alcoholic beverages are permitted to be brought on the named insured's premises, for consumption on the named insured's premises. Additionally, this paragraph is revised to indicate that premises may be exempted via entry in the schedule of the endorsement. Further, the title of endorsement BP 04 19 in this paragraph is revised to "Amendment – Liquor Liability Exclusion – Exception For Scheduled *Premises Or Activities*" (emphasis added).
- ◆ Paragraph **B.21.** is added. This paragraph describes new endorsement Abuse Or Molestation Exclusion – Specified Services Endorsement BP 14 11 which 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.
- ◆ Paragraph **B.22.** is added. This paragraph describes new endorsement Exclusion – Exterior Insulation And Finish Systems Endorsement BP 14 08 which provides that liability arising out of the design, manufacture, construction, fabrication, preparation,

installation, application, maintenance or repair of any exterior insulation and finish system may be excluded.

- ◆ Paragraph **B.23.** is added. This paragraph describes coverage provided by new Snow Plow Products – Completed Operations Hazard Coverage Endorsement BP 14 16 which provides an exception to the Aircraft, Auto or Watercraft exclusion under **Section II – Liability** of the Businessowners Coverage Form with respect to bodily injury or property damage arising out of the use of any auto for snow or ice removal operations within the products completed operations hazard.
- ◆ Paragraph **B.24.** is added. This paragraph describes coverage excluded under new Exclusion – Designated Work Endorsement BP 14 21. Endorsement BP 14 21 modifies **Section II – Liability** of the Businessowners Coverage Form to exclude bodily injury and property damage included in products-completed operations hazard arising out of the insured's work described in the schedule of the endorsement.
- ◆ Paragraph **B.25.** is added. This paragraph describes coverage excluded under new Exclusion Products-Completed Operations Hazard Endorsement BP 14 22. Endorsement BP 14 22 modifies **Section II – Liability** of the Businessowners Coverage Form to exclude bodily injury and property damage included within products-completed operations hazard.
- ◆ Paragraph **B.26.** is added. This paragraph describes coverage excluded under new Exclusion – Designated Products Endorsement BP 14 23. Endorsement BP 14 23 modifies **Section II – Liability** of the Businessowners Coverage Form to exclude bodily injury and property damage included in products-completed operations hazard arising out of the insured's products described in the schedule of the endorsement.
- ◆ Paragraph **B.27.** is added. This paragraph describes coverage provided under new Designated Location(s) General Aggregate Limit Endorsement BP 14 17. Endorsement BP 14 17 modifies **Section II – Liability** of the Businessowners Coverage Form to provide for a Designated Location General Aggregate Limit on a location basis. The limit applies to each location that is designated in the schedule of the endorsement.
- ◆ Paragraph **B.28.** is added. This paragraph describes coverage excluded under new Limited Exclusion – Personal And Advertising Injury – Lawyers Endorsement BP 14 15. Endorsement BP 14 15

excludes personal and advertising injury arising out of the rendering of or failure to render professional services as a lawyer.

- ◆ Paragraph **B.29.** is added. This paragraph describes coverage provided under new Designated Construction Project(s) General Aggregate Limit Endorsement BP 14 18. Endorsement BP 14 18 modifies **Section II – Liability** of the Businessowners Coverage Form to provide for a Designated Construction Project General Aggregate Limit with respect to designated construction project(s) listed in the schedule of the endorsement.
- ◆ Paragraph **B.30.** is added. This paragraph describes coverage excluded under new Exclusion – Damage To Work Performed By Subcontractors On Your Behalf Endorsement BP 14 19. Endorsement BP 14 19 modifies coverage under **Section II – Liability** by eliminating the exception to the exclusion for work performed by a subcontractor at any site or operation.
- ◆ Paragraph **B.31.** is added. This paragraph describes coverage excluded under Exclusion – Damage To Work Performed By Subcontractors On Your Behalf – Designated Sites Or Operations Endorsement BP 14 20. Endorsement BP 14 20 modifies coverage under **Section II – Liability** by eliminating the exception to the exclusion for work performed by a contractor at sites or locations designated in the schedule of the endorsement.
- ◆ Paragraph **B.32.** is introduced to refer to and instruct on the usage of new Communicable Disease Endorsement BP 14 86. BP 14 86 may be used to exclude bodily injury, property damage and personal and advertising injury arising out of the actual or alleged transmission of a communicable disease.
- ◆ Paragraph **B.33.** is introduced to refer to and instruct on the usage of new Amendment Of Personal And Advertising Injury Definition Endorsement BP 14 91. BP 14 91 may be used to amend the definition of personal and advertising injury by removing the offense of an oral or written publication that violates a person's right of privacy.
- ◆ Paragraph **B.34.** is introduced to reference and instruct on the usage of optional endorsements BP 15 05 and BP 15 06. The rule further instructs that these endorsements may be used in lieu of mandatory endorsement BP 15 04 and are not to be attached to the same policy.
- ◆ Paragraphs **C.3.** and **15.** are revised to reflect the revised title of Additional Insured – State Or Political Subdivisions – Permits Relating To Premises Endorsement BP 04 07 and Additional Insured – State Or Political Subdivisions – Permits Endorsement BP 04 52. These

endorsements now allow for any governmental agency or subdivision (federal or state) to be named as an additional insured.

- ◆ Paragraph **C.11.** is revised to remove reference to *contractors*. As a result, Additional Insured – Designated Person Or Organization Endorsement BP 04 48 will be available for use with non-contractors classes to provide more flexibility for insurers to handle the wide variety of additional insured scenarios that may arise.
- ◆ Paragraph **C.17.** is added. This paragraph describes coverage provided under new Additional Insured – Owners, Lessees Or Contractors – Completed Operations Endorsement BP 14 02. This endorsement provides completed operations coverage for a specified additional insured identified in the schedule of the endorsement.
- ◆ Paragraph **C.18.** is added. This paragraph describes coverage provided under new Additional Insured – Grantor Of Franchise Endorsement BP 14 05. Endorsement BP 14 05 provides that the grantor of a franchise, shown in the schedule of the endorsement, is added as an additional insured, but only with respect to their liability as a grantor of the franchise.
- ◆ Paragraph **C.19.** is introduced to refer to and instruct on the usage of new Additional Insured – Owners, Lessees Or Contractors – With Additional Insured Requirement For Other Parties In Construction Contract Endorsement BP 14 87. BP 14 87 generally provides additional insured status to those parties whom the named insured is obligated in writing in a contract or agreement to include as an additional insured under their policy.
- ◆ Paragraph **C.20.** is introduced to refer to and instruct on the usage of new Primary And Noncontributory – Other Insurance Condition Endorsement BP 14 88. BP 14 88 revises the Other Insurance Condition to indicate that coverage is provided to an additional insured on a primary and noncontributory basis.
- ◆ Paragraph **D.3.a** is revised. This paragraph describes coverage provided by the newly revised Barber Shops And Hair Salons Professional Liability Endorsement BP 08 01. Endorsement BP 08 01 is revised to *only* provide coverage for services associated with typical barber shops or hair salons.
- ◆ Paragraph **D.3.b.** is added. This paragraph describes coverage provided by new Beauty Salons Professional Liability Endorsement BP 08 09. Endorsement BP 08 09 provides coverage for salon services beyond those offered by typical barber shop or hair salons. A

schedule is provided within Endorsement BP 08 09 to allow for specific salons services to be described and thereby covered.

- ◆ Paragraph **D.4.** is added. This paragraph describes coverage provided by three new endorsements specific to the Seed Merchants Classification:
 - Paragraph **D.4.a.** describes new Exclusion – Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate - Seed Merchants Endorsement BP 14 12 which excludes property damage liability arising out of the erroneous delivery of seed; an error in mechanical mixture of seed; or the failure of seed to germinate.
 - Paragraph **D.4.b.** describes new Seed Merchants – Coverage For Erroneous Delivery Or Mixture (Resulting Failure Of Seed To Germinate Not Included) Endorsement BP 14 13 which removes exclusion **n. Damage To Impaired Property Or Property Not Physically Injured** as respects property damage liability that generally results from the erroneous delivery of seed; or an error in mechanical mixture of seed; an exclusion is added for property damage liability arising out of the failure of seed to germinate.
 - Paragraph **D.4.c.** describes new Seed Merchants – Coverage For Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate Endorsement BP 14 14 which removes exclusion **n. Damage To Impaired Property Not Physically Injured** as respects property damage liability that results from the erroneous delivery of seed; or an error in mechanical mixture of seed; or the failure of seed to germinate under certain circumstances.
- ◆ Paragraph **D.5.** is added. This rule describes coverage provided by Condominiums, Co-Ops, Associations – Directors And Officers Liability Endorsement BP 17 24 which provides Directors And Officers (D&O) Liability coverage for eligible condominiums, co-ops and community associations. There are three coverages provided by the endorsement:
 - Management Liability provides coverage for loss on behalf of an insured person, except to the extent that the association has indemnified the insured person.
 - Association Reimbursement provides coverage for payment on behalf of the association for loss for which the association has indemnified the insured person (as permitted by law).

- Association Liability provides coverage for payment on behalf of the association for loss which the association is legally obligated as a result of a claim.

A base annual aggregate limit of insurance of \$10,000 applies. This limit may be increased to \$25,000, \$50,000, \$75,000 and \$100,000. There is a base deductible of \$500 which may be increased to \$1,000, \$2,500, \$5,000, \$10,000 and \$25,000.

There is an Extended Reporting Period option which provides for a three year extended reporting period. There is no separate or additional limit of insurance for the Extended Reporting Period.

In addition, this rule contains editorial revisions.

Section V – Class-specific Endorsements Rules

Rule 40. Application Of Section V – Class- Specific Endorsements

Description Of Rule

This section contains the rules and rating procedures governing the use of class-specific Businessowners endorsements designed to meet the coverage needs of various types of businesses.

Explanation of Changes

We are adding Paragraph **D.** to this rule which provides that if the rules in Section V apply 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

Description of Rule

This rule contains the instructions and rating procedures governing the use of class-specific Businessowners endorsements designed to meet the coverage needs of Apartment Buildings insured on the Businessowners Coverage Form.

Explanation of Changes

This rule contains editorial revisions.

Rule 42. Restaurants Class-Specific Endorsements

Description Of Rule

This rule contains the instructions and rating procedures governing the use of class-specific Businessowners endorsements designed to meet the coverage needs of Restaurants insured on the Businessowners Coverage From.

Explanation of Changes

To complement the introduction of expanded eligibility for restaurants classes, as explained in Rule 22. Eligibility, the current display of eligible classifications in Rule 42 is no longer necessary. In revised Rule 22, Casual Dining Restaurants and Fine Dining Restaurants, respectively, have been added as eligible classes.

We have eliminated the display of eligible classifications in Paragraph **C. Eligible Classifications** and replaced them with the following statement:

Any restaurant described in Rule 22.A.9. and in the Businessowners Classification Table is eligible for the Restaurants endorsements.

In addition, this rule contains editorial revisions.

Rule 43. Residential Cleaning Services-Specific Endorsement

Description Of Rule

This rule contains the instructions and rating procedures governing the use of class-specific Businessowners endorsements designed to meet the coverage needs of Residential Cleaning Services insured on the Businessowners Coverage Form.

Explanation of Changes

We are introducing a class-specific Businessowners manual rule for residential cleaning services as part of Section **V** of Division Ten - Businessowners multistate manual rules.

Rule 43 is being introduced to facilitate the use of new Residential Cleaning Services Endorsement BP 07 81.

Paragraph **A.** describes a general description of the function of the endorsement.

Paragraph **B.** provides a description of the content of the endorsement.

Paragraph **C.** specifies the three classifications that are eligible for use with the new endorsement. The rule also states that these classifications are eligible even if they engage in other types of operations for which an additional classification is required.

The rating factor referenced in Paragraph **B.3.** of the rule is shown elsewhere in this rules filing and will be provided in the Rating Relativities and Factors section of the manual. The loss cost referenced in this rule is shown in companion loss costs filing BP-2018-RNRLC.

In addition, this rule contains editorial revisions.

Rule 44. Photography Class-specific Endorsements

Description Of Rule

This rule contains the instructions and rating procedures with respect to class-specific Businessowners endorsements designed to address coverages for Photographer insureds on the Businessowners Coverage Form.

Explanation of Changes

The following rule is being introduced to address the new Businessowners Class-specific endorsements for Photography being introduced in companion forms filing BP-2018-ONRFR.

Rule 44. Photography Class-specific Endorsements

This rule describes the content of each of the three endorsements and supplemental schedule that are available for use in insuring eligible photographer classifications:

- ◆ Photography BP 07 83
- ◆ Photography – Makeup And Hairstyling BP 07 84
- ◆ Photography – Amendment Of Coverage Territory For "Photographic Equipment" – Worldwide Coverage BP 07 87
- ◆ Photography – Supplemental "Photographic Equipment" Schedule BP DS 07

Paragraph **A.** provides a general description of coverage of the Photography endorsements.

Paragraph **A.** also specifies that when Photography Endorsement BP 07 83 is attached to the policy, either Abuse Or Molestation Exclusion Endorsement BP 04 39 or Abuse Or Molestation Exclusion – Specified Services Endorsement BP 14 11 must be attached. Both endorsements amend Businessowners Liability Coverage by excluding abuse or molestation by anyone of any person while in the care, custody or control of any insured. The exclusion in Endorsement BP 14 11 applies with respect to any services described in the Schedule of Endorsement BP 14 11.

Paragraph **B.** provides descriptions of the Photography endorsements and Schedule BP DS 07. It provides that Schedule BP DS 07 may be used to individually describe items of "photographic equipment" at scheduled limits. More detailed commentary on these forms is contained in companion forms filing BP-2018-ONRFR. Paragraph **B.** also provides rules for determining the premium for attaching the Photography endorsements.

Paragraph **C.** specifies the Photographer classifications that are eligible for use with the new endorsements addressed in forms filing BP-2018-ONRFR. The rule also states that these classifications are eligible even if they engage in other types of operations for which an additional classification is required.

Rating Relativities And Rating Factors

The rating factors referenced in Paragraphs **B.1.** and **B.2.** of the rule are shown elsewhere in this rules filing and will be provided in the Rating Relativities and Factors section of the manual. The loss costs referenced in this rule are shown in companion loss costs filing BP-2018-RNRLC.

Rating Relativities And Factors (RF Pages)

Description Of Pages

These pages display the rating relativities and factors corresponding to the premium determination rules, as well as factor tables for deductibles and several optional coverages.

Explanation Of Changes

The following changes are being made to this rule:

- ◆ We have removed all of the table headings throughout the Rating Relativities And Factors (RF) Pages to reflect current ISO publication standards.
- ◆ Rule 4 Policy Term
 - Table **4.C.1.a.(RF)** is newly added to provide factors for developing the premium for prepaid policies;
 - Table **4.C.1.b.(RF)** is newly added to provide factors for developing the premium for policies with a term of less than one year;
 - Table **4.C.2.a.(RF)** is newly added to provide factors for developing the premium for annual premium payment plan policies.
- ◆ Rule 23 Premium Development – Mandatory Coverages
 - The rating relativities and factor tables are being revised to reflect the property rate number and liability class group factors associated with the newly eligible classifications detailed in this filing;
- ◆ Rule 24 Deductibles
 - Table **24.C.4.(RF)** Optional Property Deductible Factors (Per location) is revised to provide factors for optional property deductibles in the amounts of \$5,000, \$7,500 and \$10,000. This table is also revised to include a Limit of Insurance column as rating will now be by limit of insurance band. (This table is replaced in the state exceptions by a new table providing Florida-specific factors).
- ◆ Rule 28 Optional Coverages
 - Table **28.A.4.b.2.(RF)** is introduced to provide rating factors for developing the additional premium when the Business Income

From Dependent Properties Additional Coverage is provided for secondary dependent properties at limits above \$5,000.

- Table **28.A.6.b.(RF)** is revised to reflect the increased period of indemnity (from 30 to 60 days) provided under the Extended Business Income (EBI) coverage. The expanded EBI coverage is accomplished without premium impact, that is, there is no charge for such liberalization. Premium determination for the optional Extended Period of Indemnity (coverage beyond 60 days) is revised to eliminate the rate modification factor for 60 days' coverage and to revise the rating factors for periods beyond 60 days.
 - Table **28.A.16.(RF)** is newly added to provide factors for developing the additional premium for increased Outdoor Property Limits of Insurance.
 - Table **28.B.3.** is newly added to provide the factor for developing the \$10,000 per person Medical Expenses increased limit option.
- ◆ Rule **29** Endorsements
- Table **29.A.2.c.(RF)** is newly added to provide factors for developing the premium for revising the limit of insurance provided for Business Income and Extra Expense coverages :
 - Table **29.A.3.c.(RF)** is newly added to provide factors for developing the premium for revising the Business Income and Extra Expense – Revised Period of Indemnity Coverage;
 - Tables **29.A.8.c.(3), (5)** and **(6)(RF)** are newly added to provide factors for developing the premium for Earthquake and Volcanic Coverage written on a sub-limit basis;
 - Table **29.A.27.c.(RF)** is newly added to provide factors for developing the additional premium for Brands and Labels Coverage;
 - Table **29.A.28.c.(RF)** is newly added to provide factors for developing the premium for Windstorm or Hail Losses to Roof Surfacing with loss settlement on an actual cash value basis;
 - Table **29.A.32.c.(RF)** is newly added to provide factors for developing the additional premium for increased insurance for Debris Removal;
 - Tables **29.A.34.d.(1)(RF)** and **29.A.34.d.(2)(RF)** are introduced to provide rating factors for developing the additional premium for

Specified Business Personal Property Temporarily Away From Premises Coverage.

- Table **29.A.35.a.(1)(RF)** is introduced to provide a rating factor to be used in the development of the additional premium for higher theft sublimits.
- Tables **29.A.36.d.(1)(RF)**, **29.A.36.d.(2)(RF)** and **29.A.36.d.(3)(RF)** are introduced to provide rating factors for developing the reduced premium when roof surface losses are settled at actual cash value and/or cosmetic damage is excluded.
- Table **29.A.37.d.(1)(RF)** is introduced to provide rating factors for developing the additional premium for Additional Expense Coverage.
- Tables **29.B.7.b.(2)** and **(3)(RF)** are revised to make editorial changes to the table caption;
- Table **29.D.5.c.(RF)** is newly added to provide factors for developing the additional premium for Condominiums, Co-ops, Associations – Directors and Officers Liability Coverage;
- Table **29.D.5.d.(RF)** is newly added to provide factors for developing the premium for Condominiums, Co-ops, Associations – Directors and Officers Liability Coverage Deductibles.
- ◆ Rule **41** Apartment Buildings Class-specific Endorsements
 - The table caption for Table **41.B.1.c.(RF)** is revised to better reflect the coverage in which the factors apply.
- ◆ Rule **43** Residential Cleaning Services Class-specific Endorsement
 - Table **43.B.3.b.(RF)** is newly added to provide factors for developing the additional premium for Residential Cleaning Services Employee Dishonesty Optional Coverage.

Refer to loss costs filing BP-2018-RNRLC for further information on the new and revised Rating Relativities and Factors

Classification Table Pages (CT Pages)

Description Of Pages

The Classification Table Provides an alphabetical listing of classification and rating information for risks eligible for the Businessowners Program.

Explanation Of Changes

The Businessowners Classification Table Section of the manual is revised to introduce the following classifications:

- ◆ Air Conditioning Distributor - without installation, service or repair;
- ◆ Candy Manufacturing;
- ◆ Commercial Condo Associations;
- ◆ Residential Cleaning;
- ◆ Grocery Stores and Supermarkets w/gasoline sales
- ◆ Laundromats:
 - Supervised, and
 - Non-supervised;
- ◆ Restaurants:
 - Casual Dining;
 - Fine Dining;

Under the Apartments classification we are removing reference to *mercantile* to complement the special rules addressing predominant occupancy of apartments found under Rule 23 Premium Development – Mandatory Coverages.

Under the Contractors Classifications, we are:

- ◆ Revising Paragraph (5) of the Contractors Footnotes to reflect the revised title of Pesticide Or Herbicide Applicator – Limited Pollution Coverage Endorsement BP 07 08.

Under the Restaurants Classifications, we are:

- ◆ Introducing new restaurant classifications in order to address "Bring Your Own" alcohol risks.
 - Bistros, Brasseries and Cafes – Bring Your Own Alcohol Establishments – With no sales of alcoholic beverages.
- ◇ New Code: 09671

- ◇ Premium Base: Sales
- Diners – Bring Your Own Alcohol Establishments – with no sales of alcoholic beverages.
 - ◇ New Code: 09681
 - ◇ Premium Base: Sales
- Family-style Restaurants – Bring Your Own Alcohol Establishments – with no sales of alcoholic beverages.
 - ◇ New Code: 09691
 - ◇ Premium Base: Sales
- Fine Dining – Bring Your Own Alcohol Establishments – with no sales of alcoholic beverages.
 - ◇ New Code: 09451
 - ◇ Premium Base: Sales

These new classifications have been created for restaurant risks that permit a person to bring alcoholic beverages on their premises, for consumption on their premises.

Under the Meat, Fish, Poultry or Seafood classification we are adding a subheading for "Retail" which further instructs on the application existing classification codes.

Under the Office classifications we are:

- ◆ Separating the classification codes to indicate a specific code for each office classification listed as opposed to the one code currently listed for all types of office risks; and

To complement the introduction of Limited Exclusion – Personal And Advertising Injury – Lawyers Endorsement BP 14 15, we are revising the note for the Lawyers Office classification to reference this new endorsement in addition to Exclusion – Personal And Advertising Injury Endorsement BP 04 37.

Rating Examples Appendix (RX Pages)

Description Of Pages

These pages present rating examples using average Businessowners risks and limits as well as different optional coverages.

Explanation Of Changes

The Rating Examples have been revised for editorial purposes.

Section VI - Florida Exceptions

Deletion Of Florida Exceptions In Favor Of Multistate Material

Background

In recent filings, certain rule revisions were introduced as Florida exceptions rather than as multistate rule revisions because the most recent Businessowners multistate rules program was not in effect in Florida at the time those filings were submitted. As the revisions reflected in this filing bring Florida to our most current multistate rules program, these exceptions are no longer necessary because similar provisions are reflected in the multistate rules.

Explanation of Changes

We are deleting several Florida exceptions in favor of the corresponding multistate material. The table below lists each deleted exception, the section of the corresponding multistate rule that will now apply, along with the prior ISO filing that introduced each of the deleted exceptions. Aside from differences with respect to certain paragraph designators, the multistate material contains the same substantive information as the deleted exceptions.

Please note that the multistate provisions referenced below were revised in their own respective filings - please review the filing material related to those filings for more information regarding those provisions.

Deleted Exception(s)	Corresponding Multistate Provision(s)	Prior ISO Filing
Rule 23, Paragraph C.4.a., C.6.a.(2)(c)(iv), C.6.c.(3)(a); Table 23.C.4.(RF)	Rule 23, Paragraph C.4.a, C.6.a.(2)(c)(iv), C.6.c.(3)(a), Table 23.C.4.a.(RF)	BP-2013-RPPC1
Rule 29, Paragraph A.24.; Tables 29.A.24.f.(1)(b)(RF), 29.A.24.f.(2)(b)(RF), 29.A.24.f.(3)(b)(RF) and 29.A.24.f.(4)(b)(RF)	Rule 29, Paragraph 40.; Tables 29.A.40.e.(1)(b)(RF), 29.A.40.e.(2)(b)(RF), 29.A.40.e.(3)(b)(RF) and 29.A.40.e.(4)(b)(RF)	BP-2013-RBIRU
Rule 29, Paragraph B.12.	Rule 29, Paragraph B.12.	CL-2016-ODPRU
Rule 29, Paragraph E.1.	Rule 29, Paragraph E.2.	BP-2016-ODNRU

Revisions to Florida Exceptions To Track Multistate Revisions

Explanation of Changes

We have revised the following rules, where appropriate, to track with the changes being made to their counterparts in the multistate section of this filing:

Rule A8

Rule 29

We have also made editorial revisions to these rules.

Revisions To Florida Exceptions Regarding Residential Risks

Explanation of Changes

As previously noted, the Florida Office of Insurance Regulation has advised that filings addressing residential classes should be supported with adequate Florida-specific data. Therefore, at this time we have decided to withdraw all residential risks in ISO's Businessowners program from the Florida Businessowners Non-Residential program. Please note that, based on our understanding, the Florida Office of Insurance Regulation does not consider residential risks to include motels, hence references to this class have not been revised.

Accordingly, we are introducing, revising and/or withdrawing the following rules and tables to remove references to the various residential classes that are currently eligible under ISO's Businessowners program:

New Rules

We are introducing the following rule exceptions:

- ◆ Classification Tables -A-, -B-, -C-, -D- and -T-
- ◆ Rule **22**. Eligibility
- ◆ Paragraphs **B.1.**, **B.2.** and **B.3.** of Rule **23**. Premium Development – Mandatory Coverages
- ◆ Paragraphs **C.1.c**, **C.4.** and **C.9.c.** of Rule **29**. Endorsements
- ◆ Rule **41**. Apartment Buildings Class-Specific Endorsements

Revised Rules

We are revising the following rule exceptions and Rating And Relativities Factors Tables:

- ◆ Paragraph **B.** of Rule **A7**. Catastrophic Ground Cover Collapse And Sinkhole Loss
- ◆ Paragraphs **C.4.a.** and **C.4.b.** of Rule **24**. Deductibles
- ◆ Table **24.C.4.a.(RF)** Optional Property Deductible Factors Including Windstorm Or Hail Percentage Deductible Factors (Per Location) (Non-residential Only)

Withdrawn Rules

We are withdrawing the following Florida rule exceptions and Rating And Relativities Factors Tables:

- ◆ Rule **A1**. Windstorm Loss Mitigation Factors
- ◆ Rule **A5**. Option Not To Cover Contents (Residential Risks)
- ◆ Paragraphs **B.2.**, **B.9.** and **G.** of Rule **16**. Mandatory Forms, Coverage And Limits
- ◆ Paragraphs **C.1.**, **C.2.**, **C.3.**, **C.4.c.** and **C.4.d.** of Rule **24**. Deductibles
- ◆ Tables **A1.F.1.#1(RF)** through **A1.F.1.#10(RF)**
- ◆ Tables **A1.F.2.#1(RF)** through **A1.F.2.#3(RF)**
- ◆ Table **A7.B.(RF)** Sinkhole Loss Factors – Residential Properties
- ◆ Table **23.C.1.b.(RF)** Rate Number Relativities
- ◆ Table **23.C.6.b.(2)(b)(i)#4(RF)** Liability Class Group Relativities
- ◆ Table **24.C.4.b.(RF)** Optional Property Deductible Factors Including Each Hurricane Percentage Deductible Factors (Per Location) (Residential Only)
- ◆ Table **24.C.4.c.(RF)** Optional Property Deductible Factors Including Calendar-year Hurricane Percentage Deductible Factors (Per Location) (Residential Only)
- ◆ Table **24.C.4.d.(RF)** \$250 Property Deductible Option Factor

Florida Rating Relativities Revisions

Explanation of Changes

We are:

- ◆ Removing Table **24.C.4.a.(RF)** Optional Property Deductible Factors Including Windstorm Or Hail Percentage Deductible Factors (Per Location) (Non-residential Only) and replacing it with Table **24.C.4.a.(RF)** Optional Property Deductible Factors (Per Location) (Southeast).
- ◆ Introducing Table **29.E.1.i.(3)(RF)** Payment Card Industry Coverage Factor.
- ◆ Making editorial revisions to Table **29.A.18.d.(2)(c)(RF)** Spoilage Coverage – Power Outage Factor and Table **29.A.18.d.(2)(d)(RF)** Spoilage Coverage – Power Outage And Breakdown Or Contamination Factor.

Rule 9. Return Premium Changes and Rule 10. Policy Cancellation

Background

The Florida Office of Insurance Regulation (FLOIR) has asked us to amend the rule regarding return of unearned premium as, in its opinion, pursuant to Florida Administrative Code (F.A.C.) Rule 69O-170.010, a short rate cancellation can only be applied when the insured cancels a policy. In addition, the FLOIR objected to the rule providing for retention of policy writing minimum premium, as it believes that is not permitted under F.A.C. Rule 69O.170.010.

Explanation of Changes

After discussions with the FLOIR, we have introduced a new Florida exception to Rule **9**. Return Premium Changes and revised the Florida exception to Rule **10**. Policy Cancellation to address the FLOIR comments as described above.

Rule 29. Endorsements and Rule A3. Windstorm Or Hail Exclusion

Explanation of Changes

In companion forms filing BP-2018-ONRFR, we are:

- ◆ Withdrawing Florida Windstorm Or Hail Exclusion Endorsement BP 10 62 and replacing it with newly introduced multistate Windstorm Or Hail Exclusion Endorsement BP 14 84;
- ◆ Doing the following because Florida law does not permit coverage for fines or penalties:
 - Introducing multistate endorsement Payment Card Industry (PCI) – Provide Coverage For Defense Expenses BP 15 09 in lieu of multistate endorsement Payment Card Industry (PCI) – Provide Coverage For Defense Expenses And Fines Or Penalties BP 15 08;
 - Revising Florida Changes Endorsement BP 03 03 in order remove the coverage for punitive and exemplary damages and fines or penalties in multistate endorsement Information Security Protection Endorsement BP 15 07.

To track with the revisions described above, we are:

- ◆ Withdrawing Rule **A3**. Windstorm Or Hail Exclusion and moving Florida-specific exceptions to Rule **29.A.39.a**.
- ◆ Revising Rule 29. to:
 - Remove reference to coverage for punitive and exemplary damages and fines or penalties with respect to endorsement BP 15 07 under Paragraph **E.1.a.(1)(d)**
 - Reference state-specific loss cost tables with respect to endorsement BP 15 07 under Paragraph **E.1.g**.
 - Reference multistate endorsement BP 15 09 and a related rating factor table under Paragraph **E.1.i**.

Additional Florida Office of Insurance Regulation (FLOIR) Revisions

Explanation of Changes

After discussion with the FLOIR, we are:

- ◆ Introducing Additional Rule **A1**. Non-Residential Risks to inform insurers that, "ISO's Businessowners Program, including any forms, rules and loss costs referenced herein, is only available for use with non-residential risks in Florida." This rule also points to paragraph **B**. in the newly introduced Florida exception to Rule **22**. Eligibility (see below) for further guidance on ineligible occupancies.
- ◆ Revising Rule **A7**. Catastrophic Ground Cover Collapse And Sinkhole Loss, as well as table **A7.A.2.(RF)** to refer to "Sinkhole Exclusion" factors instead of "Catastrophic Ground Cover Collapse" factors. We are also revising paragraph **B**. to reflect the FLOIR's position that insurer's underwriting or insurability guidelines are filed with, but not approved by, the FLOIR with respect to policies not covering residential property.
- ◆ Introducing a Florida exception to Rule **4**. Policy Term in order to remove reference to policy terms other than those written on an annual basis, as well as reinforcing that multistate table **4.C.1.b.(RF)** does not apply in Florida. Rule **10**. Policy Cancellation is revised to make similar changes.
- ◆ Revising Rule **8**. Additional Premium Changes, as well as Rule **9**. Return Premium Changes, to indicate that paragraph **C**. does not apply.
- ◆ Revising Rule **16**. Mandatory Forms, Coverage And Limits to state that per newly introduced Additional Rule **A1**. (see above), Condominium Association Coverage Endorsement BP 17 01 and Condominium Commercial Unit-owners Coverage Endorsement BP 17 02 can only be used to provide coverage for non-residential risks.
- ◆ Adding language to paragraph **B**. in the newly introduced Florida exception to Rule **22**. Eligibility to provide additional information regarding residential risks that are ineligible for coverage.
- ◆ Adding an exception to paragraph **C.5**. in Rule **23**. Premium Development – Mandatory Coverages to refer to newly introduced state table **23.C.5.(RF)** (see below).
- ◆ Revising Rule **29**. Endorsements to state that per newly introduced Additional Rule **A1**. (see above), the Condominiums, Co-ops Associations – Directors And Officers Liability Endorsement (BP 17 24) can only be used to provide coverage for non-residential risks.

- ◆ Introducing Florida-specific table **4.C.1.a.(RF)** Policy Term Factor, which does not contain any references to policy terms less than annual.
- ◆ Revising table **23.C.1.b.(RF)** Rate Number Relativities and table **23.C.6.b.(2)(b)(i)#4(RF)**, as well as introducing state table **23.C.5.(RF)**, to remove reference to rate factors that no longer apply in Florida.

Attachment Of Rules

The revised multistate rules and Florida exceptions are attached on the following pages:

- ◆ Multistate Rules - p. A-1
- ◆ Florida exceptions - p. B-1

MULTISTATE BUSINESSOWNERS RULES

1. APPLICATION OF THIS DIVISION

A. Contents

Division Ten contains the rules, ISO advisory prospective loss costs and/or individual company rates, rating procedures, state exceptions and Businessowners Classification Table for use with the Businessowners Program.

B. Sections

This ~~Division~~division is divided into separate sections for:

1. Manual Rules Cross Reference Guide
2. Section I – General Rules
3. Section II – Coverage Form Rules
4. Section III – Rating ~~And~~and Eligibility Rules
5. Section IV – Optional Coverage Rules
6. Section V – Class-specific Endorsements Rules
7. Multistate Rating Relativities ~~And~~and Factors

78. Multistate Loss Costs

89. Businessowners Classification Table

910. Rating Examples Appendix

C. Coverages

The Businessowners Program provides both property and liability coverages for eligible risks. Separate property and liability rates are provided for the mandatory coverages. Optional coverages and endorsements may be added for additional charges where indicated.

D. Policy

The rules, forms and classifications in this ~~Division~~division constitute the entire Businessowners Program and must not be amended except as specifically permitted in accordance with these rules or as filed by the company.

E. State Exceptions

Refer to the state exceptions for any exception to the rules in this ~~Division~~division.

F. Company Rates/ISO Loss Costs

1. Definition

This ~~Division~~division contains either ISO loss costs or individual company rates. A loss cost is that portion of the premium which covers only losses and the costs associated with settling losses.

2. Company Rates

All rules in this ~~Division~~division are designed to be utilized with rates. All references in the rules and examples to rates and/or premiums (including base premiums) shall be interpreted to mean those established by the individual insurance company.

3. Loss Cost Conversion

Each insurance company must provide manualholders with either its own rates or with procedures to convert ISO loss costs to rates and/or premiums. If an insurer provides its own rates, use them in place of the ISO loss costs in this ~~Manual~~manual. If an insurer does not provide its own rates, manualholders must convert ISO loss costs in this ~~Manual~~manual to rates and/or premiums before applying any of the rules. Refer to the company for special instructions – including rounding procedures – on how to do this.

G. Statistical Codes

Refer to the Businessowners Module of the Commercial Statistical Plan for statistical codes.

2. REFERRALS TO COMPANY

Refer to the company for:

- A. Rating or classifying any risk or exposure for which there is no ~~Manual~~manual rate or applicable classification.
- B. Any applicable rating plan modification.

C. Situations where liability increased limits are provided and the risk is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

1. Manual rules and rates shall apply to the portion of the limits of liability retained by the company.
2. For limits of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50% of the facultative cost. The charge shall not be inadequate, excessive or unfairly discriminatory.

D. Situations where property coverage or a portion of coverage is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

1. Manual rules and rates shall apply to the portion of the limit of insurance retained by the company.
2. For any portion of the Limit of Insurance obtained by means of facultative reinsurance, the premium shall be the facultative cost for such coverage, increased by a charge up to but not exceeding 50% of the facultative cost. The charge shall not be inadequate, excessive or unfairly discriminatory.

With respect to premium developed in accordance with Paragraphs C. and D.2., the company is responsible for maintaining complete files, including all details relating to selection of the premium charge.

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing or disclosure requirements.

4. POLICY TERM

A. The Businessowners Policy may be written: for a specified term up to three years or on a continuous basis.

1. For one year and renewed annually by a renewal certificate; or
2. From inception until cancelled, provided there is a stated expiration date at time of cancellation.

B. Compute premium for each year according to the then current rules, rates and forms. A policy may be renewed by renewal certificate. When a renewal certificate is used, it must conform to current rules, rates and forms at the time of renewal.

C. Premium computation is as follows:

1. For prepaid policies:
 - a. Compute the premium using the annual rates in effect at policy inception multiplied by the policy term factor expressed in years shown in Table 4.C.1.a.(RF).
 - b. If the term of the policy is less than one year, multiply the premium determined in Paragraph a. by the factor shown in Table 4.C.1.b.(RF) unless the policy is issued to obtain anniversary dates common with other policies.
2. For annual premium payment plan policies:
 - a. For policies with less than \$500 annual premium, compute the annual premium payment plan rates by multiplying the annual rates by the factor shown in Table 4.C.2.a.(RF). Such rates shall be used to obtain the premium due at inception and on each anniversary.
 - b. For other policies, compute the premium at inception using the rates in effect at that time. At each anniversary, compute the premium using the rates in effect at each anniversary.
 - c. Prorate the premium in Paragraph a. or b. when the policy is issued for other than a whole number of years.
3. For continuous policies compute the premium at inception using the rates in effect at that time. At each anniversary, compute the premium using the rates in effect at each anniversary.

CD. Attach Calculation Of Premium Endorsement BP 05 01 to prepaid policies, annual premium payment plan policies and continuous policies.

7. POLICY-WRITING MINIMUM PREMIUM

- A. For prepaid policies, apply the policy-writing minimum premium shown in the multistate rates regardless of term.
- B. For annual premium payment plan policies or continuous policies, apply the policy-writing minimum premium shown in the multistate rates for each annual period.

8. ADDITIONAL PREMIUM CHANGES

A. Calculation Of Premium

1. Prorate all changes requiring additional premium.
2. In computing the additional premium for:
 - a. Any changes made to a location included at policy inception, use the rates and rules in effect on the effective date of the policy. If the changes are made after an anniversary date of the policy, use the rates and rules in effect on that anniversary date.
 - b. Locations which are added after policy inception (including all coverages, options and causes of loss at that location), use the rates and rules in effect as of the date of the change.
 - c. Any changes made to a location which was added after policy inception, use the rates and rules in effect as of the date the location was added.

The additional premium developed is in addition to any applicable policy-writing minimum premium.

B. Waiver Of Premium

Waive additional premium amounts as shown in the multistate rates. This waiver applies only to that portion of the company premium due on the effective date of the policy change.

C. New Rates

Because of materially changed conditions, an existing rate may be inequitable. If so, a new rate may be established and policies in force may be changed. The effective date of the new rate is the date the company receives notification of the changed conditions.

A policy endorsed to take advantage of a liberalized form shall be further endorsed to reflect all current rules, rates and forms.

9. RETURN PREMIUM CHANGES

A. Premium Computation

1. Compute return premium at the rates used to calculate the policy premium.
2. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or a limit of insurance is reduced. Retain the policy-writing minimum premium.

B. Waiver Of Premium

Waive return premium amounts as shown in the multistate rates. Grant any return company premium if requested by the insured. This waiver applies only to that portion of the premium due on the effective date of the policy change.

C. New Rates

Because of materially changed conditions, an existing rate may be inequitable. If so, a new rate may be established and policies in force may be changed. The effective date of the new rate is the date the company receives notification of the changed conditions.

A policy endorsed to take advantage of a reduced rate or liberalized form shall be further endorsed to reflect all current rules, rates and forms.

D. Deletion Of Mandatory Coverage

Deletion of a mandatory coverage is not permitted unless the entire policy is cancelled. Refer to Rule 10.

10. POLICY CANCELLATION

A. Pro Rata Cancellation

Compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:

1. At the company's request.
 2. Because the insured no longer has a financial or insurable interest in the property or business operation that is the subject of insurance.
 3. And rewritten in the same company or company group.
 4. After the first year for a prepaid policy written for a term of more than one year.
-

B. Other Calculations

If Paragraph A. of this Rule does not apply, compute return premium as follows: by applying the factor shown in Table **10.B.(RF)** to the pro rata unearned premium and round to the next higher whole dollar.

1. Continuous And Annual Premium Payment Policies

Compute return premium by multiplying the pro rata unearned premium for the one year or annual installment period by the factor shown in Table **10.B.(RF)** and round to the next higher whole dollar.

2. Prepaid Policies

If canceled during the first year, compute the return premium by multiplying the pro rata unearned premium for the first full year by the factor shown in Table **10.B.(RF)**, then adding the full annual premium for the subsequent years and rounding to the next higher whole dollar.

3. Policies With Term Less Than One Year

Compute return premium by multiplying the pro rata unearned premium by the factor shown in Table **10.B.(RF)** and round to the next higher whole dollar.

C. Retention Of Policy-Writing Minimum Premium

Retain the policy-writing minimum premium when return premium is calculated under Paragraph B. of this Rule except when a policy is cancelled as of the inception date.

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. ~~Tenant's Fire Liability Optional Coverage is not subject to an aggregate limit.~~
- (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, Endorsement BP 07 01 must be attached.

a. Mandatory Coverage Contractors' Base Coverages

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

(1) Installation Coverage 1 – Contractors' Installation Coverage

(a) Description Of Coverage

This ~~endorsement~~ coverage extends the insurance that applies to business personal property to apply to contractors' materials, supplies, equipment, machinery, fixtures and temporary structures while:

- (a)** At any job site not owned, leased or operated by the insured contractor;
- (b)** Awaiting and during installation, or awaiting acceptance by the purchaser;
- (c)** In transit; or
- (d)** At any temporary storage location.

~~A \$3,000 limit applies (regardless of the number of job sites and temporary storage locations) while off premises or in the course of transit.~~

(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.~~

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

(a) Description Of Coverage

~~This endorsement also~~ coverage extends the insurance that applies to business personal property to apply to contractors' tools and equipment owned by the insured contractor while temporarily at a premises not owned, leased or operated by the insured contractor or while in transit. ~~A \$3,000 limit is applicable, subject to a \$500 limit on non-owned tools and equipment the insured leases for any one tool 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 subject to a \$500 or \$2,000 sublimit for any one tool or piece of equipment. The applicable \$500 or \$2,000 sublimit 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.~~

(3) Premium Determination

~~Refer to the multistate rates Table 16.B.4.a.(3)(LC) to determine the additional 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). A separate limit of insurance must be shown if this optional coverage is selected that are in the insured's care, custody or control. This coverage does not apply to non-owned tools and equipment leased for a term of six months or more.

(2) Employees' Tools

For employees' tools, a separate limit of insurance must be shown if this optional coverage is selected. Coverage is subject to a \$5,000 maximum limit for all tools/\$500 per employee/\$100 limit for any one tool.

(3)(b) Premium Determination

(a) Non-Owned Tools And Equipment Coverage

- (i) Refer to the multistate rates 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 24.C.4.c.(RF). Refer to Paragraph **B.4.e**.
- (iii) Multiply the resulting rate by the non-owned contractors' tools and equipment limit of insurance (per \$100) to determine the additional premium.

(b)(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. 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 the multistate rates 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 24.C.4.c.(RF). Refer to Paragraph **B.4.e**.
- (iii) Multiply the resulting rate by the employees' tools and equipment limit of insurance (per \$100) to determine the additional premium.

c. Optional Higher Limits Of Insurance

(1) Coverage 1 – Installation Coverage

Refer to the multistate rates 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 following: limits displayed in Table 16.B.4.c.(1)(LC).

Limit Of Insurance For Property At Each Covered Job Site	Limit Of Insurance For Property At All Covered Job Sites Combined
\$ 5,000	\$ 15,000
10,000	30,000
15,000	45,000
20,000	60,000
25,000	75,000

Table 16.B.4.c.(1) Contractors' Installation Coverage – Optional Higher Limits Of Insurance

The limit of insurance for property covered while in transit and while at a temporary storage location is \$5,000, unless a higher limit is selected. The maximum limit for covered property at all covered job sites combined is three times the limit of insurance at each covered job site.

(2) Coverage 2 - Tools And Equipment Coverage

Refer to the multistate rates to determine For an additional premium the contractors' tools and equipment rate for 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 Basis Limit Subject To A \$2,000 Sub-limit Per Tool Or Piece Of Equipment

- (i) Refer to the multistate rates Table 16.B.4.c.(2)(a)(i)(LC) to determine the blanket owned contractors' tools and equipment rate subject to a \$2,000 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 B.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) Scheduled Basis Blanket Limit Subject To A \$500 Sub-limit Per Tool Or Piece Of Equipment

- (i) Refer to the multistate rates to determine the scheduled contractors' tools and equipment rate. 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 B.4.e.
- (iii) Multiply the resulting rate by the scheduled 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 B.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.

d. Endorsement

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

e. 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.

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.

5. Motels Endorsement BP 07 10

When insuring eligible motel risks, Motels Endorsement BP 07 10 must be attached. For other endorsements available for use with motel risks, refer to Rule 29.D.2.

Motels Endorsement BP 07 10 modifies several provisions of the property and liability coverages as follows:

a. Property Coverage

Amends the business personal property provisions to specify that property belonging to guests is not considered property of others; adds property in motel rooms furnished by the motel operator as business personal property; and includes a \$2,500 limit for lock replacement coverage.

b. Liability Coverage

This endorsement includes a \$25,000 Liability For Guests' Property Limit, which is subject to a \$1,000 per guest limit. Exclusions specific to these coverages are also included.

c. Premium Determination

Refer to the multistate rates to determine the additional premium for higher limits options.

6. Pesticide Or Herbicide Applicator – Limited Pollution Coverage Endorsement BP 07 08

a. Description Of Coverage

This endorsement amends the pollution exclusion applicable to Businessowners Liability Coverage to make it inapplicable to the operations of a landscape gardener, provided that such operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to such operations.

b. Endorsement

Pesticide Or Herbicide Applicator – Limited Pollution Coverage Endorsement BP 07 08 must be attached only when the insured contractor is a landscape gardener.

c. Premium Determination

The rates for the Landscape Gardener classification include the use of ~~Pesticide Or Herbicide Applicator Coverage Endorsement BP 07 08~~.

7. Self-Storage Facilities Endorsement BP 07 12

When insuring eligible self-storage facility risks, Endorsement **BP 07 12** must be attached. This endorsement revises several provisions of the property and liability coverages as follows:

a. Property Coverage

This endorsement adds ~~property belonging to your customers as Property Not Covered~~; adds Accrued Rental Charges as a component of Business Income Coverage; and amends coverage to provide Employee Theft to include personal property of your customers.

b. Liability Coverage

This endorsement includes a \$2550,000 Customers' Goods Legal Liability limit and a \$525,000 Sale and Disposal Liability limit. Exclusions specific to these coverages are added. The pollution exclusion is also amended to exclude pollutants brought onto the location by customers. Any loss covered under Section I – Property is excluded.

c. Premium

Refer to the multistate rates to determine the additional premium for higher limits options.

8. Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties) Endorsement BP 14 78

a. Description Of Coverage

This endorsement explicitly excludes coverage for property damage or business interruption resulting from any substance released in the course of production or processing operations performed at the rental premises described in the Schedule. There is no rate modification for use of this endorsement.

b. Endorsement

Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties) Endorsement BP 14 78 must be attached to policies covering rental properties regardless of whether the policy is issued to the owner or tenant.

C. Businessowners Policy Declarations BP DS 01

Businessowners Policy Declarations **BP DS 01** may be used when it is necessary to provide additional policy-writing information that is not shown on the forms.

D. Businessowners Policy Changes Endorsement BP 12 01

Businessowners Policy Changes Endorsement **BP 12 01** may be used to describe policy changes or to add or delete optional coverages.

1. Description

This endorsement may be used to describe policy changes or to add or delete optional coverages. Specifically, this endorsement is used to change the following items of a policy:

- a. Insured's Name;
- b. Insured's Mailing Address;
- c. Policy Number;
- d. Company;
- e. Effective/Expiration Date;
- f. Insured's Legal Status/Business of Insured;
- g. Payment Plan;
- h. Premium Determination;
- i. Additional Interested Parties;
- j. Coverage Forms and Endorsements;
- k. Limits/Exposures;
- l. Deductibles;

- m. Covered Property/Located Description;
- n. Classification/Class Codes;
- o. Rates; or
- p. Underlying Insurance.

2. Endorsement

Use Businessowners Policy Changes Endorsement **BP 12 01**.

~~**E. Exclusion Of Loss Due To Virus Or Bacteria BP 06 01**~~

~~Attach Exclusion Of Loss Due To Virus Or Bacteria Endorsement **BP 06 01** to all policies.~~

~~**F. Water Exclusion Endorsement BP 01 59**~~

~~Attach Water Exclusion Endorsement **BP 01 59** to all policies.~~

E. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement BP 15 04

1. Description Of Coverage

This endorsement excludes liability arising out of any access to or disclosure of any person's or organization's confidential or personal information. The exclusion in this endorsement includes a limited exception for bodily injury with respect to that part of the exclusion addressing electronic data. There is no rate modification for use of this endorsement.

2. Endorsement

Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement **BP 15 04** must be attached to all policies, unless one of the following endorsements, which may be used in lieu of Endorsement **BP 15 04** and are described in Rule **29**, is attached to the policy:

- a. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement **BP 15 05**;
- b. Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement **BP 15 06**; or
- c. Electronic Data Liability – Limited Coverage Endorsement **BP 05 95**.

22. ELIGIBILITY

A. Eligible Occupancies

The following are eligible occupancy groups for the Businessowners Program subject to the criteria listed below. Specific classes within these groups are further defined and listed in the Businessowners Classification Table Section of this ~~Manual~~ manual. Unless otherwise noted, eligible risks may not exceed 2535,000 square feet in total floor area or exceed \$36,000,000 in annual gross sales at each location. Storage buildings (including business personal property) occupied by the insured, incidental to an eligible risk and not exceeding 2535,000 square feet, may also be included.

1. Apartments (Including Residential Condominium Associations)

- a. Buildings of any size. The following incidental occupancies are permitted:

- (1) Offices;
- (2) Eligible wholesaler, mercantile, processing and service occupancies and contractors, which in total do not exceed 2535,000 square feet;
- (3) Contractors which do not occupy more than 7,500 square feet or more than 15% of the total area; otherwise, classify as a contractor office.

- b. Building owners' business personal property in eligible apartment buildings.

2. Condominium Commercial Unit-Ownersowners

Business personal property of owners of condominium units that are used for eligible mercantile, wholesaler, processing, service, office or contractor occupancies.

3. Contractors

- a. Contractors listed in the Businessowners Classification Table Section of the ~~Manual~~ manual are the only types eligible for the Businessowners Program. Any of the contractors engaged in the trades described in the Businessowners Classification Table Section of the ~~Manual~~ manual are ineligible if they engage in any combination of activities or types of operations described in Rule ~~Paragraph~~ **22.B.2**.

b. Contractors are subject to the following additional eligibility requirements:

- (1) No more than \$300,000 of annual payroll;
- (2) No work at a height of over ~~3~~three stories;
- (3) The total cost of subcontracted work cannot exceed more than 10% of the contractor's total annual gross sales;
- (4) No renting or leasing equipment to others; and
- (5) Sales unrelated to installation, service or repair cannot exceed 25% of annual gross sales.

4. Convenience Food/Gasoline Stores/Restaurants (Limited Cooking And Fast Food) Stores, Grocery Stores and Supermarkets

a. Definitions

- (1) A convenience food store is an establishment where the primary activity is the retail sale in limited amounts of a variety of canned goods, dairy products, prepackaged meats and other incidental grocery items, ~~(nNewspapers, magazines, refreshment items, cigarettes, beer, wine and novelties may also be sold.)~~
- (2) A ~~convenience-grocery store or supermarket~~ is an establishment where the primary activity is the retail sale of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. (Items typically sold in a convenience food store may also be sold.)
- (3) A convenience food, grocery store or supermarket with gasoline storesales provides for the sale of gasoline, in addition to the applicable description of activities in Rule ~~22.A.4.a.~~(Paragraph (1) or (2)).
- (34) A convenience food/gasoline store/restaurant with gasoline sales is an establishment described in Paragraphs (1) and (23) which also contains a limited cooking or fast food restaurant as defined in Rule ~~22.A.~~Paragraph 9.

b. Eligibility – Convenience Food Stores

Eligible convenience food store risks, with or without eligible limited cooking or fast food restaurants (refer to RuleParagraph ~~22.A.9.~~), ~~and/or~~ gasoline sales are eligible for the Businessowners Program subject to the following additional requirements:

- (1) ~~Total annual gross sales of gasoline must be less than 75% of~~A minimum of 3,000 square feet in total annual gross salesfloor area, when the convenience food store or restaurant provides for allthe sale of gasoline;
- (2) No automobile service or repair operations;
- (3) No car wash operations;
- (4) No propane or kerosene tank filling operations.

c. Eligibility – Grocery Stores/Supermarkets

Eligible grocery store or supermarket risks with gasoline sales are eligible for the Businessowners Program subject to the following additional requirements:

- (1) A minimum of 3,000 square feet in total floor area, when the grocery store or supermarket provides for the sale of gasoline;
- (2) No automobile service or repair operations;
- (3) No car wash operations;
- (4) No propane or kerosene tank filling operations.

5. Mercantile Risks

Building and business personal property for mercantile risks are eligible for coverage under the Businessowners Program as listed in the Businessowners Classification Table Section of the Manualmanual.

6. Motels

Building and business personal property for motel risks are eligible for coverage under the Businessowners Program. Motels are subject to the following additional eligibility requirements:

- a. Motel buildings are not to exceed three stories in height. No limitation applies to floor area;
- b. Motels with eligible restaurant occupancies are permitted;
- c. No seasonal operations (risks that are closed for more than 30 consecutive days);
- d. No bar or cocktail lounge.

7. Offices (Including Office And Commercial Condominium Associations)

- a. Buildings occupied principally for office purposes each of which does not exceed ~~6~~six stories in height or 100,000 square feet in total floor area are eligible for coverage. The following incidental occupancies are permitted:
- (1) Apartments;
 - (2) Eligible wholesaler, mercantile, processing and service occupancies and contractors, which in total do not exceed ~~25~~35,000 square feet; and
 - (3) Contractors which do not occupy more than 7,500 square feet or more than 15% of the total area; otherwise, classify as a contractor office.
- b. Business personal property in offices that do not occupy more than ~~25~~35,000 square feet in one building are eligible for coverage.

8. Processing And Service Risks

Building and business personal property for processing and service risks listed in the Businessowners Classification Table Section of the ~~Manual~~manual are the only types of processing and servicing risks eligible under the Business-owners Program. No more than 25% of annual gross sales may be derived from off-premises operations.

9. Restaurants

Building and business personal property for the following types of restaurants and those listed in the Business-owners Classification Table Section of the ~~Manual~~manual are the only restaurants eligible for coverage under the Businessowners Program.

a. Limited Cooking Restaurants

(1) Definition

Limited cooking restaurants are those where foods are prepared cold or cooked using appliances which do not emit smoke or grease-laden vapors that require an exhaust system (for example, electric sandwich grills, toasters, warming ovens, roller warmers, infrared snack warmers, microwave ovens, domestic ranges, domestic ovens and pizza ovens).

No grilling, open broiling, deep fat frying, roasting, barbecuing, solid fuel cooking (for example, mesquite, charcoal or hardwood) or other processes capable of producing grease-laden vapors requiring an exhaust system are permitted.

(2) Additional Eligibility Requirements

Limited cooking restaurants are subject to the following additional eligibility requirements:

- (a) No more than 7,500 square feet in total floor area;
- (b) Seating capacity no greater than 75;
- (c) With or without table service;
- (d) Sales of beer or wine only. Sales of beer and wine no greater than 25% of total sales. No other liquor sales;
- (e) No bar or cocktail lounge;
- (f) Catering service (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales; and
- (g) No seasonal operations (risks that are closed for more than 30 consecutive days).

b. Fast Food Restaurants

(1) Definition

Fast food restaurants may include limited cooking type appliances and only the following cooking processes capable of producing grease-laden vapors requiring an exhaust system: grilling, enclosed broiling, deep fat frying, roasting or barbecuing. Open broiling and solid fuel cooking (for example, mesquite, charcoal or hardwood) are not permitted.

(2) Additional Eligibility Requirements

Fast food restaurants are subject to the following additional eligibility requirements:

- (a) No more than 7,500 square feet in total floor area;
- (b) Seating capacity no greater than 150;
- (c) No table service;
- (d) Sales of beer or wine only. Sales of beer and wine no greater than 25% of total sales. No other liquor sales;

- (e) No bar or cocktail lounge;
 - (f) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales;
 - (g) No seasonal operations (risks that are closed for more than 30 consecutive days); and
 - (h) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96.
- (3) National Fire Protection Association Standard For Ventilation Control And Fire Protection Of Commercial Cooking Operations (NFPA Standard #96)**
- NFPA Standard #96 includes the following:
- (a) An automatic extinguishing system covering hoods, ducts and all surfaces of grills, ranges, deep fat fryers and broilers.
 - (b) A contract for semi-annual inspection and maintenance for the extinguishing system, hood and ducts.
 - (c) A manual release in the path of exit from the cooking area.
 - (d) Temperature settings of systems with detectors above the filters or temperature settings of systems with detectors below the filters set at specified levels.
 - (e) Portable fire extinguishers of the type described in NFPA Standard #96, and compatible with the extinguishing agent of the hood and duct fire protection system, must be available in the kitchen.
 - (f) All deep fat fryers must be equipped with separate high limit controls to shut off fuel when the temperature reaches the level described in NFPA Standard #96.
 - (g) A minimum clearance between the hood and duct and combustible construction as described in NFPA Standard #96.

c. Casual Dining Restaurants

(1) Definition

Casual dining restaurants serve moderately priced food in a casual atmosphere to patrons who generally order and are served while seated and pay after eating. Take-out service and the use of a buffet may also be available. These restaurants may serve no alcoholic beverages; serve beer and wine only; or serve beer, wine and liquor.

(2) Additional Eligibility Requirements

Casual dining restaurants are subject to the following additional eligibility requirements:

- (a) No more than 7,500 square feet in total floor area;
- (b) Seating capacity no greater than 150;
- (c) Sales of beer, wine or liquor no greater than 50% of total sales;
- (d) Catering (that is, service involving serving of food away from the insured's premises) must not exceed 10% of total sales;
- (e) No seasonal operations (risks that are closed for more than 30 consecutive days);
- (f) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96, as described in Paragraph b.(3);
- (g) No dancing permitted;
- (h) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment;
- (i) No "happy hours" or similar promotions; and
- (j) No bar operations during hours when full table service is not also available. Bar operations for the sole purpose of consuming alcoholic beverages are not permitted.

d. Fine Dining Restaurants

(1) Definition

Fine dining restaurants provide quality food and alcoholic beverages prepared by highly trained chefs and served with a great deal of attention to customers by waitstaff. These restaurants typically have valuable business personal property consisting of furniture, tableware, lighting, art and other items of décor.

(2) Additional Eligibility Requirements

Fine dining restaurants are subject to the following additional eligibility requirements:

- (a) No more than 7,500 square feet in total floor area;

- (b) Seating capacity no greater than 150;
- (c) Sales of beer, wine or liquor no greater than 75% of total sales;
- (d) Catering (that is, service involving serving of food and alcoholic beverages away from the insured's premises) must not exceed 15% of total sales;
- (e) No seasonal operations (risks that are closed for more than 30 consecutive days);
- (f) Installation and maintenance of an automatic extinguishing system for cooking equipment equivalent to that which is recommended by NFPA Standard #96, as described in Paragraph **b.(3)**;
- (g) No dancing permitted;
- (h) No live entertainment (including karaoke) other than incidental music, such as piano playing, provided by the establishment;
- (i) No "happy hours" or similar promotions;
- (j) Bar operations for customers who are seated, or waiting to be seated, in the restaurant only;
- (k) Maitre'd supervision of waitstaff and to control customer turnover; and
- (l) Chef supervision of food preparation and other kitchen operations.

10. Self-Storage Facilities

Building and business personal property for self-storage facilities are eligible under the Businessowners Program. The following additional eligibility requirements apply:

- a. Self-storage facilities are not to exceed two stories in height. No limitation applies to floor area.
- b. Self-storage facilities that permit cold storage or storage of industrial materials, chemicals, pollutants and waste are ineligible.

11. Wholesale Risks

Building and business personal property for wholesale businesses listed in the Businessowners Classification Table Section of the Manual are the only types of wholesale risks eligible for the Businessowners Program. No more than 25% of annual gross sales may be derived from retail operations and no more than 25% of the total floor area may be open to the public. Eligible classifications do not include the operations of manufacturers' representatives or contractors.

B. Ineligible Occupancies

1. General

The following classes are not eligible for the Businessowners Program:

- a. Automobile repair or service stations; automobile, motor home, mobile home and motorcycle dealers; parking lots or garages; unless incidental to another otherwise eligible class;
- b. Bars, pubs;
- c. Condominium associations other than office, commercial or residential condominiums;
- d. Buildings occupied in whole or in part for manufacturing;
- e. Insureds whose business operation involves one or more locations which are used for manufacturing;
- f. Household personal property;
- g. One or two family dwellings unless of garden apartment variety where multiple units are grouped within a single area and are under common ownership, management and control;
- h. Places of amusement;
- i. Banks, building and loan associations, savings and loan associations, credit unions, stockbrokers and similar financial institutions; and
- j. Self-storage facilities that provide outdoor storage of any type of motorized vehicles, including campers and recreational vehicles.

2. Contractors

The following types of contractors and/or activities are not eligible for the Businessowners Program, regardless of whether or not they engage in eligible activities:

- a. General Contractors, (A General Contractor is a contractor who is responsible for managing an entire project on behalf of the client, rather than just a portion of the project. In addition, a General Contractor hires and coordinates the efforts of subcontractors.);
- b. Contractors who use cranes in their operations.

- c. Contractors who repair, install or service or previously repaired, installed or serviced boilers, burglar alarm systems, automatic fire extinguishing systems, elevators, escalators or computers.
- d. Contractors with products manufactured or sold under the insured's name.
- e. Contractors who engage in or previously engaged in:
 - (1) Demolition, blasting, wrecking, high pressure boiler work or liquid petroleum gas (LPG) work;
 - (2) Insulation work;
 - (3) Lawn chemical spraying operations, except with respect to the operations of a landscape gardener, provided that such landscape gardener operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government that apply to such operations; and
 - (4) Hazardous material or pollution abatement operations, including but not limited to:
 - (a) Asbestos;
 - (b) Lead; and
 - (c) Radon mitigation and testing.
- f. Contractors who engage in:
 - (1) Sales, service or installation of any kind of automatic opening doors or garage doors (residential or commercial);
 - (2) Heavy construction, including but not limited to:
 - (a) Bridge, caisson, cofferdam, dam, dike, dry dock, jetty, levee or pier construction;
 - (b) Cable laying and cable installation;
 - (c) Crane or derrick installation or rigging;
 - (d) Dredging;
 - (e) Drilling;
 - (f) Excavation;
 - (g) Grading of land;
 - (h) Iron or steel erection;
 - (i) Pipeline construction;
 - (j) Sandblasting;
 - (k) Scaffolding, hoists, tower erection; or
 - (l) Tunneling;
 - (3) Installing, repairing, or servicing hot tubs;
 - (4) Ship repair or painting work;
 - (5) "Shop-only" carpentry or sheet metal work;
 - (6) Installing and repairing swimming pools;
 - (7) Tree service or removal contracting work;
 - (8) Waterproofing contracting operations; and
 - (9) Installing wood and coal stoves.
- g. Other contractors not specifically provided for in the Businessowners Classification Table Section of the Manual.

C. Building And Business Personal Property Ownership

When under one ownership, building and business personal property must be included in the same policy.

D. Computation Of Floor Areas

Do not use basement areas not open to the public in computing floor areas.

23. PREMIUM DEVELOPMENT – MANDATORY COVERAGES

A. General Rules

1. Annual Period

All rates and premiums referred to in this Division are for an annual period.

2. Applicable To All Types Of Eligible Risks

- a. Compute premium separately for mandatory property and liability coverages.
- b. For mandatory property coverage, the rates apply per \$100 of the limit of insurance. The limit of insurance must be the replacement cost value of the property to be insured unless the Actual Cash Value – Buildings Option applies. Refer to Rule **28.A.2**.
- c. For mandatory liability coverage, rates apply either per \$100 of the limit of insurance (as defined in Paragraph **b.**) per \$1,000 of annual gross sales or per \$1,000 of annual payroll. Refer to Paragraphs **A.3.** through **A.6.**
- d. For limits of insurance not displayed in the manual, interpolate the factors using the nearest amount above and below the selected amount. Refer to the following example:

Interpolation Rule Example (Limit Of Insurance)

The factors shown in this example are for illustrative purposes only and are not necessarily the factors shown in the limit of insurance tables of this manual.

- (1) If the selected building limit of insurance is \$315,000, the nearest factors are \$300,000 and \$325,000.
- (2) For \$300,000 under Group A, the factor is 0.840 and for \$325,000 the factor is 0.812.
- (3) Calculate the difference between the two factors and divide by 25 (the difference, in thousands, between 325,000 and 300,000). This provides a factor per \$1,000.

$$\begin{array}{r} 0.840 \\ - 0.812 \\ \hline 0.028 \div 25 = 0.001 \end{array}$$

- (4) Multiply the factor determined in Paragraph (3) per \$1,000 times 15 (the difference in thousands between 315,000 and 300,000) and subtract from 0.840, the factor for \$300,000.

$$\begin{array}{r} 0.001 \\ \times 15 \\ \hline 0.015 \\ 0.840 - 0.015 = 0.825 \end{array}$$

- (5) The result in this example is 0.825.

3. Applicable To Contractors

For contractors' occupant risks, the mandatory liability rates apply per \$1,000 of annual payroll.

4. Applicable To Convenience Food/Gasoline Stores/Grocery Stores/Supermarkets/Restaurants With Gasoline Sales

The exposure base for mandatory liability premium determination is dependent upon the combination of occupancies selected for combined Convenience Food/Gasoline Stores/Grocery Stores/Supermarkets/Restaurants With Gasoline Sales (Limited Cooking and Fast Food) risks. Refer to the Businessowners Classification Table Section of the Manual. When determining the amount of annual gross sales for occupancies with gasoline stores, do not use the amount of gasoline sales in the calculation.

5. Applicable To Motels

For motel occupant risks, the mandatory liability rates apply per \$1,000 of annual gross sales.

6. Applicable To Restaurants

For limited cooking or fast food restaurant occupant risks, the mandatory liability rates apply per \$1,000 of annual gross sales.

B. Special Rules

1. Combined Apartment And Office Occupancies

Rate combined apartment and office properties with 15% or less of the total floor area used for office occupancy as apartments; if more than 15% of the total floor area is occupied as office, rate as office.

2. Predominant Occupancy – Apartment Or Office

If apartment or office buildings contain eligible restaurant occupancies, rate property as a restaurant. If apartment or office buildings contain eligible occupancies other than restaurants, the rate of the occupancy (other than the apartment or office) with the largest total floor area applies. (If no single occupancy has the largest total floor area, use the highest rate.)

3. Predominant Occupancy – Other Than Apartment Or Office

If buildings (other than apartment or office) contain multiple eligible occupancies, the rate of the occupancy with the largest total floor area applies. (If no single occupancy has the largest total floor area, use the highest rate.)

4. Unique Occupancies

If predominant occupancy cannot be adequately determined by applying the rules in Paragraphs **1. – 3.**, refer to company for rating.

5. Lessors Or Occupant Liability

For building owners, use Lessors' Liability rates if the insured building owner occupies 10% or less of the total area of the premises. If the insured occupies more than 10% of the total area of the premises, use the Occupant Liability rates.

6. Additional Liability Exposures

The premiums developed in Paragraph **C.6.b.** contemplate only Liability and Medical Expenses exposures for the premises designated in the Declarations. Should the insured have or acquire during the term of the policy any other liability exposure (not specifically excluded), charge additional premium in accordance with the rates and rules contained in Division Six – General Liability.

7. Premium Audit

The premium charged at the time the policy is issued may be provisional, if an advance premium is shown in the Declarations. Liability And Medical Expenses Coverage may be subject to audit. The earned premium for the coverage subject to audit shall be determined by applying to the audited exposures the rules, classifications and rates in effect at the inception of the policy.

8. Contractors

a. Payroll

(1) Definition

Payroll means remuneration, in money or substitutes for money, for services rendered by employees, excluding payroll of clerical employees, draftsmen, outside salespersons, collectors or messengers, and drivers or their helpers.

(2) Executive Officers

(a) Definition

The executive officers of a corporation are those persons holding any of the officer positions created by the named insured's charter, constitution or bylaws, or any other similar governing document.

(b) Exception

The payroll of all executive officers of a corporation and individual insureds or co-partners engaged principally in clerical operations or as salespersons shall not be included for premium purposes.

(c) Rule

Use the payroll shown in the state exceptions to determine the payroll of executive officers of a corporation and individual insureds and co-partners.

(d) Seasonal Businesses

For part-time or seasonal businesses the payroll amounts may be reduced by ~~two~~ two percent for each full calendar week in excess of ~~twelve~~ 12 during which the named insured did not perform any operations. The following are examples:

- (i)** The named insured did not engage in any contracting operations during 10 full calendar weeks. No reduction in the amount of payroll is permitted.
- (ii)** The named insured did not engage in any contracting operations during 20 full calendar weeks. The amount of payroll is multiplied by a factor of .84 calculated as follows:
 - i.** $20 - 12 = 8$;
 - ii.** $8 \times 2\% = 16\%$;
 - iii.** $1 - .16 = .84$.

(e) Leased Workers

The premium on the payroll of leased workers furnished to the named insured by a labor leasing firm shall be based on the classifications and rates which would have applied if the leased workers had been the direct employees of the named insured. If payroll is unavailable, use 100% of the total cost of the contract for leased workers as the payroll of leased workers. The premium shall be charged on that amount as payroll.

If investigation of a specific employee leasing contract discloses that a definite amount of the contract price represents payroll, such amount shall be considered payroll for premium computation purposes.

b. Payroll Calculation

For premium computation purposes, determine the amount of payroll as follows:

Total Payroll = (Payroll for Full/Part Time/Leased Employees) + (Number of Executive Officers/Co-partners or Individual Insured x Flat payroll shown in the rates).

C. Premium Determination

1. Risk Classification

Refer to the Businessowners Classification Table Section of the Manual to obtain:

- a. Classification descriptions and codes;
- b. Rate numbers for the building and business personal property premium calculation for all eligible risks. Refer to Table **23.C.1.b.(RF)** for the relativity table.
- c. Class groups for liability premium calculation for all eligible risks. Refer to Tables **23.C.6.b.(2)(b)(i)#1(RF) – #4(RF)** for the relativity tables.
- d. The occupant liability exposure base for each risk classification.
- e. The Earthquake Rate grade and the Earthquake Sprinkler Leakage Susceptibility grade assignments.

2. Rating Territory

Refer to the state territories to determine the territory and territory code applicable to the location of the property being insured.

3. Building Construction

Classify buildings according to the construction types in Paragraphs **3.a.** through **3.g.** Refer to Table **23.C.3.(RF)** for corresponding building construction relativities:

a. Frame

Buildings with exterior walls of wood or other combustible materials including construction where combustible materials are combined with other materials (such as brick veneer, stone veneer, wood ironclad, stucco on wood).

b. Joisted Masonry

Buildings where the exterior walls are constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and where the floors and roof are combustible (disregarding floors resting directly on the ground).

c. Non-Combustible

Buildings where the exterior walls, floors and roof are constructed of, and supported by, metal, asbestos, gypsum or other non-combustible materials.

d. Masonry Non-Combustible

Buildings where the exterior walls are constructed of masonry materials described in Paragraph **b.**, with the floors and roof of metal or other non-combustible materials.

e. Modified Fire-Resistive Or Fire-Resistive

Buildings where the exterior walls, floors and roof are constructed of masonry or other fire-resistive materials.

f. Mixed Construction

When a building is of mixed construction, determine the applicable construction type as follows:

(1) If 2/3 or more of the total wall area is of masonry or fire-resistive materials, the Construction Type is:

- (a)** Fire-Resistive or Modified Fire-Resistive, when 2/3 or more of the total floor and roof area is of masonry or fire-resistive materials.
- (b)** Masonry Non-Combustible, when 2/3 or more of the total floor and roof area is of non-combustible materials.
- (c)** Joisted Masonry, when more than 1/3 of the total floor and roof area is of combustible materials.

- (2) If 2/3 or more of the total wall area and 2/3 or more of the floor and roof area is of non-combustible materials, the applicable Construction Type is Non-Combustible.
- (3) If more than 1/3 of the total wall area is of combustible materials, the applicable Construction Type is Frame.

g. Other Types Of Construction

If Paragraphs a. through f. do not describe the building, refer to company for Construction Type giving construction details.

4. Community Mitigation Classifications

a. Public Protection (Fire) Classification

Refer to the Community Mitigation Classification Manual to determine the Public Protection (Fire) Classification. For premium determination, refer to Table **23.C.4.a.(RF)** for Public Protection (Fire) Classification Relativities.

b. Building Code Effectiveness Grading

(1) General Information

- (a) The Building Code Effectiveness Grading Schedule develops grades of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the Windstorm/Hail or Earthquake causes of loss may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The Building Code Effectiveness Grading factor applies, where applicable, in addition to the Public Protection (Fire) Classification factors.
- (b) The Building Code Effectiveness Grade for a community, and its effective date, are provided in the Community Mitigation Classification Manual.
- (c) For Businessowners Building Code Effectiveness Grading for Earthquake Coverage, refer to Division Five – Fire and Allied Lines.

(2) Community Grading

- (a) The Building Code Effectiveness Grading factor applies to any building that has an original certificate of occupancy dated in the year of the effective date of the community grading, or later. A rating factor has been developed for each community grade.
- (b) If a community is re-graded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
- (c) Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
- (d) If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community grading applicable at the time the reconstruction is completed will apply to such building.
- (e) The Building Code Effectiveness Grade may apply to Windstorm/Hail or Earthquake, or to both. Specific information is provided in the Community Mitigation Classification Manual. If the grade in the manual does not apply to one of the causes of loss, the factor should not be applied for that cause of loss.

(3) Individual Grading

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes even though the community grade is less than 1, exception rating procedures may apply.

Any building may be classified as Grade 1 for Windstorm/Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the windstorm and hail hazard. The classification is effective only from the date of the certification.

For any building classified as a Grade 1 based on certification as set forth in this rule, refer to the state Rating Relativities and Factors to determine the Building Code Effectiveness Grading factor.

(4) Ungraded Risks

Buildings which do not meet the criteria described in Paragraphs (2) and (3) for Grade assignment are rated as ungraded risks. Do not classify as Grade 10.

(5) State Rating Relativity Table

Refer to the state Rating Relativities and Factors Table **23.C.4.b.(5)(RF)** to determine the Building Code Effectiveness Grading factors, by territory, where applicable.

5. Sprinklered Property – Automatic Sprinkler System

When the building is protected by an Automatic Sprinkler system as defined in Paragraphs **a.** and/or **b.**, refer to Table **23.C.5.(RF)** for factors.

a. Any automatic fire protective or extinguishing system, including connected:

- (1) Sprinklers and discharge nozzles;
- (2) Ducts, pipes, valves and fittings;
- (3) Tanks, their component parts and supports; and
- (4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

- (1) Non-automatic fire protective systems; and
- (2) Hydrants, standpipes and outlets.

This definition includes cooking protection equipment.

6. Premium Determination

a. Building And Business Personal Property Coverage

(1) General

Property base rates (per \$100 of the limit of insurance) are displayed for frame construction, public protection (fire) classifications 01-04, non-sprinklered risks with a \$500 deductible in two categories:

- (a) Building rate for a limit of insurance of \$200,000 for Rate Number 01;
- (b) Business Personal Property rate for a limit of insurance of \$50,000 for Rate Number 01.

(2) Rate Determination

- (a) Select the building or business personal property state base rate for the applicable Territory.
- (b) Select the building Limit of Insurance relativity group that corresponds to the applicable territory from Table **23.C.6.a.(2)(b)** in the state exceptions.

(c) Calculate the building or business personal property state final rate as follows:

- (i) Based on the Rate Number assigned in the Businessowners Classification Table Section of the Manual, multiply the building or business personal property state base rate by the Rate Number Relativity from Table **23.C.1.b.(RF)**;
- (ii) Multiply this result by the applicable Construction Relativity from Table **23.C.3.(RF)**;
- (iii) Multiply this result by:
 - i. The applicable building Limit of Insurance Relativity for the selected limit of insurance and group from Table **23.C.6.a.(2)(c)(iii)i.(RF)**; or
 - ii. The business personal property Limit of Insurance Relativity for the selected limit of insurance from Table **23.C.6.a.(2)(c)(iii)ii.(RF)**;

If the selected limit of insurance is not displayed in the appropriate table, refer to Paragraph **(4)-A.2.d.**

- (iv) Multiply this result by the applicable Public Protection (Fire) Classification Relativity from Table **23.C.4.a.(RF)**;
- (v) Multiply this result by the applicable Building Code Effectiveness Grade Relativity from state Rating Relativity Factor Table **23.C.4.b.(5)(RF)**;
- (vi) If the risk is a sprinklered property, multiply this result by the applicable Sprinklered Factor from Table **23.C.5.(RF)**;
- (vii) Refer to Rule **24.** if the risk selects an optional property deductible. Multiply the result of Paragraph (vi) by the Optional Deductible Factor for the selected deductible from Table **24.C.4.(RF)** or **24.C.4.c.(RF)**;
- (viii) Round the result of Paragraphs (i) – (vii) to three decimal places.

(3) Premium Calculation

To obtain the premium for mandatory Building and Business Personal Property Coverages, multiply the:

- (a) Building final rate from Paragraph (2)(c)(viii) by the building limit of insurance (per \$100). Round to the nearest whole dollar.
- (b) Business Personal Property final rate from Paragraph (2)(c)(viii) by the business personal property limit of insurance (per \$100). Round to the nearest whole dollar.

(4) Interpolation Rule – Limit Of Insurance

For limits of insurance not displayed, interpolate the factors using the nearest amount above and below the selected amount. Refer to the following example:

The factors shown in this example are for illustrative purposes only and are not necessarily the factors shown in the limit of insurance tables of this manual.

(a) If the selected building limit of insurance is \$315,000, the nearest factors are \$300,000 and \$325,000.

(b) For \$300,000 under Group A, the factor is 0.840 and for \$325,000 the factor is 0.812.

(c) Calculate the difference between the two factors and divide by 25 (the difference, in thousands, between 325,000 and 300,000). This provides a factor per \$1,000.

$$\begin{array}{r} 0.840 \\ -0.812 \\ \hline 0.028 \div 25 = 0.001 \end{array}$$

(d) Multiply the factor determined in Paragraph (c) per \$1,000 times 15 (the difference in thousands between 315,000 and 300,000) and subtract from 0.840, the factor for \$300,000.

$$\begin{array}{r} 0.001 \\ \times 15 \\ \hline 0.015 \\ 0.840 - 0.015 = 0.825 \end{array}$$

(e) The result in this example is 0.825.

b. Liability And Medical Expenses Coverage

(1) General

Liability base rates are displayed for a \$300,000 limit with no deductible in four categories:

- (a) Occupant Liability (per \$100 of the limit of insurance) for Class Group 01;
- (b) Occupant Liability (per \$1,000 of annual gross sales) for Class Group 31;
- (c) Occupant Liability (per \$1,000 of annual payroll) for Class Group 51; and
- (d) Lessors Liability (per \$100 of the limit of insurance) for Class Group 01.

(2) Rate Determination

- (a) For occupant risks, select the appropriate occupant liability state base rate for the applicable Territory based on the exposure base assigned in the Businessowners Classification Table Section of the Manual. For lessors risks, select the lessors liability state base rate for the applicable territory.
- (b) Calculate the liability state final rate as follows:
 - (i) Based on the Class Group assigned in the Businessowners Classification Table Section of the Manual, multiply the liability state base rate by the Class Group Relativity from Tables **23.C.6.b.(2)(b)(i)#1(RF)** (for occupant risks – Limit of Insurance), **#2(RF)** (for occupant risks – Annual Gross Sales), **#3(RF)** (for occupant risks – Annual Payroll) or **#4(RF)** (for all lessors risks).
 - (ii) If the risk selects a higher liability limit, multiply this result by the Increased Limits Factor for the selected limit from Table **23.C.6.b.(2)(b)(ii)(RF)**;
 - (iii) Refer to Rule **24.** if the risk selects an optional property damage liability deductible. Multiply the result determined in Paragraph (ii) by the Optional Property Damage Liability Deductible Factor for the selected deductible from Table **24.D.4.a.(RF)**;
 - (iv) Round the result of Paragraphs (i), (ii) and (iii) to three decimal places.

(3) Premium Calculation

To obtain the premium for mandatory Liability And Medical Expenses Coverage, multiply the final rate from Paragraph (2)(b)(iv) by the:

- (a) Annual gross sales (per \$1,000) for restaurants, motels with or without restaurants and combined convenience stores/restaurants with or without gasoline sales (however, do not include gasoline sales in the calculation); or
- (b) Annual payroll (per \$1,000) for contractors; or

- (c) Limit of insurance for all other risks, including lessors risks for all occupancies, unless otherwise noted. For occupant risks, the limit of insurance is the business personal property limit of insurance (per \$100). For lessors risks, ~~the limit of insurance is the other than lessors of condominium-offices risks, the limit of insurance is the building limit of insurance (per \$100).~~ For lessors of condominium-offices risks, divide the total floor space (square footage) of the condominium-offices risk being rated by the total floor space (square footage) of the entire condominium building. Multiply this result by the condominium building limit of insurance (per \$100).

- (d) Round the result for Paragraphs (a), (b) and (c) to the nearest whole dollar.

c. Additional Rating Considerations

(1) Playgrounds And Amusement Areas

Refer to company for charges for the following:

- (a) Playgrounds – indoor or outdoor;
- (b) Amusement areas which include mechanical rides or other play equipment or more than two amusement devices such as video games, pinball machines or other similar devices.

(2) Swimming Pools

- (a) For each swimming pool, charge an additional premium.
- (b) Refer to the multistate rates to determine the additional premium.
- (c) Optional deductibles do not apply.

(3) Permanent Yards – Maintenance Or Storage

For business personal property stored in a contractors permanent yard maintained by the insured for storage of material or storage of maintenance equipment:

- (a) Refer to the state rates to determine the applicable rate.
 - (i) The loss costs for Protection Classes 05–08, in Table 23.C.6.c.(3)(LC) of the state rates, also apply to Protection Class 8B.
 - (ii) The loss costs for Protection Classes 09–10, in Table 23.C.6.c.(3)(LC) of the state rates, also apply to Split Protection Classes designated by X, Y or W.
- (b) Multiply the state rate by the limit of insurance (per \$100).
- (c) Optional deductibles may be applied to this additional rating consideration, as described in Rule 24.B.1.

7. Rating Examples

Refer to the Rating Examples Appendix.

24. DEDUCTIBLES

A. Standard

A \$500 base property deductible is contemplated for all causes of loss and may be shown in the Declarations. The deductible applies to all Building and Business Personal Property Coverages, both mandatory and optional, including Glass Coverage and Employee Dishonesty. The deductible does not apply to Business Income, Extra Expense, Civil Authority, Fire Extinguisher System Recharge Expense and the Fire Department Service Charge. For Optional Coverages a basic \$500 Optional Coverage deductible applies and must be indicated in the Declarations. Deductibles apply per location.

B. Optional Fixed Dollar Deductibles

Optional fixed dollar deductible amounts of \$250, \$1,000 ~~or~~, \$2,500, \$5,000, \$7,500 and \$10,000 are available and must be indicated in the Declarations. These optional deductibles apply on a per location basis.

- 1. Optional deductibles apply to Permanent Yards – Maintenance Or Storage, the following coverages:

- ~~a. Mechanical Breakdown; and~~
- ~~b. Permanent Yards – Maintenance Or Storage.~~

- 2. Optional deductibles apply to the following optional endorsements:

- a. Contractors' Installation, Tools And Equipment Coverage Endorsement **BP 07 01**;
- b. Food Contamination Endorsement **BP 04 31**;
- c. Sprinkler Leakage – Earthquake Extension Endorsement **BP 10 10**;
- d. Utility Services – Direct Damage Endorsement **BP 04 56**; and

- e. Water Back-Up And Sump Overflow Endorsement **BP 04 53**.
- 3. Optional deductibles **do not** apply to the following coverages:
 - a. Employee Dishonesty;
 - b. Outdoor Signs;
 - c. ~~Glass; Money And Securities; and~~
 - d. ~~Money and Securities; and~~
 - ed. Forgery Or Alteration.
- 4. Optional deductibles **do not** apply to the following optional endorsements:
 - a. Additional Insured – Lessor Of Leased Equipment Endorsement **BP 04 16**;
 - b. Additional Insured – Managers Or Lessors Of Premises Endorsement **BP 04 02**;
 - c. Hired Auto And Non-Owned Auto Liability Endorsement **BP 04 04**;
 - d. Pharmacists – Broad Coverage Endorsement **BP 08 06**;
 - e. Pharmacists Endorsement **BP 08 07**;
 - f. Utility Services – Time Element Endorsement **BP 04 57**; and
 - g. Veterinarians Professional Liability Endorsement **BP 08 05**.
- 5. Optional deductibles may **not** be applied to Rule **23.C.6.c.(2)** Swimming Pools.

C. Optional Windstorm Or Hail Percentage Deductibles

1. Description

The following deductibles may be used for the Windstorm or Hail cause of loss:

- a. 1% Deductible;
- b. 2% Deductible; or
- c. 5% Deductible.

The dollar amount of the deductible will be equal to 1%, 2% or 5% of the limit(s) of insurance applicable to all covered property that has sustained loss or damage. Optional Windstorm or Hail percentage deductibles apply on a per location basis.

2. Endorsement

Use Windstorm Or Hail Percentage Deductibles Endorsement **BP 03 12**.

3. Rules

- a. The Windstorm or Hail percentage deductibles apply whenever there is an occurrence of Windstorm or Hail.
- b. The Windstorm or Hail percentage deductible is calculated **separately** for, and applies **separately** to:

- (1) Each building, ~~if two or more buildings sustain that sustains~~ loss or damage;
- (2) The personal property at each building at which there is loss or damage to personal property;
- (3) Personal property in the open.

~~If there is damage to both a building and to business personal property in that building, if both sustain loss or damage; separate deductibles apply to the building and to the personal property.~~

- (3) ~~Business personal property at each building, if business personal property at two or more buildings sustains loss or damage;~~
- (4) ~~Business personal property in the open.~~

- c. Percentage deductibles may vary by location. At a location, all covered property must be written using the same percentage deductible.
- d. When property is covered under the Coverage Extension for Newly Acquired Property: In determining the amount, if any, that will be paid for loss or damage, an amount equal to a percentage of the value(s) of the property at time of loss will be deducted. The applicable percentage for Newly Acquired Property is the highest percentage shown in the Schedule for any described premises.

4. Deductible Relativities

a. Fixed Dollar Deductibles Without Optional Windstorm Or Hail Percentage Deductible

If an optional fixed dollar deductible of ~~either \$1,000, \$2,500, \$5,000, \$7,500 or \$2,500~~ 10,000 is selected to apply to all causes of loss (including Windstorm or Hail), select the fixed dollar deductible factor shown in Table **24.C.4.(RF)**, ~~Optional Property Deductible Factors.~~

b. Fixed Dollar Deductibles With Optional Windstorm Or Hail Percentage Deductible

- (1) If the basic \$500 fixed dollar deductible applies to all causes of loss other than Windstorm or Hail and an optional Windstorm or Hail percentage deductible is selected; or
- (2) If an optional fixed dollar deductible amount of either \$1,000 or, \$2,500, \$5,000, \$7,500 and \$10,000 is selected to apply to all causes of loss other than Windstorm or Hail and an optional Windstorm or Hail percentage deductible is selected;

select the Windstorm or Hail percentage deductible factor shown in Table **24.C.4.(RF)**, ~~Optional Property Deductible Factors.~~

c. \$250 Fixed Dollar Deductible Option

If a fixed dollar deductible of \$250 is selected, refer to Table **24.C.4.c.(RF)** to obtain the applicable deductible factor.

D. Property Damage Liability Deductibles

1. Description

Optional property damage liability deductibles of \$250, \$500, \$1,000 and \$2,500 are available for Businessowners risks and must be indicated in the Declarations. These deductibles apply on either a per occurrence or per claim basis. Optional property damage liability deductibles also apply on a per policy basis.

2. Endorsement

Use:

- a. Business Liability Coverage – Property Damage Liability Deductible (Per Claim Basis) Endorsement **BP 07 03**; or
- b. Business Liability Coverage – Property Damage Liability Deductible (Per Occurrence Basis) Endorsement **BP 07 04**.

3. Rules

For classifications that include contractors' painting operations:

- a. A mandatory property damage liability deductible of \$250 applies;
- b. A deductible factor does not apply.

4. Deductible Factors

a. Per Occurrence Basis

If a per occurrence property damage liability deductible is selected, refer to Table **24.D.4.a.(RF)** to obtain the applicable deductible factor.

b. Per Claim Basis

If a per claim property damage liability deductible is selected, refer to company for deductible factors.

28. OPTIONAL COVERAGES

The following optional coverages are included in Businessowners Coverage Form **BP 00 03** (except as noted) and are activated by entry on the Declarations page:

A. Property Coverages

1. Accounts Receivable

a. Description Of Coverage

The \$10,000 (on-premises) limit of insurance for Accounts Receivable Coverage in the Property – Coverage Extensions Section of the Businessowners Coverage Form may be increased. An off-premises limit of \$5,000 is also included within this Coverage Extension, however, higher limits options do not apply to off-premises coverage.

b. Premium Determination

Develop the additional premium for Accounts Receivable Coverage by multiplying the Business Personal Property rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **28.A.1.b.(RF)**. Multiply the result by the Accounts Receivable limit of insurance (per \$100) in excess of \$10,000.

2. Actual Cash Value – Buildings Option

a. Description Of Coverage

Building Coverage may also be written on an Actual Cash Value basis, if this option is shown in the Declarations.

b. Rating Procedure

When rating a lessors risk, develop the additional premium by multiplying the Lessors Liability premium determined in Rule ~~23.C.6.b.(3)~~ by the applicable factor shown in Table ~~28.A.2.b.(RF)~~.

3. Automatic Increase In Insurance

a. Description Of Coverage

The limit of insurance under the Businessowners Policy applicable to the building is automatically increased during the policy period by an annual percentage shown in the Declarations. This percentage is 8% unless a higher or lower percentage is shown ~~in~~ on the Declarations.

There is no option to eliminate this coverage feature.

b. Rating Procedure

When a lower percentage is shown, develop the premium credit by multiplying the Building premium determined in Rule ~~23.C.6.a.(2)(c3)(a)~~ and Rule ~~29.A.4012.e.~~ by the appropriate credit factor shown in Table ~~28.A.3.b.#1(RF)~~. ~~Automatic Increase In Insurance Factors.~~

When a higher percentage is shown, develop the additional premium by multiplying the Building premium determined in Rule ~~23.C.6.a.(3)(a)~~ and Rule ~~29.A.4012.e.~~ by the appropriate factor shown in Table ~~28.A.3.b.#2(RF)~~. ~~Automatic Increase In Insurance Factors.~~

4. Business Income From Dependent Properties

a. Description Of Coverage

The \$5,000 limit of insurance for Business Income From Dependent Properties Coverage in the Additional Coverages Section of the Businessowners Coverage Form may be increased by activating this Optional Coverage on the Declarations.

b. Premium Determination

~~(1) When coverage is provided for dependent properties only, develop the additional premium for Business Income From Dependent Properties Coverage by multiplying the Business Personal Property rate determined in Rule 23.C.6.a.(2)(c)(viii) by the applicable factor shown in Table 28.A.4.b.1.(RF). Multiply the result by the Business Income From Dependent Properties limit of insurance (per \$100) in excess of \$5,000.~~

~~(2) When coverage is provided for dependent properties and secondary dependent properties, develop the additional premium for Business Income From Dependent Properties Coverage by multiplying the Business Personal Property rate determined in Rule 23.C.6.a.(2)(c)(viii) by the applicable factor shown in Table 28.A.4.b.2.(RF). Multiply the result by the Business Income From Dependent Properties limit of insurance (per \$100) in excess of \$5,000.~~

5. Business Income – Ordinary Payroll Coverage

a. Description Of Coverage

Optional coverage is available under Business Income to extend the 60-day coverage period for ordinary payroll expenses. The additional coverage may be obtained in increments as indicated in Table ~~28.A.5.b.(RF)~~, by activating this Optional Coverage on the Declarations.

b. Premium Determination

Develop the additional premium by multiplying the Building and Business Personal Property premium determined in Rule ~~23.C.6.a.(3)~~, Rule ~~29.A.4012.e.~~ and Rule ~~29.A.4113.d.~~ by the applicable factor shown in Table ~~28.A.5.b.(RF)~~. ~~Business Income – Ordinary Payroll Factors~~, depending on the number of days that the coverage is extended. The applicable factor should be applied to both the Building and Business Personal Property premiums when both coverages are provided for a given risk.

6. Business Income (Extended) – Extended Period Of Indemnity

a. Description Of Coverage

The Extended Business Income Additional Coverage may be extended to provide additional business income beyond the ~~30~~60-day coverage period by activating this Optional Coverage on the Declarations.

b. Premium Determination

Develop the additional premium by multiplying the Building and Business Personal Property premium determined in Rule **23.C.6.a.(3)**, Rule **29.A.1012.e.** and Rule **29.A.1113.d.** by the applicable factor shown in Table **28.A.6.b.(RF)**, ~~Extended Period Of Indemnity Factors~~. The applicable factor should be applied to both the Building and Business Personal Property premiums when both coverages are provided for a given risk.

7. Electronic Data

a. Description Of Coverage

Electronic data (other than electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system) is Property Not Covered, except as provided under this Additional Coverage, which provides coverage for the cost to replace or restore electronic data that has been destroyed or corrupted by a Covered Cause Of Loss. Coverage is subject to an annual aggregate limit of \$10,000, which may be increased. The aggregate limit is the maximum payable in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. The Additional Coverage – Electronic Data does not apply to electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system, because such electronic data is Covered Property as part of coverage on the building.

b. Premium Determination

Develop the additional premium for Electronic Data Coverage by multiplying the Business Personal Property rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **28.A.7.b.(RF)**. Multiply the result by the applicable limit of insurance (per \$100) in excess of \$10,000. If more than one premises or location applies, use the highest of the Business Personal Property rates to determine the additional premium for this coverage.

8. Employee Dishonesty

a. Description Of Coverage

Coverage is available for dishonest or fraudulent acts of the insured's employees, at optional limits of \$5,000, \$10,000, \$25,000, \$50,000 or \$100,000 per occurrence.

b. Premium Determination

- (1) Refer to the multistate rates to determine the premium.
- (2) From the Employee Dishonesty table in the multistate rates, compute an additional premium based upon the limit of insurance and total number of employees at all locations at which Employee Dishonesty Coverage is to apply.
- (3) If two or more locations are covered, develop an additional location charge from the table. (Exception: Location charges do not apply to the following classifications: Dental Laboratories, Mailing or Addressing Companies, Copying and Duplicating Stores.)
- (4) Multiply the number of additional locations (locations in excess of one) by the location charge determined in Paragraph (3).
- (5) Add the results of Paragraphs (2) and (4) to determine the premium.
- (6) For ~~S~~self-~~S~~storage ~~F~~facilities, multiply the result in Paragraph (5) by the applicable factor shown in Table **28.A.8.b.(6)(RF)**.

9. Fire Department Service Charge

a. Description Of Coverage

The \$2,500 limit of insurance at each described premises for the Fire Department Service Charge Additional Coverage may be increased by an entry on the Declarations. Optional higher limits of \$5,000, \$7,500 ~~and~~ \$10,000 are available. The selected higher limit applies to each described premises unless different limits are shown for different premises.

b. Premium Determination

Refer to the multistate rates to determine the premium for each described premises.

10. Forgery Or Alteration

a. Description Of Coverage

The \$2,500 limit of insurance for Forgery Or Alteration Coverage of the Additional Coverages Section of the Businessowners Coverage Form may be increased. Optional higher limits of \$5,000, \$10,000, \$25,000, \$50,000 or \$100,000 are available.

b. Rules

- (1) Optional increased limits for Forgery Or Alteration Coverage may be selected only if optional Employee Dishonesty Coverage is also selected.

- (2) The optional increased limit selected for Forgery Or Alteration Coverage and the optional increased limit for Employee Dishonesty Coverage must be the same.

c. Premium Determination

Develop the additional premium for Forgery Or Alteration Coverage by multiplying the total Employee Dishonesty premium determined in Rule 28.A.Paragraph 8.b.(5) or (6) by the applicable factor shown in Table 28.A.10.c.(RF).

11. Interruption Of Computer Operations

a. Description Of Coverage

Coverage for Business Income and Extra Expenses may be extended to apply to loss sustained in a suspension of operations due to destruction or corruption of electronic data by a Covered Cause Of Loss. Coverage is subject to an annual aggregate limit of \$10,000, which may be increased. The aggregate limit is the maximum payable in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. The Additional Coverage – Interruption Of Computer Operations does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system, because such electronic data is Covered Property as part of coverage on the building.

b. Premium Determination

Develop the additional premium for Interruption Of Computer Operations Coverage by multiplying the Business Personal Property rate determined in Rule 23.C.6.a.(2)(c)(viii) by the applicable factor shown in Table 28.A.11.b.(RF). Multiply the result by the applicable limit of insurance (per \$100) in excess of \$10,000. If more than one premises or location applies, use the highest of the Business Personal Property rates to determine the additional premium for this coverage.

12. Mechanical Equipment Breakdown Protection Coverage

a. Description Of Coverage

Coverage is available for boilers and direct loss of or damage to covered property at the described premises caused by or resulting from a mechanical breakdown or electrical failure of pressure vessels, mechanical or electrical machinery or equipment.

b. Deductible Options

(1) Property Damage

The policy's property deductible shown in the Declarations applies to this optional coverage. Optional deductibles of \$250, \$1,000, \$2,500, \$5,000 and \$10,000 are available. For the applicable deductible credit factors, refer to Table 28.A.12.b.(1)(RF).

(2) Time Deductible

The 72 hour time period contained in the "period of restoration" definition and air conditioning units (capacity of at least 60,000 Btu) for sudden in the Civil Authority and accidental breakdown. Do not select this coverage if Business Income From Dependent Properties Additional Coverages can be modified for this optional coverage. Optional Time Deductibles available for this coverage are displayed in Table 28.A.12.b.(2)(RF).

c. Premium Determination

(1) Determine the limit of insurance and deductible for each premises.

(2) From the Equipment Breakdown Protection Coverage Endorsement BP 04-59 is applicable.

b. Premium Determination

(1) Refer to the multistate rates to determine the premium.

(2) From the Mechanical Breakdown table in the multistate rates, compute the additional premium based upon the applicable Building limit(s) of insurance. (When Building coverage is not provided in the policy, use the applicable Business Personal Property limit of insurance.)

(3) If no boiler or optional Property Damage Deductible is selected, multiply the additional premium determined above by the applicable factor shown in Table 28.A.12.b.(1)(RF).

(4) If an optional Time Deductible is located on premises, use selected, multiply the flat additional premium charge for pressure vessels plus determined above by the air conditioning premium if applicable. factor shown in Table 28.A.12.b.(2)(RF).

c. Deductible

Optional fixed dollar deductibles as described in Rule 24.B. may be applied to this coverage.

13. Money And Securities

a. Description Of Coverage

Coverage for Money and Securities is available. The limits of insurance apply to on-premises and off-premises exposures.

b. Premium Determination

- (1) Refer to the Money and Securities state rates to determine the premium.
- (2) For each location for which this coverage is indicated in the Declarations:
 - (a) Multiply the on-premises state rates by the limit of insurance (per \$100) to determine the additional premium.
 - (b) Multiply the off-premises state rates by the limit of insurance (per \$100) to determine the additional premium.
- (3) If a location has multiple property types, use the highest Money and Securities state rate.

14. Outdoor Signs

a. Description Of Coverage

Coverage is available for outdoor signs which are the property of the insured or the property of others in the care, custody and control of the insured.

b. Premium Determination

- (1) Refer to the Outdoor Signs state rate to determine the premium.
- (2) Multiply the state rate by the limit of insurance (per \$100) to determine the additional premium.

15. Valuable Papers And Records

a. Description Of Coverage

The \$10,000 (on-premises) limit of insurance for Valuable Papers and Records under the Coverage Extensions Section of the Businessowners Coverage Form may be increased. An off-premises limit of \$5,000 is also included within this Coverage Extension, however, higher limits options do not apply to off-premises coverage.

b. Premium Determination

Develop the additional premium for Valuable Papers And Records Coverage by multiplying the Business Personal Property rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **28.A.15.b.(RF)**. Multiply the result by the applicable limit of insurance (per \$100) in excess of \$10,000.

16. Outdoor Property

a. Description of Coverage

The \$2,500 limit of insurance for Outdoor Property under the Coverage Extensions Section of the Businessowners Coverage Form may be increased to a higher limit reflected on the Declarations.

b. Premium Determination

Develop the additional premium for Outdoor Property Coverage by multiplying the Business Personal Property rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **28.A.16.b.(RF)**. Multiply the result by the Outdoor Property limit of insurance (per \$100) in excess of \$2,500.

17. Business Personal Property Temporarily In Portable Storage Units

a. Description Of Coverage

Business personal property coverage may be extended to property temporarily in a portable storage unit located within 100 feet of the described premises, subject to a \$10,000 limit of insurance for the total of all loss or damage to business personal property in such storage units regardless of the number of units.

b. Premium Determination

The \$10,000 limit of insurance may be increased by Declarations entry. Refer to company to determine whether additional premium applies to an increase in the limit of insurance. If additional premium is to be charged, rating provisions will be implemented by the company in accordance with any applicable regulatory requirements.

B. Liability And Medical Expenses Coverage

1. Damage To Premises Rented To You

a. Description Of Coverage

Coverage is automatically provided in the Liability Section of the Businessowners Coverage Form for Damage To Premises Rented To You insurance subject to a basic limit of \$50,000.

b. Optional Higher Limits Of Insurance

The \$50,000 limit may be increased to an amount not to exceed \$1,000,000. Do not increase this limit when coverage is provided by ~~Business Liability~~Broadened Coverage – Tenants Liability For Damage To Premises Rented To You Endorsement **BP_04_55**.

c. Premium Determination

Develop the additional premium by multiplying the ~~b~~Building state rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **28.B.1.c.(RF)**. Multiply the result by the limit of insurance (per \$100) in excess of \$50,000.

2. Broadened Coverage For Damage To Premises Rented To You

a. Description Of Coverage

Damage To Premises Rented To You may be extended to provide coverage for risks of direct physical loss or damage to premises rented to or temporarily occupied by the insured with permission of the owner.

b. Endorsement

~~Use Broadened Coverage For Damage To Premises Rented To You~~Use Endorsement **BP 04 55**.

c. Limits Of Insurance

The available limits for this coverage are \$50,000 up to \$1,000,000.

d. Premium Determination

Develop the additional premium by multiplying the ~~building~~Building state rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **28.B.2.d.(RF)**. Multiply the result by the limit of insurance (per \$100).

3. Optional Per Person Medical Expenses Limit

a. Description Of Coverage

Medical Expenses coverage is automatically provided in the Liability Section of the Businessowners Coverage Form subject to an occurrence and aggregate limit as well as a "per person" limit of \$5,000.

b. Optional Higher Limits Of Insurance

The \$5,000 limit may be increased to \$10,000. This limit may be shown on the Declarations.

c. Premium Determination

Develop the additional premium by multiplying the liability rate determined in Rule 23.C.6.b.(2)(b) by the factor shown in Table 28.B.3.c.(RF). Multiply this resulting rate by the sales, payroll or limit described in Rule 23.C.6.b.(3)(a), (b) or (c), as applicable. The result is the additional premium for selecting the \$10,000 limit medical payments option.

29. ENDORSEMENTS

The following endorsements may be attached to the Businessowners Policy:

A. Property Endorsements

1. Business Income Changes – Time Period

a. Description Of Coverage

This coverage amends Section I – Property Coverages in the Businessowners Coverage Form to provide that the 72-hour time period contained in the "period of restoration" definition and in the Civil Authority and Business Income From Dependent Properties Additional Coverages ~~are~~is replaced by 0 (zero) hours. If the Ordinance Or Law Coverage Endorsement **BP 04 46** is attached to the policy, enter "0" in the Number Of Hours Waiting Period For Period Of Restoration.

b. Endorsement

Use Business Income Changes – Time Period Endorsement **BP 04 41**.

c. Premium Determination

Develop the additional premium by multiplying the Building and Business Personal Property premium determined in Rule **23.C.6.a.(3)**, Rule **29.A.1012.e.** and Rule **29.A.1113.d.** by the applicable factor shown in Table **29.A.1.c.(RF)**. The factor should be applied to both the Building and Business Personal Property premiums when both coverages are provided for a given risk.

2. Business Income And Extra Expense Coverage Limit Of Insurance

a. Description Of Coverage

This endorsement provides business income and extra expense coverage subject to a specific single limit of insurance shown in the Schedule of the endorsement, rather than on an actual loss sustained basis. This limit is in addition to the limit of insurance for covered property under Section I – Property of the Businessowners Coverage Form BP 00 03 and is not subject to the 12-month limitation that applies to business income and extra expense coverages.

b. Endorsement

Use Business Income, Extra Expense And Related Coverages Limit Of Insurance Endorsement BP 14 06.

c. Premium Determination

Develop the reduced premium by multiplying the Building and Business Personal Property premium determined in Rule 23.C.6.a.(3), Rule 29.A.12.e. and Rule 29.A.13.d. by the applicable factor shown in Table 29.A.2.c.(RF). The factor should be applied to both the Building and Business Personal Property premiums when both coverages are provided for a given risk.

3. Business Income And Extra Expense – Revised Period Of Indemnity

a. Description Of Coverage

This endorsement provides business income and extra expense coverage on an actual loss sustained basis without being subject to the Limit of Insurance in Section I – Property of the Businessowners Coverage Form BP 00 03; however, the 12 consecutive month time period may be reduced or expanded via Schedule entry.

b. Endorsement

Use Business Income And Extra Expense – Revised Period Of Indemnity Endorsement BP 14 07.

c. Premium Determination

Develop the reduced or additional premium by multiplying the Building and Business Personal Property premium determined in Rule 23.C.6.a.(3), Rule 29.A.12.e. and Rule 29.A.13.d. by the applicable factor shown in Table 29.A.3.c.(RF). The factor should be applied to both the Building and Business Personal Property premiums when both coverages are provided for a given risk.

4. Computer Fraud And Funds Transfer Fraud Coverage

a. Description Of Coverage

(1) Computer Fraud

Coverage is provided for loss of and loss from damage to money, securities and other property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution to a person or place outside those premises.

(2) Funds Transfer Fraud

Coverage is provided for loss of money and securities resulting directly from a fraudulent instruction directing a financial institution to transfer, pay or deliver money and securities from the insured's transfer account. Fraudulent instruction includes written instructions other than those described in the Forgery Or Alteration Additional Coverage. The Forgery Or Alteration Additional Coverage is meant to cover negotiable instructions while Computer Fraud And Funds Transfer Fraud Endorsement BP 05 47 is designed to cover non-negotiable instructions.

b. Endorsement

Use Computer Fraud And Funds Transfer Fraud Endorsement BP 05 47.

c. Limits Of Insurance

The available limits for these coverages are \$25,000, \$50,000 and \$100,000.

d. Premium Determination

(1) Refer to the multistate rates to determine the premium.

(2) From the Computer aAnd Funds Transfer Fraud table in the multistate rates, compute an additional premium based upon the limit of insurance and total number of employees at all locations at which Computer aAnd Funds Transfer Fraud Coverage is to apply.

(3) If two or more locations are covered, develop an additional location charge from the table.

(4) Multiply the number of additional locations (locations in excess of one) by the location charge determined in Paragraph (3).

(5) Add the results of Paragraphs (2) and (4) to determine the premium.

35. Condominium Commercial Unit-Owners Optional Coverages

a. Description Of Coverage

This endorsement provides the following coverages for condominium unit-owners:

(1) Loss Assessment

This coverage applies to assessments charged to the unit-owners by the Condominium Association as a result of direct physical loss of or damage to property in which each unit-owner has an undivided interest. If the assessment results from a deductible in the Association's insurance, the Company will not pay more than \$1,000 regardless of the limit of insurance, unless a higher sub-limit is shown in the Schedule. The sub-limit does not increase the Loss Assessment Limit of Insurance. A \$500 deductible applies to each unit under this coverage.

(2) Miscellaneous Real Property

This coverage applies to condominium property that pertains only to the unit-owner's unit or that the unit-owner must insure according to the Condominium Association Agreement.

b. Endorsement

Use Condominium Commercial Unit-Owners Optional Coverages Endorsement **BP 17 03**. Use the Schedule of Endorsement **BP 17 03** to identify which of these optional coverages applies.

c. Premium Determination

(1) Loss Assessment

- (a)** Refer to the multistate rates to determine the premium.
- (b)** The premium for ~~the attachment of this endorsement~~coverage is a flat charge.

(2) Miscellaneous Real Property

Refer to the multistate rates and multiply the rate by the limit of insurance (per \$100) to determine the additional premium.

46. Coverage For Year 2000 Computer-Related And Other Electronic Problems

a. Description Of Coverage

The Business Income And Extra Expense Coverage For Year 2000 Computer-Related And Other Electronic Problems Endorsement **BP 04 58** provides a method for writing coverage for loss of Business Income And Extra Expense caused by computer-related or other electronic problems due to the Year 2000 and beyond. Such coverage has an annual aggregate limit of \$25,000 in any one policy year, regardless of the number of computers or the number of instances involving computer failure.

b. Endorsement

Use ~~Business Income And Extra Expense Coverage for Year 2000 Computer-Related And Other Electronic Problems~~ Endorsement **BP 04 58**.

c. Premium Determination

Refer to company.

57. Earthquake

a. Description Of Coverage

This endorsement extends Businessowners Property Coverage against loss by earthquake.

b. Endorsement

Use Earthquake Endorsement **BP 10 03**.

c. Premium Determination

(1) Deductibles

Apply the mandatory percentage deductibles as specified in the Earthquake rates of CLM Division Five – Fire and Allied Lines.

(2) Rate Grades

Refer to the Businessowners Classification Table Section of the Manual to obtain Earthquake rate grade assignments.

(3) Rating

Multiply the 80% coinsurance Earthquake rate determined in CLM Division Five – Fire and Allied Lines by the applicable factor shown in Table **29.A.57.c.(3)(RF)** (in recognition of coverage granted for loss of income) to obtain the Businessowners Earthquake rate. Multiply the result by the limit of insurance (per \$100) to determine the additional premium. (The Time Element steps outlined in CLM Division Five – Fire and Allied Lines are not to be applied for the purposes of obtaining the Businessowners Earthquake rate.)

(4) Automatic Increase In Insurance

When a higher or lower percentage is shown, apply the procedures in Rule **28.A.3.b.** to the Building premium determined in Paragraphs **(3)** and **(5)**.

(5) Functional Building Valuation

Develop the premium for Functional Building Valuation Coverage by multiplying the Businessowners Earthquake Building rate determined in Paragraph **(3)** by the applicable factor shown in Table **29.A.57.c.(5)(RF)**. Multiply the result by the Functional Building Valuation limit of insurance (per \$100).

(6) Functional Business Personal Property Valuation

Develop the premium for Functional Business Personal Property Coverage by multiplying the Businessowners Earthquake Business Personal Property rate determined in Paragraph **(3)** by the applicable factor shown in Table **29.A.57.c.(6)(RF)**. Multiply the result by the Functional Business Personal Property limit of insurance (per \$100).

6.(1) Deductibles

Apply the mandatory percentage deductibles as specified in the Earthquake rates of CLM Division Five – Fire and Allied Lines.

(2) Rate Grades

Refer to the Businessowners Classification Table Section of the manual to obtain Earthquake rate grade assignments.

(3) Rating

Multiply the 80% coinsurance Earthquake rate determined in CLM Division Five – Fire and Allied Lines (applicable to the Sub-limit Form) by the applicable factor shown in Table **29.A.8.c.(3)(RF)** (in recognition of coverage granted for loss of income) to obtain the Businessowners Earthquake rate. Multiply the result by the limit of insurance (per \$100) to determine the additional premium. (The Time Element steps outlined in CLM Division Five – Fire and Allied Lines are not to be applied for the purposes of obtaining the Businessowners Earthquake rate.)

(4) Automatic Increase In Insurance

When a higher or lower percentage is shown, apply the procedures in Rule **28.A.3.b.** to the Building premium determined in Paragraphs **(3)** and **(5)**.

(5) Functional Building Valuation

Develop the premium for Functional Building Coverage by multiplying the Businessowners Earthquake Building rate determined in Paragraph **(3)** by the factor shown in Table **29.A.8.c.(5)(RF)**. Multiply the result by the Functional Building Valuation limit of insurance (per \$100).

(6) Functional Business Personal Property Valuation

Develop the premium for Functional Business Personal Property Coverage by multiplying the Businessowners Earthquake business personal property rate determined in Paragraph **(3)** by the factor shown in Table **29.A.8.c.(6)(RF)**. Multiply the result by the Functional Business Personal Property limit of insurance (per \$100).

9. Electronic Commerce (E-Commerce)

a. Description Of Coverage

This optional endorsement enhances coverage related to use of the Internet or other computer-based interactive communications network in conducting commerce, including business-to-business commerce.

This endorsement does **not** respond to loss arising from the use of a computer system in an insured's internal operations.

The endorsement provides the following coverages:

- (1) Section I – Electronic Data Coverage** covers the restoration or replacement of electronic data that is destroyed or corrupted by a Covered Cause of Loss. The data must be owned by or licensed or leased to the insured; data that is licensed, leased or rented to others is not covered. There is no coverage for the cost to duplicate research that led to the development of the electronic data.

- (2) Section II – Time Element Coverage covers business income loss and extra expense caused by suspension of e-commerce activity. When the suspension is caused by a Section I loss, time element coverage is provided for up to 90 days. When the suspension is caused solely by interruption in network service, coverage is provided for up to two weeks. The eight-hour waiting period and the aforementioned coverage periods are not affected by any form or endorsement that modifies business income coverage.

b. Endorsement

Use Electronic Commerce (E-Commerce) Endorsement **BP 05 94**.

c. Schedule

Enter the following information in the Schedule of Endorsement **BP 05 94**:

- (1) Enter a single limit of insurance for electronic commerce coverage. This limit is an annual aggregate limit that applies to the total of all losses from Section I and Section II.
- (2) Enter a dollar deductible for Section I coverage.
- (3) Indicate whether the Anti-Virus Waiver applies. There is no coverage for loss caused by a computer virus unless the computer system is equipped with anti-virus or virus-scanning software or the Anti-Virus Waiver is indicated in the Schedule as applicable.

d. Coverage Territory

If a virus or similar incident originates outside the policy's Coverage Territory (United States, its territories and possessions, Puerto Rico and Canada), there is coverage under the Electronic Commerce endorsement, subject to the following limitations:

- (1) With respect to Section I coverage, data is covered only if it originates and resides in a computer system located in the policy's Coverage Territory.
- (2) With respect to Section II coverage, coverage does not apply to business income or extra expense from outside the Coverage Territory, generated by or pertaining to the e-commerce activity of the business covered under the Electronic Commerce Endorsement.

e. Premium Determination

Refer to company.

7. Equipment Breakdown Protection Coverage

a. Description Of Coverage

Coverage is available for direct loss of or damage to covered property at the described premises caused by or resulting from a mechanical breakdown or electrical failure of pressure, mechanical or electrical machinery or equipment. Do not select this coverage if the Mechanical Breakdown Optional Coverage is applicable.

b. Endorsement

Use Equipment Breakdown Protection Coverage Endorsement **BP 04 59**.

c. Premium Determination

- (1) Determine the limit of insurance and deductible for each premises.
- (2) From the Equipment Breakdown Protection Coverage table in the multistate rates, compute the additional premium based on the applicable Building limit(s) of insurance. (When Building coverage is not provided on the policy, use the applicable Business Personal Property limit of insurance.)

810. Fire Department Service Contract

a. Description Of Coverage

This endorsement is for use when maintenance of a service contract with a privately owned fire department is required to apply a Public Protection (Fire) Classification.

b. Endorsement

Use Fire Department Service Contract Endorsement **BP 12 02**.

911. Food Contamination

a. Description Of Coverage

This endorsement provides coverage for certain expenses and Business Income losses sustained as a result of the described premises being ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination. The endorsement provides a \$10,000 Food Contamination limit of insurance which can be increased in the Schedule. The endorsement also provides a \$3,000 limit for Additional Advertising Expenses which can also be increased in the Schedule.

b. Endorsement

Use Food Contamination Endorsement **BP 04 31**.

c. Premium Determination

Refer to the multistate rates to determine the additional premium.

d. Deductible

Optional fixed dollar deductibles as described in Rule **24.B**. may be applied to this coverage.

e. Optional Higher Limits Of Insurance

(1) Food Contamination

Multiply the multistate rate by the limit of insurance (per \$100) to determine the additional premium.

(2) Additional Advertising Expenses

Multiply the multistate rate by the limit of insurance (per \$100) to determine the additional premium.

4012. Functional Building Valuation

a. Description Of Coverage

Functional Building Valuation Endorsement **BP 04 84** provides coverage for specifically scheduled buildings which can be replaced with similar property that performs the same function as currently used but that is less costly. Coverage is provided:

- (1)** On a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage.
- (2)** On a market value basis if repair or replacement is not contracted for within 180 days of the loss or damage.

Ordinance or Law Coverage is also provided. Refer to Rule **29.A.1720**. for a description of this coverage.

b. Endorsement

Use Functional Building Valuation Use Endorsement **BP 04 84**.

c. Eligibility

Applicable to buildings.

d. Rules

(1) Schedule

Indicate the following in the Schedule or on the Declarations for each item to be covered:

- (a)** A specific description of the property and its location.
- (b)** The Limit of Insurance.

(2) Blanket Insurance

Not applicable.

(3) Other Insurance

- (a)** If other insurance on the building is subject to the same plan, terms, conditions and provisions as this Functional Building Valuation insurance, then the amount contributed by this Functional Building Valuation insurance is determined on a pro rata basis.
- (b)** If there is other insurance which does not meet the criteria in Paragraph **(3)(a)**, then the Functional Building Valuation insurance is excess.

e. Premium Determination

Develop the premium for Functional Building Valuation Coverage by multiplying the building rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **29.A.4012.e.(RF)**. Multiply the result by the Functional Building Valuation limit of insurance (per \$100).

f. Coverage Example

(1) Assume the following:

- (a)** The building to be insured is an old, fully equipped factory building, with a replacement cost of \$2,000,000, which the insured uses as a warehouse.
- (b)** The insured could build a new building to be used for the same purpose for \$1,000,000.
- (c)** Substantial damage to the building (50% destruction) will trigger a local ordinance and the entire building will have to be destroyed.
- (d)** Estimated cost of demolition of 50% of the building (undamaged portion) is \$30,000.

- (e) Additional cost to install sprinklers to comply with a local ordinance is \$200,000.
- (2) For purposes of illustration, the following is a possible way to develop the Functional Building Valuation Limit of Insurance.
To provide coverage for:
 - (a) The cost to replace the existing building with a building that is functionally equivalent . . . \$1,000,000.
 - (b) Cost to demolish the undamaged part of the existing building after loss occurs . . . \$30,000.
 - (c) Additional cost to comply with ordinance . . . \$200,000.Functional Building Valuation Limit of Insurance would be \$1,230,000 (\$1,000,000 + \$30,000 + \$200,000).

1113. Functional Business Personal Property Valuation

a. Description Of Coverage

Functional Business Personal Property Valuation Endorsement **BP 04 85** provides coverage for specifically scheduled item(s) of business personal property which can be replaced with similar property that performs the same function as currently used. Coverage is provided:

- (1) On a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage.
- (2) On a market value basis if repair or replacement is not contracted for within 180 days of the loss or damage.

b. Endorsement

Use ~~Functional Business Personal Property Valuation~~ Use Endorsement **BP 04 85**.

c. Rules

(1) Blanket Insurance

Not applicable.

(2) Business Personal Property

~~Item(s) of business personal property scheduled in this endorsement should be excluded from Your Business Personal Property.~~ Business Personal Property. However, the total limit of the scheduled items should be considered when determining the Business Personal Property Limit of Insurance Relativity Factor under Rule 23.C.6.a.(2)(c)(iii)ii.

d. Premium Determination

Develop the premium for Functional Business Personal Property ~~c~~Coverage by multiplying the ~~b~~Business Personal ~~p~~Property rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **29.A.1113.d.(RF)**. Multiply the result by the Functional Business Personal Property limit of insurance (per \$100).

e. Coverage Examples

- (1) A printing company is currently using an antiquated printing press with an actual cash value of \$50,000. If this press were destroyed, replacement with an identical press would be impossible. The closest equivalent type of property available is a two-color printer which would cost \$100,000. Using Endorsement **BP 04 85** and specifically scheduling the printing press, the insured could choose a limit of insurance of \$100,000 to have coverage for the cost of the newer printer.
- (2) A company is currently using a computer purchased ~~five~~ years ago for \$10,000. If this computer were destroyed, the cost to replace this computer with one that performs the same functions would be \$3,000, due to technological advancements. Using Endorsement **BP 04 85** and specifically scheduling the computer, the insured could choose a limit of \$3,000 to have coverage for the cost of the newer computer.

1214. Insurance-To-Value

a. Description Of Coverage

This endorsement deletes the applicability of the insurance-to-value requirements contained in the Loss Payment Property Loss Condition in Section I – Property of the Businessowners Coverage Form **BP 00 03**. If this endorsement is attached to the policy, no insurance-to-value requirements apply to Covered Property.

b. Endorsement

Use Removal Of Insurance-~~To-Value~~ Provision Endorsement **BP 04 83**.

4315. Loss Of Rental Value – Landlord As Designated Payee

a. Description Of Coverage

This optional endorsement provides the insured tenant with loss of rental value coverage for the benefit of the landlord, if such an obligation is required by the lease agreement. Loss of rental value means the total anticipated rental income from the tenant occupancy of the premises and the amount of all charges which are the legal obligation of the tenant and which would otherwise be the designated payee's obligation.

b. Endorsement

Use Loss Of Rental Value – Landlord As Designated Payee Endorsement **BP 05 93**.

c. Premium Determination

Refer to company.

4416. Loss Payable Provisions Clauses

a. Description Of Coverage

This endorsement provides for naming a:

- (1) Loss payee;
- (2) Lender's loss payee; or
- (3) Loss payee under a contract-of-sale arrangement; or
- (4) Building owner loss payee.

b. Endorsement

Use Loss Payable Provisions Clauses Endorsement **BP 12 03**.

4517. Additional Insured – Building Owners

a. Description Of Coverage

This endorsement is used to include, as an additional insured, a building owner under a tenant's policy with respect to property damage under Section I – Property of Form **BP 00 03**.

b. Endorsement

Use Additional Insured – Building Owners Endorsement **BP 12 31**. When this endorsement is attached to the policy, do not attach Endorsement **BP 12 03**.

18. Mold – Fungi, Wet Rot, Or Dry Rot And Bacteria

a. Description Of Coverage

- (1) In this rule, reference to fungi includes wet rot, or dry rot and bacteria.
- (2) Under the Businessowners Coverage Form **BP 00 03**, loss is limited as follows:
 - (a) Property Damage Coverage is subject to a sub-limit of \$15,000 per policy, applicable on an annual aggregate basis. This is not additional insurance. Property Damage Coverage includes the cost of tearing out and replacing any part of the building or other property to gain access to the fungi, and the cost of post-remediation testing if indicated.
 - (b) With respect to Time Element Coverage, if a suspension of operations is caused by fungi, coverage is limited to the amount of business income loss and/or extra expense sustained in a period of not more than 30 days. If the suspension of operations is caused by loss other than fungi, but fungi prolongs the period of restoration, time element loss sustained during the delay is covered but such coverage is limited to 30 days. In either case, the 30 days are cumulative, not necessarily consecutive.
 - (c) The limitations of fungi do not affect:
 - (i) Fungi which is a consequence of fire or lightning; or
 - (ii) Collapse which results from decay or deterioration as provided in the Collapse Additional Coverage in Businessowners Coverage Form **BP 00 03**.

b. Fungi Or Bacteria Coverage Options Endorsement

(1) Description Of Coverage

Coverage for fungus may be increased by attaching Changes – Limited Fungi Or Bacteria Coverage Endorsement **BP 05 76**. The following options may be provided by appropriate entry in the Schedule of the Endorsement:

- (a) Increase the \$15,000 sub-limit for Property Coverage. The new limit may not exceed the Limit of Insurance, since coverage for fungi is part of, not in addition to, the Limit of Insurance. The revised limit on fungi remains an annual aggregate limit.

- (b) Change the application of the \$15,000 (or higher) limit, from a per-policy annual aggregate limit to an annual aggregate limit which applies separately to specified premises or locations. If the Schedule so indicates, a premises may be a separate building.
- (c) Increase the Time Element Coverage period by selecting the Business Income/Extra Expense – Revised Number Of Days option.

(2) Premium Determination

The following rating provisions apply to the use of Endorsement **BP 05 76**:

- (a) If the Schedule indicates that a limit in excess of \$15,000 applies, and the separate premises or locations option has **not** been selected, multiply the amount of the increased limit (in \$100's) in excess of \$15,000 by the multistate rate in Table **29.A.4518.b.(2)#1(LC)** to determine the additional premium.
- (b) If the Schedule indicates that the \$15,000 (or higher) limit applies to the separate premises or locations option:
 - (i) Multiply the number of premises or locations (minus one) by the applicable multistate rate shown in Table **29.A.4518.b.(2)#2(LC)**.
 - (ii) Multiply the multistate rate by the amount of coverage (in \$100's) in excess of \$15,000 for each additional premises or location. Refer to the multistate rates Table **29.A.4518.b.(2)#1(LC)** for the applicable rate.
 - (iii) Add the results of Paragraphs (i) and (ii) to determine the additional premium.
- (c) If the Schedule indicates that the Business Income/Extra Expense – Revised Number Of Days option applies:
 - (i) Multiply the Building premium and the Business Personal Property premium determined in Rule **23.C.6.a.(3)** by the applicable factor shown in Table **29.A.4518.b.(2)(c)(i)(RF)** in the Multistate Rating Relativities And Factors Section of the Manual to determine the additional premium.
 - (ii) The applicable factor should be applied to both the Building and the Business Personal Property premiums when both coverages are applied for a given risk.

4619. Named Perils – Building And Business Personal Property

a. Description Of Coverage

This endorsement amends the ~~Businessowners Coverage Form BP 00 03~~ to modify the level of coverage to a named perils basis. This endorsement deletes the Collapse and Water Damage, Other Liquids, Powder or Molten Material Damage Additional Coverages in Form BP 00 03.

Additionally, this endorsement provides an option to replace the Money And Securities Optional Coverage in the ~~Businessowners Coverage Form BP 00 03~~ with the Burglary And Robbery Optional Coverage. If the Burglary And Robbery Option is selected, the limited money and securities coverage is included and is subject to a limit of \$5,000 on-premises and \$2,000 off-premises. These limits may not be changed.

b. Endorsement

Use Named Perils Endorsement **BP 10 09**.

c. Premium Determination

- (1) If the Burglary And Robbery Optional Coverage is selected, obtain the premium for Building and Business Personal Property Coverages. To determine the premium credit, multiply the:
 - (a) Building premium determined in Rule **23.C.6.a.(3)(a)** and Rule **29.A.4012.e**. by the applicable factor shown in Table **29.A.4619.c.(1)(a)(RF)**;
 - (b) Business Personal Property premium determined in Rule **23.C.6.a.(3)(b)** and Rule **29.A.4413.d**. by the applicable factor shown in Table **29.A.4619.c.(1)(b)(RF)**.
- (2) If the Burglary And Robbery Optional Coverage is **not** selected, obtain the premium for Building and Business Personal Property Coverages. To determine the premium credit, multiply the:
 - (a) Building premium determined in Rule **23.C.6.a.(3)(a)** and Rule **29.A.4012.e**. by the applicable factor shown in Table **29.A.4619.c.(2)(a)(RF)**;
 - (b) Business Personal Property premium determined in Rule **23.C.6.a.(3)(b)** and Rule **29.A.4413.d**. by the applicable factor shown in Table **29.A.4619.c.(2)(b)(RF)**.

4720. Ordinance Or Law Coverage

a. Description Of Coverage

This endorsement offers Ordinance Or Law Coverage as an option to all policyholders. If indicated on the Declarations, this endorsement may also be used to extend coverage for additional loss for the time necessary to repair or replace the damaged building to conform with current building laws or ordinances.

b. Endorsement

Use Ordinance Or Law Coverage Endorsement **BP 04 46**.

c. Rules

- (1) Coverage applies to buildings specified in the Schedule of Ordinance Or Law Coverage Endorsement **BP 04 46**.
- (2) Coverages **1, 2** and **3**, which are described in Paragraph **d. Description Of Coverages 1, 2** and **3**, may be purchased under Endorsement **BP 04 46** for:
 - (a) Coverage **1** only; or
 - (b) Coverage **3** only; or
 - (c) Coverages **1** and **2**; or
 - (d) Coverages **1, 2** and **3** (with the option to write a combined limit over Coverages **2** and **3**).

Indicate the applicable coverage(s) in the Schedule of Endorsement **BP 04 46**.

The limit of insurance for Coverage **1** must reflect the replacement cost or actual cash value of all buildings insured.

If a combined limit applies over Coverages **2** and **3**, do not enter separate limits of insurance for these coverages.

d. Description Of Coverages 1, 2 And 3

(1) Coverage 1

Covers loss in value of the undamaged portion of the building due to demolition pursuant to a building ordinance or law.

This is **not** a separate limit of insurance. Building Property Coverage under Businessowners Coverage Form is extended to include loss to the undamaged portion of the building.

(2) Coverage 2

Demolition Cost covers the cost of demolishing and removing the debris of the undamaged portion of the building, if demolition is required by building ordinance or law.

This coverage is not included in the limit of insurance applicable to the building. Enter a limit of insurance in the Declarations for Coverage **2**.

(3) Coverage 3

Increased Cost of Construction covers the increased cost to repair, reconstruct or remodel damaged or undamaged parts of the building to comply with building ordinance or law, following damage to the building by a covered cause of loss.

This coverage is not included in the limit of insurance applicable to the building. Enter a limit of insurance in the Declarations for Coverage **3**, **or** a combined limit for Coverages **2** and **3**.

A \$10,000 limit for Increased Cost of Construction is automatically provided under the Additional Coverages section of the policy. When rating Coverage **3** or any combination of Ordinance or Law Coverage that includes Increased Cost of Construction, use only the limit of insurance in excess of \$10,000.

e. Rate Modification

(1) Causes Of Loss Other Than Earthquake

(a) Coverage 1 – Coverage For Loss In Value Of The Undamaged Portion Of The Building

Develop the additional premium for Coverage **1** by multiplying the Building premium determined in Rule **23.C.6.a.(3)(a)** by the applicable factor shown in Table **29.A.4720.e.(1)(a)(RF)**. Therefore, the surcharge for Coverage **1** is 15%.

(b) Coverage 2 – Demolition Cost Coverage

Use the Building rate determined in Rule **23.C.6.a.(2)(c)(viii)** without surcharge. Multiply the rate by the limit of insurance (per \$100) for Demolition Cost Coverage to obtain the additional premium for Coverage **2**.

(c) Coverage 3 – Increased Cost Of Construction Coverage

Use the Building rate determined in Rule **23.C.6.a.(2)(c)(viii)** without surcharge. Multiply the rate by the limit of insurance (per \$100) for Increased Cost of Construction to obtain the additional premium for Coverage **3**.

(d) Combined Limit For Coverages 2 And 3

If a combined limit applies to Coverages 2 and 3, multiply the Building rate determined in Rule **23.C.6.a.(2)(c)(viii)** without surcharge by the combined limit of insurance (per \$100) to obtain the additional premium for Coverages 2 and 3.

(2) Earthquake

Use the same procedure as in Paragraphs **(1)(a) – (d)** except change the factor in Paragraph **e.(1)(a)** to the applicable factor shown in Table **29.A.4720.e.(2)(RF)**.

(3) Business Income And Extra Expense Option

(a) Other Than Earthquake

If coverage is indicated in the Schedule of Endorsement **BP 04 46** for the Business Income And Extra Expense Option, develop the additional premium by multiplying the Building premium determined in Rule **23.C.6.a.(3)(a)** by the applicable factor shown in Table **29.A.4720.e.(3)(a)(RF)**.

(b) Earthquake

If coverage is indicated in the Declarations for the Business Income And Extra Expense Option, develop the additional premium by multiplying the Building premium determined in Rule **29.A.47.c.** by the applicable factor shown in Table **29.A.4720.e.(3)(b)(RF)**.

4821. Spoilage Coverage

a. Description Of Coverage

Direct damage coverage may be extended under Property Coverage for spoilage of perishable stock caused by Breakdown or Contamination and/or Power Outage.

b. Endorsement

Use Spoilage Coverage Endorsement **BP 04 15**.

c. Rules

(1) Schedule

Indicate the following in the Schedule of Endorsement **BP 04 15** or in the Declarations:

- (a)** The covered causes of loss: Breakdown or Contamination, Power Outage, or both, depending on the coverage desired.
- (b)** The applicable limits of insurance for stock covered under the Spoilage Coverage Endorsement.
- (c)** The existence of Refrigeration Maintenance Agreement(s), if applicable. This condition may apply when:
 - (i)** Breakdown or Contamination is a covered cause of loss; and
 - (ii)** An agreement is provided on refrigeration equipment at the described premises for which rating consideration is given.

(2) Blanket Insurance

Do not write this coverage on a blanket basis.

(3) Deductible

A deductible of \$500 is mandatory. Optional Deductibles do not apply.

(4) Maximum Limit Of Insurance

\$50,000 per location.

d. Premium Determination

(1) Classification

Use the following to determine the classification of types of property or occupancy:

Class	Description
Class 1	Bakery Goods Cheese Shops Delicatessens Fruits and Vegetables Restaurants
Class 2	Convenience Food Stores Dairy Products, excluding Ice Cream Grocery Stores Meat and Poultry Markets Pharmaceuticals Supermarkets
Class 3	Dairy Products, including Ice Cream Florists Seafood
Other Types	For other types of property or occupancies not listed in this table, refer to company for rating.

Table 29.A.4821.d.(1) Types Of Property Or Occupancy For Spoilage Coverage

(2) Rates

- (a) Refer to the multistate rates to determine the premium.
- (b) Select the applicable multistate rates for each type of property or occupancy specified in the Schedule or in the Declarations using Table **29.A.4821.d.(1)**.

(3) Premium Determination

Multiply the rate by the limit of insurance (per \$100) to determine the additional premium.

4922. Sprinkler Leakage – Earthquake Extension

a. Description Of Coverage

This endorsement provides coverage for sprinkler leakage that is caused by an earthquake or volcanic eruption.

b. Endorsement

Use Sprinkler Leakage – Earthquake Extension Endorsement **BP 10 10**.

c. Rules

(1) Restriction

Do not use Endorsement **BP 10 10** with ~~Earthquake Endorsement **BP 10 03** or **BP 10 11**~~ since Endorsements **BP 10 03** provides and **BP 10 11** provide coverage for sprinkler leakage loss due to earthquake or volcanic eruption.

(2) Ineligibility Of Rating Plans

Earthquake sprinkler leakage rates are not eligible for credit under any plan which provides rate credits for dispersal of risk.

d. Premium Determination

(1) Susceptibility Grade

Refer to the Businessowners Classification Table Section of the ~~Manual~~ manual for Earthquake Sprinkler Leakage Susceptibility grade assignments.

(2) Rating

Multiply the 80% coinsurance Sprinkler Leakage – Earthquake Extension rate determined in CLM Division Five – Fire and Allied Lines by the applicable factor shown in Table **29.A.4922.d.(2)(RF)** (in recognition of coverage granted for loss of income) to obtain the Businessowners Sprinkler Leakage – Earthquake Extension rate. Multiply the result by the limit of insurance (per \$100) to determine the additional premium.

(3) Automatic Increase In Insurance

When a higher or lower percentage is shown, apply the procedures in Rule **28.A.3.b.** to the Building premium determined in Paragraphs **(2)** and **(4)**.

(4) Functional Building Valuation

Develop the premium for Functional Building Valuation Coverage by multiplying the Businessowners Earthquake ~~Building~~ rate determined in Paragraph **(2)** by the applicable factor shown in Table **29.A.1922.d.(4)(RF)**. Multiply the result by the Functional Building Valuation limit of insurance (per \$100).

(5) Functional Business Personal Property

Develop the premium for Functional Business Personal Property Coverage by multiplying the Businessowners Earthquake ~~Business Personal Property~~ rate determined in Paragraph **(2)** by the applicable factor shown in Table **29.A.1922.d.(5)(RF)**. Multiply the result by the Functional Business Personal Property limit of insurance (per \$100).

e. Deductible

Optional fixed dollar deductibles as described in Rule **24.B.** may be applied to this coverage.

2023. Utility Services – Direct Damage

a. Description Of Coverage

Property Damage Coverage may be extended to cover loss of or damage to covered property described in the Schedule ~~caused by direct physical loss or damage to off-premises~~ resulting from the failure of utility service relating to:

- (1)** Properties providing water, communication and power supply services;
- (2)** Overhead power transmission and overhead communication lines.

b. Endorsement

Use Utility Services – Direct Damage Endorsement **BP 04 56**.

c. Rules

~~Unless a limit is shown in the Schedule, coverage~~ Coverage for Utility Services is subject may be written to all covered property or only to certain covered property. In the Schedule of Endorsement **BP 04 56**, identify the property to which Utility Services Coverage applies and identify the service(s) covered. Utility Services Coverage may be written:

- (1)** Subject to the limit of insurance otherwise applicable to the covered property, property. In such case, do not enter a Utility Services Limit of Insurance in Endorsement **BP 04 56**; or
- (2)** At a sub-limit to be identified as stated in the Declaration the Utilities Services Limit of Insurance. Enter the Utility Services Limit(s) of Insurance in the Schedule of Endorsement **BP 04 56**.

d. Rates Premium Determination

Refer to the multistate rates, for Covered Property subject to Endorsement **BP 04 56**. Make a charge for each service for which coverage applies – water supply, communication supply and/or power supply. If coverage for overhead power lines and/or overhead communication lines applies, add the appropriate charge(s) to the Utility Services rates.

Multiply the Utility Services rate(s) by the applicable limit of insurance to determine the premium.

(1) Properties Providing Water, Communication And Power Supply Services

~~If coverage applies, refer to the multistate rates, for Covered Property subject to Utility Services – Direct Damage Endorsement **BP 04 56**.~~

~~Make a separate charge for water supply, communication supply and power supply services, if coverage applies.~~

(2) Overhead Power Transmission And Overhead Communication Lines

~~If coverage applies, add the rates shown in the multistate rates to those in Paragraph **d.(1)**. (If coverage for both overhead power transmission and overhead communication lines applies, make a separate charge for each.)~~

e. Premium Determination

~~For each described premises at which coverage applies, multiply the applicable rates, as indicated in Paragraphs **d.(1)** and **d.(2)**, by the limit of insurance (per \$100) shown in the Schedule of Utility Services – Direct Damage Endorsement **BP 04 56**.~~

fe. Deductible

Optional fixed dollar deductibles as described in Rule **24.B.** may be applied to this coverage.

2424. Utility Services – Time Element

a. Description Of Coverage

Time Element Coverage may be extended to cover loss at the described premises resulting from the failure of utility property located outside the covered building, regardless of whether such property is located on or off-premises services.

b. Endorsement

Use Utility Services – Time Element Endorsement **BP 04 57**.

c. Rules

- (1) Use the Schedule of ~~Utility Services – Time Element Endorsement~~ **BP 04 57** to indicate the following utility property:
 - (a) Properties providing water supply, wastewater removal, communication supply and/or power supply services;
 - (b) Overhead power transmission and/or overhead communication lines.
- (2) For each described premises at which coverage applies, enter a limit of insurance. This limit of insurance is the only limit of insurance applicable to coverage under ~~Utility Services – Time Element Endorsement~~ **BP 04_57**.

d. Rates

(1) Rules

The multistate rates apply only to Public Utilities. Refer to company for rates to be used with Other Than Public Utilities.

(2) Power Supply And, Water Supply And Wastewater Removal Properties

- (a) Refer to the multistate rates to determine the premium.
- (b) ~~If coverage for both Power Supply and Water Supply properties applies, make~~ Make a separate charge for each: type of property to which coverage applies: power supply, water supply and/or wastewater removal.

(3) Communications Supply Properties

Refer to the multistate rates to determine the premium.

(4) Overhead Power Transmission And Overhead Communication Lines

- (a) If coverage applies, add the rates shown in the multistate rates to those described in Paragraphs ~~d.(2)~~ and/or ~~(3)~~.
- (b) If coverage for both Overhead Power Transmission and Overhead Communication Lines applies, make a separate charge for each.

e. Premium Determination

For each described premises at which coverage applies, multiply the rates, as described in Paragraphs ~~d.(2), d.(3)~~ and ~~d.(4)~~, by the limit of insurance (per \$100) shown in the Schedule of ~~Utility Services – Time Element Endorsement~~ **BP 04 57**.

f. Deductible

Optional Deductibles do not apply.

2225. Vacancy Endorsements

a. Vacancy Permit

(1) Description Of Coverage

Coverage during a period of vacancy may be extended by these rules beyond the limitations in the property section of the ~~Businessowners Coverage Form~~ **BP 00 03**:

- (a) For vandalism, sprinkler leakage, building glass breakage, water damage, and theft or attempted theft, coverage is suspended for periods of vacancy beyond 60 days.
- (b) For all other causes of loss, a 15% loss payment penalty applies for periods of vacancy beyond 60 days.

(2) Endorsement

Use Vacancy Permit Endorsement **BP 04 87**.

(3) Rules

(a) Limited Term

The period of extension must not extend beyond the anniversary date of the policy.

(b) Vacancy At Inception

Describe the property as vacant and attach Endorsement **BP 04 87** effective from inception of policy.

(4) Premium Determination

(a) Proportional Application

The additional premiums for the Vacancy Permit must reflect the selected permit period shown in the Schedule of Endorsement **BP 04 87**. The Vacancy Permit rates are annual rates; therefore, the resulting Vacancy Permit premiums must be reduced proportionally for periods less than 365 days.

(b) Rating Procedure

(i) Multiply the rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **29.A.2225.a.(4)(b)(i)(RF)** to develop the Vacancy Permit rate.

(ii) Multiply the rate in Paragraph (i) by the limit of insurance (per \$100) to determine the additional premium.

b. Vacancy Changes

(1) Description Of Coverage

With respect to a policy issued to the owner or general lessee of a building, the building is considered vacant unless at least 31% of its total square footage is:

(a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(b) Used by the building owner to conduct customary operations.

The requirement of 31% may be reduced to a minimum of 10%.

(2) Endorsement

Use Vacancy Changes Endorsement **BP 04 86**. Enter the revised minimum percentage (from 10% to 30%) in the Schedule of Endorsement **BP 04 86**.

(3) Rules

(a) There is no rate modification for Endorsement **BP 04 86**.

(b) The ~~Vacancy Changes Endorsement~~ Endorsements **BP 04 86**, and the ~~Vacancy Permit Endorsement~~ **BP 04 87**, may not be written on the same property.

2326. Water Back-Up And Sump Overflow

a. Description Of Coverage

This endorsement provides coverage for ~~loss~~:

(1) ~~Loss~~ or damage to Covered Property caused by:

(1a) Water which backs up through sewers or drains; or

(2b) Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown; and

(2) ~~Business Income and Extra Expense losses sustained as a result of loss or damage to Covered Property.~~

The endorsement provides ~~a separate~~ \$5,000 annual aggregate limits of insurance per location to which the ~~coverages~~ applies unless a ~~higher~~ different limit is shown in the Schedule of the endorsement for either or both of the respective coverages. The applicable limit may each be greater or less than \$5,000.

b. Endorsement

Use Water Back-Up And Sump Overflow Endorsement **BP 04 53**.

c. Premium Determination

(1) Refer to the multistate rates to determine the per location additional premiums for these coverages.

(2) For higher or lower limits, refer to company.

d. Deductible

When optional deductibles apply, use the deductible factor for the location with the highest building and business personal property limits of insurance. If two locations have the same limits of insurance, the highest deductible factor applies.

27. Brands And Labels

a. Description Of Coverage

This endorsement may be attached to any Businessowners Coverage Form covering merchandise. The endorsement allows an insurer to take damaged property at an agreed or appraised value. The insured may then stamp the word "salvage" on the merchandise or may remove its brands or labels. The endorsement also provides coverage for reasonable costs associated with these activities, up to the limit of insurance on the property.

b. Endorsement

Use Brands And Labels Endorsement **BP 14 10**.

c. Premium Determination

Multiply the Business Personal Property rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the factor shown in Table **29.A.27.c.(RF)**.

28. Windstorm Or Hail Losses To Roof Surfacing – Actual Cash Value Loss Settlement

a. Description Of Coverage

This endorsement changes the Loss Payment Property Loss Condition to provide that loss or damage to roof surfacing caused by windstorm or hail will be settled on an actual cash value basis rather than a replacement cost basis.

b. Endorsement

Use Windstorm Or Hail Losses To Roof Surfacing – Actual Cash Value Loss Settlement Endorsement **BP 14 04**.

c. Premium Determination

Determine the reduced premium by multiplying the Building rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **29.A.28.c.(RF)**.

29. Identity Fraud Expense Coverage

a. Description Of Coverage

This endorsement provides a \$25,000 aggregate limit of coverage to pay the expenses incurred by the insured as a direct result of any act of identity fraud discovered or learned of during the policy period. By definition, such expenses include the costs of notarizing fraud affidavits or similar documents; certified mail sent to law enforcement or credit agencies or to financial institutions; loss of income resulting from time taken off from work to meet and confer with law enforcement or credit agencies; loan application fees for re-applying for a loan after an application has been rejected solely because the lender received incorrect credit information; and reasonable attorneys' fees incurred, whether to defend lawsuits brought against the insured or to remove criminal or civil judgments. The endorsement also provides a \$5,000 aggregate limit of coverage for advertising expenses incurred by the insured to restore the insured's reputation after an event of identity fraud.

b. Endorsement

Use Identity Fraud Expense Coverage Endorsement **BP 14 01**.

c. Deductible

The deductible is \$250. No other deductible applies to identity fraud expense coverage.

d. Premium Determination

Refer to the multistate rates to determine the additional premium.

e. Optional Higher Limits Of Insurance

Multiply the loss cost shown in Table **29.A.29.e.(LC)** in the multistate rates by the limit of insurance (per \$100) in excess of \$25,000 to obtain the additional premium for higher limits.

30. Theft Of Clients' Property

a. Description Of Coverage

This endorsement provides \$5,000 of coverage to pay for loss or damage to money, securities, and other property, as defined in the endorsement, sustained by a client of the insured resulting directly from theft committed by any of the insured's employees while the property is on the client's premises. Optional increased limits of \$10,000 and \$25,000 are also available and must be noted in the Schedule of the endorsement if selected.

b. Endorsement

If the Employee Dishonesty Optional Coverage is provided in the Businessowners Coverage Form, use Theft Of Clients' Property Coverage Endorsement **BP 14 03**. Do not use this endorsement if either Self-storage Facilities Endorsement **BP 07 12** or Residential Cleaning Services Endorsement **BP 07 81** is attached to the policy.

c. Deductible

The deductible is \$250. No other deductible applies to Theft Of Clients' Property Coverage.

d. Premium Determination

- (1) Develop the premium for Theft Of Clients' Property Coverage by multiplying the factor shown in Table **29.A.30.d.(1)(RF)** by the applicable multistate rate for the Employee Dishonesty Optional Coverage shown in Table **28.A.8.b.#1(LC)**. The applicable multistate rate for the Employee Dishonesty Optional Coverage is based upon the limit of insurance and total number of employees at all locations at which Theft Of Clients' Property Coverage is to apply.
- (2) If two or more locations are covered, develop an additional location charge from Table **28.A.8.b.#2(LC)**. (Exception: Location charges do not apply to the following classifications: Dental Laboratories, Mailing or Addressing Companies, Copying and Duplicating Stores.)
- (3) Multiply the number of additional locations (locations in excess of one) by the location charge determined in Paragraph (2).
- (4) Add the results of Paragraphs (2) and (3) to determine the additional premium for Theft Of Clients' Property Coverage.

31. Discretionary Payroll Expense

a. Description Of Coverage

Payroll expenses are payable under the provisions of Form **BP 00 03** only when the expense is necessary to resume normal operations. Under the Discretionary Payroll Expense endorsement, that criterion does not apply with respect to payroll expense for selected Job Classifications and/or Employees as designated therein, and therefore such payroll is included in the determination of Business Income loss. Coverage applies for the entire period of restoration, unless explicitly limited to a maximum number of days.

b. Endorsement

Use Discretionary Payroll Expense Endorsement **BP 14 30**.

c. Rules

(1) Job Classification And Employees

Enter the selected Job Classifications and/or Employees in the Schedule of Endorsement **BP 14 30**.

(2) Number Of Days

If the number of days of payroll is to be limited for the applicable Job Classifications and Employees, enter the maximum number of days in the Schedule of Endorsement **BP 14 30**.

d. Premium Determination

Refer to company.

32. Debris Removal Additional Insurance

a. Description Of Coverage

This endorsement provides an additional amount of insurance in excess of the \$25,000 limit of insurance for Debris Removal in the Businessowners Coverage Form. The endorsement contains a Schedule which will permit the additional debris removal expense coverage to be increased at a specified location. The endorsement indicates that the amount stated in the Schedule replaces the additional amount of \$25,000 for debris removal expense coverage.

b. Endorsement

Use Debris Removal Additional Insurance Endorsement **BP 14 09**.

c. Premium Determination

Develop the additional premium for Debris Removal Coverage by multiplying the Building rate determined in Rule 23.C.6.a.(2)(c)(viii) by the applicable factor shown in Table 29.A.32.c.(RF). Multiply the result by the Debris Removal limit of insurance (per \$100) in excess of \$25,000.

33. Flood Coverage

a. Description Of Coverage

This endorsement provides coverage for loss by flood, which can be used to write coverage above the federally insured limits or on a first-dollar basis. Flood insurance, as covered by this endorsement, includes discharge from a sewer, drain or sump resulting from flood if the discharge occurs within 72 hours after the flood recedes.

b. Endorsement

- (1) Use Flood Coverage Endorsement BP 10 79.
- (2) Use Flood Coverage Schedule BP DS 06 with Endorsement BP 10 79.

c. Rules

(1) Ineligibility

Certain properties are not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 *et seq.* and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 *et seq.* Endorsement BP 10 79 cites these Acts under Property Not Covered.

(2) Inception Of Coverage And Increases In Coverage

Coverage is not provided with respect to a flood that begins before or within 72 hours after the inception date of Endorsement BP 10 79. However, this limitation does not apply to a particular location if Flood Coverage was in effect for that location for at least 72 hours immediately prior to the inception date of Endorsement BP 10 79, under a policy issued by the same or another insurer, and the new policy replaces the previous policy without a lapse in coverage. An increase in the amount of flood insurance does not apply with respect to a flood that begins before or within 72 hours after the insured requests the increase, but this limitation does not apply when the increase is executed at renewal.

(3) Specific And Blanket Insurance

- (a) For policies containing more than one item of covered property, flood coverage may apply to any or all items. Designate in Schedule BP DS 06 or in the Declarations the items to which Endorsement BP 10 79 applies. Property in the open is not covered except to the extent that such coverage is specified in the Schedule or Declarations.
- (b) Insurance under Endorsement BP 10 79 may be written on a specific or blanket basis. Enter the selected limit(s) of insurance in Schedule BP DS 06 or in the Declarations.
- (c) A single blanket limit may be written for all property, locations and coverages under a policy. Or, different blanket limits may be written for different groups of items, locations and coverages.

(4) Limits Of Insurance

- (a) Enter a limit of insurance for Flood in Schedule BP DS 06 or in the Declarations. This Limit is the maximum amount payable in a single occurrence of flood.
- (b) Also enter an Annual Aggregate for Flood in Schedule BP DS 06 or in the Declarations. If there is more than one flood in a 12-month period (starting with the beginning of the present annual policy period), the Annual Aggregate is the maximum amount payable for the total of all flood losses sustained during that period of time.
- (c) If the Flood Limit and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Flood Limit is the maximum amount payable in the 12-month period even if there is more than one occurrence of flood.
- (d) The Flood Limit is not in addition to the limit of insurance that applies to other Covered Causes of Loss. For example, the maximum amount recoverable for the total of all loss or damage caused by a flood and fire resulting from the flood is the limit of insurance applicable to fire.
- (e) Amounts payable under Additional Coverages and Coverage Extensions do not increase the Flood Limit.

(5) Other Insurance

- (a) Coverage under Endorsement BP 10 79 is written in excess over the maximum limit that can be insured under a National Flood Insurance Program (NFIP) policy, even if NFIP coverage was not obtained or maintained. The excess clause does not apply if the property is not eligible for NFIP coverage, or was not eligible when Endorsement BP 10 79 was written.

(b) The insurer may agree to write Endorsement **BP 10 79** without underlying NFIP coverage, by indicating in Schedule **BP DS 06** or in the Declarations that the Underlying Insurance Waiver applies. To apply the Underlying Insurance Waiver to some locations but not others, indicate the affected locations (including "newly acquired or constructed property" if desired) in the Schedule or Declarations.

(6) Rating And Deductibles

Refer to rating provisions and deductibles implemented by the company in compliance with regulatory requirements.

34. Specified Business Personal Property Temporarily Away From Premises

a. Description Of Coverage

Specified Business Personal Property Temporarily Away From Premises Endorsement **BP 14 79** may be used to provide a limited extension of coverage with respect to specified Business Personal Property while such property is temporarily away from the premises in the course of daily business activities while in the care, custody or control of the named insured or an employee of the named insured.

b. Endorsement

Use Endorsement **BP 14 79**.

c. Rules

Indicate in the Schedule of Endorsement **BP 14 79**:

- (1) A limit of insurance; and
- (2) The type(s) or item(s) of Business Personal Property subject to the endorsement.

d. Premium Determination

- (1) If the policy is written on an all-risk basis:

Develop the additional premium by multiplying the Business Personal Property final rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **29.A.34.d.(1)(RF)**. Multiply the result by the selected limit of insurance (per \$100) listed in this endorsement.

- (2) If Named Perils Endorsement **BP 10 09** is attached:

Develop the additional premium by multiplying the Business Personal Property final rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factors shown in Tables **29.A.19.c.(2)(b)(RF)** and **29.A.34.d.(2)(RF)**. Multiply the result by the selected limit of insurance (per \$100) listed in this endorsement.

- (3) If Functional Business Personal Property Valuation Endorsement **BP 04 85** is attached:

Develop the additional premium by multiplying the premium determined in Paragraph (1) or (2) by the factor shown in Table **29.A.13.d.(RF)**.

35. Higher Limits

a. Description Of Coverage

Higher Limits Endorsement **BP 14 80** may be used in lieu of Declarations entry, to increase the specified amount of insurance for the following coverages:

(1) Theft Limitations

Develop the additional premium by multiplying the Business Personal Property state base rate for the applicable Territory by the applicable factor shown in Table **29.A.35.a.(1)(RF)**. Multiply the result by the applicable limit of insurance (per \$100) in excess of \$2,500.

(2) Fire Department Service Charge

Refer to Rule **28.A.9**. for additional information.

(3) Forgery Or Alteration

Refer to Rule **28.A.10**. for additional information.

(4) Business Income From Dependent Properties

Refer to Rule **28.A.4**. for additional information.

(5) Electronic Data

Refer to Rule **28.A.7**. for additional information.

(6) Interruption of Computer Operations

Refer to Rule **28.A.11**. for additional information.

(7) Outdoor Property

Refer to Rule **28.A.16**. for additional information.

(8) Valuable Papers And Records

Refer to Rule **28.A.15.** for additional information.

(9) Accounts Receivable

Refer to Rule **28.A.1.** for additional information.

(10) Specified Business Personal Property Temporarily Away From Premises

Refer to Rule **29.A.34.** for additional information.

b. Endorsement

Use Endorsement **BP 14 80.**

c. Rules

(1) In the Schedule of Endorsement **BP 14 80,** enter the description of the coverage to which the higher limit applies and, if desired, the alpha-numeric reference of that coverage as it appears in Form **BP 00 03.** Enter an additional premium for each coverage if applicable.

(2) Do **not** use Endorsement **BP 14 80** to increase the limit of a coverage not listed in Paragraph **a.** Other rules in this manual contain information on endorsements that can be used to increase the limits on particular coverages. Such endorsements contain provisions unique to their subject, which are **not** accommodated in Endorsement **BP 14 80.**

36. Limitations On Coverage For Roof Surfacing

a. Description Of Coverage

Limitations On Coverage For Roof Surfacing Endorsement **BP 14 81** may be used to:

(1) Limit coverage on roof surfacing to actual cash value (ACV) when the building is covered at replacement cost and/or:

(2) Exclude cosmetic damage to roof surfacing, caused by wind or hail.

These options do not change the underlying limit of insurance. For example, with respect to Paragraph **a.(1),** the limit of insurance continues to be based on the replacement cost of the entire building, including the roof and roof surface.

b. Endorsement

Use Endorsement **BP 14 81.**

c. Rules

In the Schedule of Endorsement **BP 14 81** identify the building(s) to which the endorsement is to apply and indicate applicability of the ACV and/or cosmetic exclusion. Both may be written to apply to the same building.

d. Premium Determination

(1) If the ACV provision applies, determine the reduced premium by multiplying the Building premium determined in Rule **23.C.6.a.(3)(a)** by the applicable factor shown in Table **29.A.36.d.(1)(RF).**

(2) If the cosmetic exclusion applies, determine the reduced premium by multiplying the Building premium determined in Rule **23.C.6.a.(3)(a)** by the applicable factor shown in Table **29.A.36.d.(2)(RF).**

(3) If both the ACV provision and cosmetic exclusion apply, determine the reduced premium by multiplying the Building premium determined in Rule **23.C.6.a.(3)(a)** by the applicable factor shown in Table **29.A.36.d.(3)(RF).**

37. Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis)

a. Description Of Coverage

(1) Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis) Endorsement **BP 14 82** provides an additional amount of insurance (Additional Expense Coverage) for rebuilding after a disaster when the increased expenses for labor and/or materials as a result of the disaster, known as demand surge, result in a total cost of repair or rebuilding which exceeds the applicable Limit of Insurance.

(2) The amount of Additional Expense Coverage is determined as a percentage of the Limit of Insurance on the building. If the underlying building coverage is written on a blanket basis, the amount of Additional Expense Coverage is determined as a percentage of the value of the building.

Additional Expense Coverage is provided on an annual aggregate basis.

b. Endorsement

Use Endorsement **BP 14 82.**

c. Rules

Indicate the following in the Schedule of Endorsement **BP 14 82**:

- (1)** Premises Number and Building Number of the building(s) to which Additional Expense Coverage applies. Do not apply Additional Expense Coverage on a blanket basis. Buildings otherwise subject to a blanket limit must be separately identified in the Schedule; and
- (2)** The percentage for Additional Expense Coverage, for each building.

d. Premium Determination

- (1)** For each building, develop the additional premium for Additional Expense Coverage by multiplying the Building rate determined in Rule **23.C.6.a.(2)(c)(viii)** by the applicable factor shown in Table **29.A.37.d.(1)(RF)**.
- (2)** Determine the dollar amount of coverage represented by the selected Additional Expense Coverage percentage.
- (3)** Multiply the rate determined in Paragraph **(1)** by the amount of Additional Expense Coverage (per \$100).

38. Employee Dishonesty – Named Employee(s)

a. Description Of Coverage

Employee Dishonesty – Named Employee(s) Endorsement **BP 14 83** may be used to schedule employee(s) that are known to have previously committed theft or any other dishonest act prior to the effective date of the policy. The Employee Dishonesty Optional Coverage would then apply to such scheduled employee(s).

b. Endorsement

Use Endorsement **BP 14 83**.

c. Rules

In the Schedule of Endorsement **BP 14 83** identify the employee(s) to which the endorsement is to apply.

d. Premium Determination

Refer to company.

39. Windstorm Or Hail Exclusion

a. Description Of Coverage

Windstorm Or Hail Exclusion Endorsement **BP 14 84** may be used to exclude loss or damage caused directly or indirectly by windstorm or hail.

b. Endorsement

Use Endorsement **BP 14 84**.

c. Rules

In the Schedule of Endorsement **BP 14 84** identify the Premises Number and Building Number of the building(s) to which the endorsement is to apply.

d. Rate Modification

Subtract the appropriate amount in state loss cost Table **29.A.39.d.(LC)** from the state base rate determined in Rule **23.C.6.a.(2)(a)**. This should be done separately for buildings and business personal property.

40. Off-premises Interruption Of Business – Vehicles And Mobile Equipment

a. Description Of Coverage

The Business Income and Extra Expense coverage applicable to the described premises may be extended to designated business activities that are dependent on scheduled vehicles and mobile equipment, including permanently attached machinery and equipment. Coverage pertains to Business Income loss and Extra Expense arising from direct physical loss or damage to such scheduled property while that property is away from the described premises. The direct physical loss or damage must be caused by or result from a covered cause of loss. There is **no** coverage for the expense to repair or replace vehicles, mobile equipment or any other property.

b. Endorsement

Use Off-premises Interruption Of Business – Vehicles And Mobile Equipment Endorsement **BP 10 80**.

c. Coverage Features

(1) Extended Business Income

Endorsement BP 10 80 provides Extended Business Income Coverage for a maximum of 60 consecutive days, unless a different number of days is entered in the Schedule. If the Declarations show a different number of days as being applicable to the described premises, that number does not apply to the coverage provided under this endorsement.

(2) Beginning Of The Period Of Restoration

For Business Income Coverage, the period of restoration means the period of time that begins 72 hours after the time of direct loss or damage to scheduled property, unless the no waiting period option is selected in the Schedule of Endorsement BP 10 80. For Extra Expense Coverage, the period of restoration begins immediately after the direct physical loss or damage to scheduled property. For both coverages, the period of restoration ends on the earlier of the date when scheduled property should be repaired or replaced with reasonable speed and similar quality, or the date when operations are resumed.

(3) Covered Causes Of Loss

(a) The covered causes of loss are the same as those applicable to the described premises, including any endorsements modifying the covered causes of loss, with respect to the described premises, as well as exclusions and limitations conveyed in Endorsement BP 10 80.

(b) Unless Collision is indicated as a covered cause of loss in the Schedule, coverage does not apply to loss or damage caused by collision or overturn.

(4) Off-premises Limit Of Insurance

The Off-premises Limit of Insurance shown in the Schedule of Endorsement BP 10 80 is the most that will be paid in any one occurrence for the total of all loss and expense attributable to all items of scheduled property which are subject to that Limit. If multiple items of property are scheduled, all such items may be written under a single Limit, or separate Limits may be written for individual items. For instance, if each item of scheduled property supports a separate income stream, then separate Limits could be written; if several items of scheduled property support the same income stream, a single Limit could be written. Each Off-premises Limit of Insurance is separate from the Limit of Insurance for covered property Under Section I – Property of Businessowners Coverage Form BP 00 03 and is not subject to the 12-month limitation that applies to the Business Income and Extra Expense Additional Coverages. If Business Income, Extra Expense And Related Coverages Limit Of Insurance Endorsement BP 14 06 is attached to the policy, the Limit(s) of Insurance in Endorsement BP 10 80 is separate from the Limit(s) of Insurance in Endorsement BP 14 06.

(5) Insurance To Exposure

The following steps provide a means of estimating the business interruption exposure, which may be used as information when determining the appropriate Off-premises Limit of Insurance:

(a) Estimate the maximum period of restoration. This is the longest amount of time it would take for the insured to repair or replace scheduled property and resume operations (business activities that are dependent on such property).

(b) Estimate the amount of business income loss during the maximum period of restoration. (Business income means net income and continuing normal operating expenses including payroll).

(c) Estimate the maximum amount of extra expense that would be incurred during the maximum period of restoration.

(d) Estimate the maximum amount of business income loss (if any) that would continue for the duration of Extended Business Income Coverage.

(e) Add the results of Paragraphs (b), (c) and (d) to determine the estimated business interruption exposure.

If more than one Off-premises Limit of Insurance is written, repeat the above steps for each such Limit.

(6) Newly Acquired Property Extension

A coverage extension applies with respect to similar additional property the insured acquires, other than temporary substitute property. Coverage under this extension is limited to the lesser of \$25,000 or 10% of the highest Off-premises Limit of Insurance.

(7) Temporary Substitutes For Scheduled Property

The definition of scheduled property includes property used as a temporary substitute for scheduled property, but only while such scheduled property is out of service.

d. Schedule

In the Schedule:

- (1) Indicate the described premises with which Endorsement **BP 10 80** is associated.
- (2) Provide a description of the insured's operations (business activities that are dependent on scheduled property);
- (3) Describe the vehicles and mobile equipment used in the insured's operations and enter the Off-premises Limit(s) of Insurance which is associated with such property. Multiple items of scheduled property may be written under a single Limit, or separate Limits may be written for individual items. The Schedule provides separate options for these two approaches, as follows:
 - (a) Use Option A if there is only one item of scheduled property or to show a separate Off-premises Limit of Insurance for each item of scheduled property. The Off-premises Limit of Insurance can be the same amount for each item or a different amount for each item.
 - (b) Use Option B if multiple items of scheduled property are written under a single Off-premises Limit of Insurance.

Both options may be used for a particular policy, provided that a particular item of scheduled property is described under only one option;
- (4) Indicate whether or not Collision is a covered cause of loss;
- (5) If Extended Business Income Coverage is to apply for fewer or more than 60 days, enter the total number of days; and
- (6) Indicate whether or not the Business Income No Waiting Period option applies.
- (7) Enter the premium.

e. Premium Determination

Apply the following procedures to determine the premium for each Off-premises Limit of Insurance. For each Limit, determine the premium separately for Collision (if Collision is a covered cause of loss) and Other Than Collision. Limit of Insurance Relativity factors do not apply.

- (1) Step 1 – Calculation Of The Base Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium**
 - (a) Determine the base rate(s) from Table **29.A.40.e.(1)(a)(LC)** based on the applicable covered causes of loss.
 - (b) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, evaluate the Limit to determine the proportion that the Limit bears to the estimated business interruption exposure. Calculate that proportion by dividing the Limit by the amount determined in Paragraph **c.(5)**, and then multiplying the result by 100 to convert to a percentage. Select the applicable factor shown in Table **29.A.40.e.(1)(b)(RF)** that corresponds to that percentage. Multiply the Collision (if applicable) and Other Than Collision rates by the selected factor.
 - (c) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the base premium.
- (2) Step 2 – Calculation Of The Additional Premium Or Credit For Endorsements Modifying Covered Causes Of Loss – Other Than Collision Only (If Applicable)**
 - (a) Determine the base Other Than Collision rate from Table **29.A.40.e.(1)(a)(LC)**.
 - (b) Multiply the Other Than Collision rate by all applicable factors shown in Table **29.A.40.e.(2)(b)(RF)**, if the policy contains the related endorsement.
 - (c) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, multiply the rate determined in Paragraph (b) by the factor selected in Paragraph (1)(b).
 - (d) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the additional premium or credit.
- (3) Step 3 – Calculation Of The Additional Premium Or Credit For Extended Business Income Coverage (If Applicable)**
 - (a) Determine the base rate(s) from Table **29.A.40.e.(1)(a)(LC)** based on the applicable covered causes of loss.
 - (b) Multiply the Collision (if applicable) and Other Than Collision rates by the applicable factor shown in Table **29.A.40.e.(3)(b)(RF)**, corresponding to the number of days' coverage for Extended Business Income Coverage if different than 60 days.
 - (c) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, multiply the rate determined in Paragraph (b) by the factor selected in Paragraph (1)(b).
 - (d) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the additional premium or credit.

(4) Step 4 – Calculation Of The Additional Premium For Business Income Coverage No Waiting Period (If Applicable)

- (a)** Determine the base rate(s) from Table **29.A.40.e.(1)(a)(LC)** based on the applicable covered causes of loss.
- (b)** Multiply the Collision (if applicable) and Other Than Collision rates by the factor shown in Table **29.A.40.e.(4)(b)(RF)** if the Business Income Coverage no waiting period option is selected.
- (c)** When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, multiply the rate determined in Paragraph **(b)** by the factor selected in Paragraph **(1)(b)**.
- (d)** Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the additional premium.

(5) Step 5 – Calculation Of The Final Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium

Add or subtract the results of Paragraphs **(1)**, **(2)**, **(3)** and **(4)** to determine the final premium.

f. Examples Of Coverage Selection And Related Rating

The following examples illustrate how the coverage options available in Endorsement **BP 10 80** might be selected and rated for two hypothetical insureds.

(1) Example 1

The insured is XYZ Construction, which insures its premises-based business activities with Businessowners Coverage Form **BP 00 03** and no endorsements are attached to modify the covered causes of loss. The insured uses a wide range of vehicles and mobile equipment in support of various off-premises construction activities. It is determined that loss or damage to the insured's customized concrete pumper (which can pump concrete to great heights for skyscraper construction) might result in a business interruption.

(a) Determination Of Estimated Business Interruption Exposure

The business income dependent on the concrete pumper is approximately \$10,000 per month (business income means net income and continuing normal operating expenses including payroll). If the pumper were destroyed, a replacement would need to be custom ordered and it would take the manufacturer five months to build and deliver it. In the meantime, no temporary substitutes are available at any price. As such, the insured does not anticipate incurring any extra expense during the period of restoration while the replacement is being built. The insured would not be able to complete any work which is reliant on the concrete pumper during the period of restoration and expects to incur a business income loss of \$10,000 per month. Additionally, the insured believes that the business income dependent on the concrete pumper will not return to normal until four months after the pumper is replaced, since it is typically reserved several months in advance of the beginning of work. The estimated loss of business income over this four month period after the pumper is replaced is \$25,000. The estimated business interruption exposure for the concrete pumper is \$75,000, which is the total estimated loss of business income (\$50,000 during the period of restoration plus \$25,000 after the pumper is replaced) and estimated extra expense (\$0).

(b) Determination Of Coverage Options

- (i)** The concrete pumper, along with the business activities that are dependent on such property, would be described in the Schedule of Endorsement **BP 10 80**.
- (ii)** Since the Business Income No Waiting Period option is not selected, the standard 72-hour waiting period for Business Income Coverage applies to the coverage provided in Endorsement **BP 10 80**.
- (iii)** Collision is selected as a covered cause of loss.
- (iv)** Since the loss of business income would likely continue for four months after the concrete pumper is replaced, 120 days' coverage for Extended Business Income Coverage is selected.
- (v)** A \$75,000 Off-premises Limit of Insurance is selected (Option A in the Schedule of Endorsement **BP 10 80**), which matches the estimated business interruption exposure.

(c) Rating Example

The following is an example of how to determine the premium for the coverage options in Endorsement **BP 10 80** selected for XYZ Construction, a hypothetical insured. The rates and factors used in this example are for illustrative purposes only. You should determine the actual rates and factors from your individual companies.

- (i)** Determine the base Other Than Collision premium:
 - i.** The Other Than Collision rate is: \$0.19.
 - ii.** The factors in Table **29.A.40.e.(1)(b)(RF)** do not apply because only one item of scheduled property is subject to the Off-premises Limit of Insurance.

iii. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.19 \times (\$75,000 \div 100) = \$142.50$.

(ii) Determine the Other Than Collision additional premium(s) (if applicable):

i. The factors in Table **29.A.40.e.(2)(b)(RF)** do not apply because the covered causes of loss applicable to the described premises are not modified by endorsement.

ii. The factor in Table **29.A.40.e.(4)(b)(RF)** does not apply because the standard 72-hour waiting period applies.

iii. Multiply the Other Than Collision rate by the Extended Business Income Coverage factor for 120 days' coverage: $\$0.19 \times 0.10 = \0.019 .

iv. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.019 \times (\$75,000 \div 100) = \$14.25$.

(iii) Determine the final Other Than Collision premium:

Add or subtract the base premium and the applicable additional premium(s) or credits: $\$142.50 + \$14.25 = \$156.75$, which is the Other Than Collision premium.

(iv) Since Collision is a covered cause of loss, the above steps are repeated using the Collision rate of \$0.55. The result is a Collision premium of \$453.75: $(\$0.55 \times (\$75,000 \div 100) = \$412.50) + ((\$0.55 \times 0.10) \times (\$75,000 \div 100) = \$41.25) = \453.75 .

(v) Determine the final premium Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium.

Add the Other Than Collision premium and the Collision premium: $\$156.75 + \$453.75 = \$610.50$, which is the final Off-premises Interruption Of Business – Vehicles And Mobile Equipment premium.

(2) Example 2

The insured is ABC Document Management, which insures its premises-based business activities with Businessowners Coverage Form **BP 00 03**. ABC owns eight mobile shredding trucks which are used to shred documents at each client's place of business. It is determined that loss or damage to any of these mobile shredders might result in a business interruption.

(a) Determination Of Estimated Business Interruption Exposure

The business income dependent on the mobile shredders is approximately \$60,000 per month (\$7,500 per shredder); business income means net income and continuing normal operating expenses including payroll. In the event of a total loss, it would take approximately one month for replacement(s) to be delivered. However, incurring certain extra expense would enable the insured to continue shredding operations during the period of restoration, though less efficiently. Similar mobile shredders are not available for rental, but ABC can shred certain documents at its premises. To do so, the insured would need to rent trucks to transport the documents to its premises for destruction and hire temporary employees to help load and unload the trucks. If the insured incurs \$3,000 per month in such extra expense for each mobile shredder, the loss of business income would only be \$2,000 per month, per shredder. Because operations could continue during the period of restoration, the insured does not believe that any business income loss would continue after the shredder(s) are replaced. Thus, the total estimated business interruption exposure for all the shredders is \$40,000 (the per-shredder amounts of \$2,000 in business income loss plus \$3,000 in extra expense, multiplied by eight shredders).

(b) Determination Of Coverage Options

(i) All eight mobile shredders, along with the business activities that are dependent on such property, would be described in the Schedule of Endorsement **BP 10 80**.

(ii) Since the Business Income No Waiting Period option is not selected, the standard 72-hour waiting period for Business Income Coverage applies to the coverage provided in Endorsement **BP 10 80**.

(iii) Collision is selected as a covered cause of loss.

(iv) Since the loss of business income is not expected to continue after the mobile shredder(s) are replaced, 30 days' coverage for Extended Business Income Coverage is selected.

(v) A single \$10,000 Off-premises Limit of Insurance is selected to apply in total to all of the mobile shredders (Option B in the Schedule of Endorsement **BP 10 80**). Although this Limit is less than the total estimated business interruption exposure of \$40,000 for all eight mobile shredders, the Limit was selected because ABC believes it would be unlikely that more than two mobile shredders would be damaged in the same occurrence. ABC is unwilling to purchase Limit(s) corresponding to the total estimated exposure of \$40,000.

(c) Rating Example

The following is an example of how to determine the premium for the coverage options in Endorsement **BP 10 80** selected for ABC Document Management, a hypothetical insured. The rates and factors used in this example are for illustrative purposes only. You should determine the actual rates and factors from your individual companies.

(i) Determine the base Other Than Collision premium:

i. The Other Than Collision rate is: \$0.19.

ii. Since the Off-premises Limit of Insurance applies in total to multiple items of scheduled property and the Limit is not adequate to cover the estimated business interruption exposure, multiply the Other Than Collision rate by the appropriate factor in Table **29.A.40.e.(1)(b)(RF)**. To determine the appropriate factor, divide the Limit by the estimated business interruption exposure determined in Paragraph **c.(5)** and then convert the result to a percentage: $\$10,000 \div \$40,000 = 0.25 \times 100 = 25\%$. Based on Table **29.A.40.e.(1)(b)(RF)**, the Insurance To Exposure factor is 2.50. Thus, the result is $\$0.475$: $\$0.19 \times 2.50 = \0.475 .

iii. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.475 \times (\$10,000 \div 100) = \$47.50$.

(ii) Determine the Other Than Collision additional premium(s) (if applicable):

i. The factors in Table **29.A.40.e.(2)(b)(RF)** do not apply because the covered causes of loss applicable to the described premises are not modified by endorsement.

ii. The factor in Table **29.A.40.e.(4)(b)(RF)** does not apply because the standard 72-hour waiting period applies.

iii. Multiply the Other Than Collision rate by the Extended Business Income Coverage factor for 30 days' coverage: $\$0.19 \times 0.10 = \0.019 .

iv. Since the Off-premises Limit of Insurance applies in total to multiple items of scheduled property and the Limit is not adequate to cover the estimated business interruption exposure, multiply the Other Than Collision rate by the appropriate factor in Table **29.A.40.e.(1)(b)(RF)**: $\$0.019 \times 2.50 = \0.0475 .

v. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.0475 \times (\$10,000 \div 100) = \$4.75$.

(iii) Determine the final Other Than Collision premium:

Add or subtract the base premium and the applicable additional premium(s) or credits: $\$47.50 - \$4.75 = \$42.75$, which is the Other Than Collision premium.

(iv) Since Collision is a covered cause of loss, the above steps are repeated using the Collision rate of \$0.55. The result is a Collision premium of \$123.75: $(\$0.55 \times 2.50) \times (\$10,000 \div 100) = \$137.50 - ((\$0.55 \times 2.50 \times 0.10) \times (\$10,000 \div 100)) = \$13.75 = \123.75 .

(v) Determine the final premium Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium.

Add the Other Than Collision premium and the Collision premium: $\$42.75 + \$123.75 = \$166.50$, which is the final Off-premises Interruption Of Business – Vehicles And Mobile Equipment premium.

B. Liability Endorsements

1. Abuse Or Molestation Exclusion

a. 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.

b. Endorsement

Use Abuse Or Molestation Exclusion Endorsement **BP 04 39**.

c. Rating

Refer to company.

2. Business Liability Coverage – Amendment Of Liability And Medical Expenses Limits Of Insurance

a. Description Of Coverage

The aggregate limit that applies to the products/completed operations hazard of two times the Liability and Medical Expenses limit, if indicated in the Declarations, may be increased to three times the Liability and Medical Expenses limit.

- b. Endorsement**

Use Business Liability Coverage – Amendment Of Liability And Medical Expenses Limits Of Insurance Endorsement **BP 07 07**.
 - c. Premium Determination**

Refer to Table **23.C.6.b.(2)(b)(ii)(RF)** Increased Limits Factors for limits of insurance and increased limits factors.
- 3. Comprehensive Business Liability Exclusion (All Hazards In Connection With Designated Premises Operations Or Products)**
 - a. Description**

This endorsement excludes specific projects, location hazards, operations or equipment, if clearly separable and definable.
 - b. Endorsement**

Use Comprehensive Business Liability Exclusion Endorsement **BP 04 01**.
- 4. Coverage For Injury To Leased Workers**
 - a. Description**

This endorsement amends Businessowners Liability Coverage, with respect to the employer's liability exclusion, to provide that the definition of employee does not include leased employees.
 - b. Endorsement**

Use Coverage For Injury To Leased Workers Endorsement **BP 04 40**.
 - c. Premium Determination**

Refer to company.
- 5. Electronic Data**
 - a. Electronic Data Liability – Limited Coverage**
 - (1) Description Of Coverage**

This endorsement amends Businessowners Liability Coverage to provide for loss of computerized or electronically stored data or software, which results from physical injury to tangible property. The endorsement also excludes liability arising out of any access to or disclosure of any person's or organization's confidential or personal information. The exclusion includes a limited exception for bodily injury.
 - (2) Endorsement**

Use Electronic Data Liability – Limited Coverage Endorsement **BP 05 95**.
 - (3) Premium Determination**

Refer to company.

When Endorsement **BP 05 95** is attached to the policy, do not attach Endorsement **BP 15 04**, Endorsement **BP 15 05** or Endorsement **BP 15 06**.
 - b. Electronic Data Liability – Broad Coverage**
 - (1) Description Of Coverage**

This endorsement amends Businessowners Liability Coverage to provide coverage, on a claims-made basis, against damages because of loss of electronic data that is caused by an electronic data incident. Loss of electronic data means damage to, loss of use of, corruption of, inability to access, or inability to properly manipulate, electronic data. Electronic data incident means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts, or errors or omissions, which results in loss of electronic data. This endorsement excludes liability arising out of any access to or disclosure of any person's or organization's confidential or personal information.
 - (2) Endorsement**

Use Electronic Data Liability – Broad Coverage Endorsement **BP 05 96**.
 - (3) Retroactive Date**

The retroactive date is a specific date entered on the Schedule of the endorsement. Any loss of electronic data that occurred prior to the retroactive date is not covered, even if a claim for such loss is first made during the policy period or any applicable extended reporting period. Once a retroactive date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

 - (a)** If there is a change in carrier;

- (b) If there is a substantial change in the insured's operations which results in an increased exposure to the loss;
- (c) If the insured fails to provide the company with information:
 - (i) The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
 - (ii) Which was requested by the company; or
- (d) At the request of the insured.

Prior to the advancement of the retroactive date under any of these conditions, the company must obtain the written acknowledgement of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Extended Reporting Period Endorsement.

If "none" is entered on the Schedule of the endorsement there is no retroactive date. If there is no retroactive date, coverage may be afforded for loss of electronic data occurring prior to the inception date of the policy.

(4) Premium Determination

Refer to company.

c. Extended Reporting Period For Electronic Data Liability – Broad Coverage

(1) Description Of Coverage

This option is available if the Electronic Data Liability – Broad Coverage Endorsement is cancelled or not renewed for any reason or the company replaces this endorsement with other insurance that provides does not provide claims-made coverage for loss of electronic data arising out of an electronic data incident, or provides claims-made coverage and has a retroactive date later than the one shown in the Schedule of the endorsement. It provides for a three-year extension for the reporting of claims because of loss of electronic data that occurred before the end of the policy period or on or before the effective date of cancellation. The Named Insured must request this endorsement in writing within 30 days after the end of the policy period.

(2) Endorsement

If the Extended Reporting Period is selected, use Extended Reporting Period For Electronic Data Liability – Broad Coverage Endorsement **BP 05 97**.

(3) Premium Determination

Refer to company for rating. However, the premium charged for the Extended Reporting Period may not exceed 4.00 times the annual premium for the Electronic Data Liability – Broad Coverage Endorsement.

(4) Aggregate Limit

If the Extended Reporting Period is in effect, an Extended Reporting Period Aggregate Limit will be provided, but only for claims first received and recorded during the Extended Reporting Period. The Extended Reporting Period Aggregate Limit will be equal to the Aggregate Limit entered on the Schedule of the Electronic Data Liability – Broad Coverage Endorsement in effect at the end of the policy.

6. Employee Benefits

a. Employee Benefits Liability Coverage

(1) Description Of Coverage

This endorsement amends Businessowners Liability Coverage to provide coverage against claims for damages because of the insured's negligent acts, errors or omissions committed in the administration of an employee benefit program which result in the loss of any or all of an employee's benefits.

(2) Endorsement

Use Employee Benefits Liability Coverage Endorsement **BP 04 98**.

(3) Premium Determination

Refer to company.

b. Extended Reporting Period Option

(1) Description Of Coverage

This option is available if the Employee Benefits Liability Coverage Endorsement is cancelled or not renewed by the company or the company renews or replaces the endorsement with insurance that does not apply to a negligent act, error or omission. It provides for a five-year extension for the reporting of claims for negligent acts, errors or omissions that were first committed before the end of the policy period. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period.

(2) Endorsement

If the Extended Reporting Period is selected, use Extended Reporting Period Endorsement-For Employee Benefits Liability Coverage Endorsement BP 04 99.

(3) Premium Determination

Refer to company for rating. However, the premium charged for the Extended Reporting Period may not exceed 1.00 times the annual premium for the Employee Benefits Liability Coverage Endorsement.

(4) Aggregate Limit

If the Extended Reporting Period is in effect, an Extended Reporting Period Aggregate Limit will be provided, but only for claims first received and recorded during the Extended Reporting Period. The Extended Reporting Period Aggregate Limit will be equal to the Aggregate Limit entered on the Schedule of the Employee Benefits Liability Coverage Endorsement in effect at the end of the policy.

7. Employment-Related Practices Liability

The following options are available with respect to Employment-Related Practices Liability:

a. Employment-Related Practices Exclusion Endorsement

(1) Employment-Related Practices Exclusion Endorsement **BP 04 17** amends Businessowners Liability Coverage by excluding bodily injury and personal injury arising out of employment-related practices.

(2) Refer to company for rating the Employment-Related Practices Exclusion Endorsement.

b. Employment-Related Practices Liability Coverage Endorsement

(1) Endorsement

Employment-Related Practices Liability Endorsement **BP 05 89** provides coverage for liability arising out of claims for ~~injury to~~ wrongful acts committed against an employee because of an employment-related offense, as well as a duty to defend. The Schedule of the endorsement provides an entry for:

(a) A Limit of Insurance for damages and defense expenses;

(b) A deductible amount. When deductible insurance is selected by the insured, the company's obligation to pay damages and defense expenses on behalf of the insured applies only to the amount of damages and defense expenses in excess of any deductible amount stated as applicable to such coverages. The deductible may be applied to the sum of both damages and defense expenses;

(c) A Pending Or Prior Litigation Date;

(d) An option to select malicious prosecution as a covered wrongful act;

~~(e)~~(e) A retroactive date. If "none" is entered in the Schedule of the endorsement, there is no retroactive date. If there is no retroactive date, coverage may be afforded for ~~injury~~ wrongful acts occurring prior to the inception date of the policy.

(2) Limits Of Insurance

The \$10,000 annual aggregate limit of insurance for the Employment-Related Practices Liability Endorsement may be increased. Optional higher limits of \$25,000, \$50,000, \$75,000 and \$100,000 are available. For the applicable increased limits factors, refer to Table **29.B.7.b.(2)(RF)**.

(3) Deductible

The \$500 base deductible for the Employment-Related Practices Liability Endorsement may be increased. Optional deductibles of \$1,000, \$2,500, \$5,000, \$10,000 and \$25,000 are available. For the applicable deductible credit factors, refer to Table **29.B.7.b.(3)(RF)**. Subtract the factor selected in Table 29.B.7.b.(3)(RF) from the applicable increased limits factors selected in Paragraph (2). The result from this step will be used to replace the increased limit factor selected in Paragraph (2).

(4) Extended Reporting Period Option

(a) An Extended Reporting Period option can be selected by marking a checkbox in the Schedule of the endorsement. This option provides an Extended Reporting Period only for coverages available in the Employment-Related Practices Liability Endorsement. The claim must be for damages because of ~~injury~~ wrongful act arising out of an employment-related practice and which commenced before the end of the policy period, but not before the applicable retroactive date.

The Named Insured must request this coverage in writing within 30 days after the end of the policy period. The Extended Reporting Period starts with the end of the policy period and lasts for three years.

(b) If the Extended Reporting Period is in effect, a supplemental limit of insurance will be provided, but only for claims first received and ~~recorded~~ reported to us during the Extended Reporting Period. The supplemental limit of insurance will be equal to the dollar amount shown in the Schedule of the Employment-Related Practices Liability Endorsement in effect at the end of the policy.

(5) Premium Determination

- (a) Determine the number of employees.
- (b) Determine if the risk is a Mercantile/Restaurant, Wholesale or Other business.
- (c) Multiply the rate per employee from state ~~rates~~loss cost Table **29.B.7.b.(5)(LC)** by the appropriate number of employees to determine the annual premium for the Employment-Related Practices Liability Endorsement.
- (d) When a higher limit of insurance or a higher deductible is selected, multiply the result determined in Paragraph (c) by the applicable increased limit factor determined in Paragraph (2) minus the applicable deductible credit factor determined in Paragraph (3).
- (d)(e) If an Extended Reporting Period is purchased, the premium charged for the Extended Reporting Period may not exceed 2.00 times the annual premium for the Employment-Related Practices Liability Endorsement.

(6) Malicious Prosecution Optional Coverage

To broaden the definition of wrongful act to include malicious prosecution, mark the Employment-related Malicious Prosecution checkbox in the Schedule of the endorsement. Refer to company for the additional premium for this option.

8. Exclusion – Personal And Advertising Injury

a. Description

This endorsement amends Businessowners Liability Coverage by excluding all coverage for personal and advertising injury liability.

b. Endorsement

Use Exclusion – Personal And Advertising Injury Endorsement **BP 04 37**.

~~Attachment of Exclusion – Personal And Advertising Injury Endorsement~~ **BP 04 37** is mandatory for the following classifications:

- (1) Detective or Investigative Agencies – Private;
- (2) Employment Agencies;
- (3) Labor Union Offices;
- (4) Lawyers Offices;
- (5) Political Campaign Headquarters or Offices; and
- (6) Security and Patrol Agencies.

Classifications for which this endorsement applies are noted in the Businessowners Classification Table Section of the ~~M~~manual.

c. Rating

Refer to company.

9. Exclusion – Silica And Silica-Related Dust

a. Description

This endorsement amends Businessowners Liability Coverage to exclude bodily injury, property damage and personal and advertising injury arising out of silica and silica-related dust.

b. Endorsement

Use Exclusion – Silica And Silica-Related Dust Endorsement **BP 05 17**.

10. Exclusion – Volunteer Workers Endorsement

a. Description Of Coverage

This endorsement amends Businessowners Liability Coverage to exclude volunteer workers as insureds under the policy.

b. Endorsement

Use Exclusion – Volunteer Workers Endorsement **BP 04 71**.

11. Hired Auto And Non-~~O~~wned Auto Liability

a. Description Of Coverage

This endorsement provides either or both non-owned or hired auto coverage. Non-~~O~~wned Auto Liability provides coverage for any auto that is not owned, borrowed or hired by the insured. Hired Auto Liability provides coverage for autos leased, hired or borrowed by the insured. An auto leased with a term of six months or more is treated as an owned auto and is not eligible for this coverage. This endorsement is also not available to insureds who have a policy covering other commercial automobile exposures. The Hired Auto And Non-~~O~~wned Auto Liability limit of insurance should be the same as the Businessowners Liability ~~a~~And Medical Expenses ~~l~~imit of ~~i~~nsurance.

b. Endorsement

Use Hired Auto And Non-~~O~~wned Auto Liability Endorsement **BP 04 04**.

c. Premium Determination

(1) Premium

Refer to the multistate rates to determine the additional premium.

(2) Optional Higher Limits Of Insurance

For optional higher limits of insurance, multiply the premium determined in Paragraph **(1)**; by a factor in Table **29.B.11.c.(2)(RF)**. The limit of insurance must be the same as the limit provided for Businessowners Liability ~~a~~And Medical Expenses Coverage.

d. Deductible

Optional deductibles do not apply.

e. Audit

Businessowners Hired Auto and Non-~~O~~wned~~owned~~ Auto Liability Coverage does not require mandatory audit by the company.

12. Limitation Of Coverage To Designated Premises-~~O~~r, Project Or Operation

a. Description Of Coverage

This endorsement limits liability coverage to only those premises, operations and/or projects specifically designated.

b. Endorsement

Use Limitation Of Coverage To Designated Premises-~~O~~r, Project Or Operation Endorsement **BP 04 12**.

13. Liquor Liability Coverage

a. Endorsements

~~Three~~The following endorsements are available, ~~as follows~~:

(1) Liquor Liability Endorsement **BP 04 88** deletes the liquor liability exclusion in Section II – Liability of the Businessowners Coverage Form.

(2) Liquor Liability Coverage Endorsement **BP 04 89** ~~provides~~and Liquor Liability Coverage – Bring Your Own Alcohol Establishments Endorsement **BP 14 89** ~~provide~~ coverage against claims for bodily injury or property damage sustained by any person or organization if liability for such injury is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. ~~The Schedule of the endorsement provides~~Endorsement **BP 14 89** extends such coverage to an insured who permits any person to bring alcoholic beverages on their premises, for consumption on their premises. ~~The Schedules of the endorsements provide~~ an entry for:

(a) A Liquor Liability Aggregate Limit which is the most that will be paid for all claims for bodily injury or property damage arising out of the selling, serving or furnishing of any alcoholic beverage; and

(b) An Each Common Cause Limit which is the most that will be paid for all bodily injury or property damage sustained by one or more persons or organizations as the result of the selling, serving or furnishing of alcoholic beverages to any one person.

Neither the Liability And Medical Expenses Limit of Insurance shown in the Declarations nor its aggregate limits apply to damages arising out of the selling, serving or furnishing of alcoholic beverages.

- (3) Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities Endorsement BP 04 19 amends the liquor liability exclusion in Section II – Liability of the Businessowners Coverage Form by specifying that the exclusion applies (1) whenever a charge is made for serving or furnishing alcoholic beverages, and (2) when alcohol is served or furnished without charge, if a license is required for the activity, and (3) when alcoholic beverages are permitted to be brought on the named insured's premises, for consumption on the named insured's premises. However, this endorsement permits exemption of premises or functions scheduled in the endorsement.

b. Liquor Liability Grades

- (1) A state designated with a 0 (zero) is one in which there is no cause of action against one who supplies, furnishes, vends or sells liquor (the "liquor vendor") for bodily injury, property damage or death caused by an intoxicated person.
- (2) A state designated with a number from 1 to 9 imposes moderate liability for the liquor vendor. A cause of action for bodily injury, property damage or death caused by an intoxicated person may be brought against the liquor vendor under certain circumstances. For example, a cause of action may exist if the liquor vendor supplies liquor to a minor, or to a person the liquor vendor knew or should have known was intoxicated, or to a person the liquor vendor has been advised is a known alcohol abuser, or in violation of the state liquor control laws. A special provision (most commonly a limitation on liability) may also apply.
- (3) A state designated with the number 10 imposes strict liability for the liquor vendor. A cause of action for bodily injury, property damage or death caused by an intoxicated person may be brought against the liquor vendor, without limitation, because he or she provided liquor to the intoxicated person and death, bodily injury or property damage was the result. In other words, the mere act of furnishing the liquor is deemed the proximate cause of the injury.
- (4) Refer to the state exceptions for the applicable grade.

c. Premium Determination

Refer to company.

14. Medical Expenses – Exclusion

a. Description

This endorsement amends Businessowners Liability Coverage by excluding Medical Payments Coverage.

b. Endorsement

Use Medical Expenses – Exclusion Endorsement **BP 04 38**.

~~Attachment of Medical Expenses – Exclusion Endorsement~~ **BP 04 38** is mandatory for eligible Swimming Pools retail store classifications.

c. Rating

To determine the premium credit, multiply the premium determined in Rule **23.C.6.b.(3)** by the applicable factor shown in Table **29.B.14.c.(RF)**.

15. Mold – Fungi Or Bacteria Exclusion (Liability) Endorsement

a. Description Of Coverage

This endorsement provides that liability arising out of fungi or bacteria on or within a building structure, including its contents, may be totally excluded.

b. Endorsement

Use Fungi Or Bacteria Exclusion (Liability) Endorsement **BP 05 77**.

c. Premium Determination

Refer to company.

16. Mold – Limited Fungi Or Bacteria Coverage (Liability) Endorsement

a. Description Of Coverage

This endorsement provides limited coverage for liability arising out of fungi or bacteria on or within a building structure, including its contents. Coverage provided under this endorsement is subject to a Fungi or Bacteria Aggregate Limit.

b. Endorsement

Use Limited Fungi Or Bacteria Coverage (Liability) Endorsement **BP 05 78**.

c. Premium Determination

A company rate adjustment may apply. Refer to company.

17. Newly Acquired Organizations – Businessowners Liability Coverage

a. Description Of Coverage

This endorsement amends Businessowners Liability Coverage by providing limited coverage for newly acquired or formed organizations.

b. Endorsement

Use Newly Acquired Organizations Endorsement **BP 04 54**.

c. Premium Determination

An additional premium for an exposure not specifically excluded may be required in accordance with the rates and rules contained in CLM Division Six – General Liability.

18. Pollution Exclusion Endorsements

a. Pollution Exclusion – Limited Exception For Short-Term Pollution Event

(1) Description Of Coverage

This endorsement provides limited coverage for "bodily injury" and "property damage" arising out of the release of pollutants, from an insured's premises or at a contractor's job site, which begins and ends within 48 hours.

(2) Endorsement

Use Pollution Exclusion – Limited Exception For Short-Term Pollution Event Endorsement **BP 04 90**.

(3) Premium Determination

Refer to company.

b. Pollution Exclusion – Limited Exception For Designated Pollutants

(1) Description Of Coverage

This endorsement provides limited pollution coverage for "bodily injury" and "property damage" arising out of the release of a specific pollutant designated in the Schedule of the endorsement and used as a part of the insured's operations, from an insured's premises or at a contractor's job site.

(2) Endorsement

Use Pollution Exclusion – Limited Exception For Designated Pollutants Endorsement **BP 04 91**.

(3) Premium Determination

Refer to company.

c. Total Pollution Exclusion

(1) Description Of Coverage

This endorsement excludes all pollution exposures without any exceptions.

(2) Endorsement

Use Total Pollution Exclusion Endorsement **BP 04 92**.

(3) Rating

Refer to company.

d. Total Pollution Exclusion With A Building Heating Equipment And A Hostile Fire Exception

(1) Description Of Coverage

This endorsement replaces the pollution exclusion with a total pollution exclusion. However, an exception is provided for bodily injury arising out of smoke, fumes, vapor or soot from equipment used to heat that building and liability arising out of heat, smoke or fumes from a hostile fire.

(2) Endorsement

Use Total Pollution Exclusion With A Building Heating Equipment And A Hostile Fire Exception Endorsement **BP 04 93**.

(3) Premium Determination

Refer to company.

e. Limited Pollution Liability Extension Endorsement

(1) Description Of Coverage

This endorsement provides limited pollution coverage which is subject to a separate Limited Pollution Liability Extension Aggregate Limit which is shown in the Schedule of the endorsement.

(2) Endorsement

Use Limited Pollution Liability Extension Endorsement **BP 04 94**.

(3) Premium Determination

Refer to company.

19. Waiver Of Transfer Of Rights Of Recovery Against Others To Us Endorsement

a. Description Of Coverage

This endorsement provides that the company's right to subrogation against designated persons or organizations may be waived under certain circumstances, prior to a loss, by attaching Waiver Of Transfer Of Rights Of Recovery Against Others To Us Endorsement **BP 04 97**.

b. Endorsement

Use Waiver Of Transfer Of Rights Of Recovery Against Others To Us Endorsement **BP 04 97**.

20. Year 2000 Computer-Related related Endorsements – Businessowners Liability Coverage

Choose one of the following options:

a. Option One – Exclusion – Year 2000 Computer-Related related And Other Electronic Problems Endorsement BP 10 05

To exclude coverage for all liability risks associated with a computer or computer-related, actual or alleged failure, malfunction, inadequacy or inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond, attach Exclusion – Year 2000 Computer-Related And Other Electronic Problems Endorsement **BP 10 05** to the Businessowners Coverage Form.

b. Option Two – Exclusion – Year 2000 Computer-Related And Other Electronic Problems (Products-Completed Operations Hazard) Endorsement BP 10 06

To exclude only products-completed operations liability coverage for a computer or computer-related, actual or alleged failure, malfunction, inadequacy or inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond, attach Exclusion – Year 2000 Computer-Related And Other Electronic Problems (Products-Completed Operations Hazard) Endorsement **BP 10 06**.

c. Option Three – Year 2000 Computer-Related And Other Electronic Problems – Limited Coverage Options Endorsement BP 04 64

Optional coverage for liability arising out of computer-related problems due to the year 2000 may be provided by attaching Year 2000 Computer-Related And Other Electronic Problems – Limited Coverage Options Endorsement **BP 04 64** to the Businessowners Coverage Form.

Insurers and insureds must agree on the type of coverage to be provided by checking the appropriate box(es) in the Schedule of the endorsement.

Refer to company for rating.

d. Option Four – Exclusion – Year 2000 Computer-Related And Other Electronic Problems – With Exception For Bodily Injury On Your Premises

To exclude liability coverage for risks associated with the change to the year 2000 other than bodily injury on your premises, attach Exclusion – Year 2000 Computer-Related And Other Electronic Problems – With Exception For Bodily Injury On Your Premises Endorsement **BP 10 07** to the Businessowners Coverage Form.

e. Option Five – Year 2000 Computer-Related And Other Electronic Problems – Exclusion Of Specified Coverages For Designated Locations, Operations, Products Or Services

To exclude liability coverage for specific aspects of insured risks arising out of computer-related problems due to the change to the year 2000, for specified locations, operations, products or services, attach Year 2000 Computer-Related And Other Electronic Problems – Exclusion Of Specified Coverages For Designated Locations, Operations, Products Or Services Endorsement **BP 10 08** to the Businessowners Coverage Form.

Insurers and insureds must agree on the type of coverage to be excluded by checking the appropriate box(es) in the Schedule of the endorsement.

Refer to company for rating.

f. Option Six – No Liability Endorsement

If a risk does not have a year 2000 exposure or you are willing to accept the year 2000 liability exposure of risk at no additional premium, attach no endorsement.

If a risk presents a unique or unusual liability exposure due to the change to the year 2000 and you accept that risk without any endorsements, refer to company for rating.

21. Abuse Or Molestation Exclusion – Specified Services

a. 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.

b. Endorsement

Use Abuse Or Molestation Exclusion – Specified Services Endorsement **BP 14 11**.

c. Premium Determination

Refer to company.

22. Exclusion – Exterior Insulation And Finish Systems

a. Description

This endorsement amends Businessowners Liability Coverage to exclude liability arising out of the design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any exterior insulation and finish system or any part thereof.

b. Endorsement

Use Exclusion – Exterior Insulation And Finish Systems Endorsement **BP 14 08**.

c. Premium Determination

Refer to company.

23. Snow Plow Products – Completed Operations Hazard Coverage

a. Description

This endorsement introduces an exception to the Aircraft, Auto or Watercraft Exclusion under Section II – Liability of the Businessowners Coverage Form **BP 00 03**, with respect to bodily injury or property damage arising out of the use of any auto for snow or ice removal operations within the products-completed operations hazard.

b. Endorsement

Use Snow Plow Products – Completed Operations Hazard Coverage Endorsement **BP 14 16**.

c. Premium Determination

Refer to company.

24. Exclusion – Designated Work

a. Description

This endorsement amends Businessowners Liability Coverage to exclude bodily injury or property damage included in products-completed operations hazard arising out of specific project(s) described in the Schedule of the endorsement.

b. Endorsement

Use Exclusion – Designated Work Endorsement **BP 14 21**.

c. Premium Determination

Refer to company.

25. Exclusion – Products-completed Operations Hazard

a. Description

This endorsement amends Businessowners Liability Coverage to exclude bodily injury and property damage included within products-completed operations hazard.

b. Endorsement

Use Exclusion – Products-completed Operations Hazard Endorsement **BP 14 22**.

c. Premium Determination

Refer to company.

26. Exclusion – Designated Products

a. Description

This endorsement amends Businessowners Liability Coverage to exclude bodily injury and property damage included in products-completed operations hazard arising out of designated product(s) listed in the Schedule of the endorsement.

b. Endorsement

Use Exclusion – Designated Products Endorsement **BP 14 23.**

c. Premium Determination

Refer to company.

27. Designated Location(s) General Aggregate Limit

a. Description

This endorsement amends Businessowners Liability Coverage to provide for a Designated Location General Aggregate Limit on a location basis. The limit applies to each "location" that is designated in the Schedule of the endorsement.

b. Endorsement

Use Designated Location(s) General Aggregate Limit Endorsement **BP 14 17.**

c. Premium Determination

Refer to company.

28. Exclusion – Personal And Advertising Injury – Lawyers

a. Description

This endorsement is used to exclude personal and advertising injury arising out of the rendering of or failure to render professional services as a lawyer.

b. Endorsement

Use Limited Exclusion – Personal And Advertising Injury – Lawyers Endorsement **BP 14 15.**

c. Premium Determination

Refer to company.

29. Designated Construction Project(s) General Aggregate Limit

a. Description Of Coverage

This endorsement amends Section II – Liability of the Businessowners Coverage form by providing a separate Designated Construction Project General Aggregate Limit with respect to designated construction project(s) listed in the Schedule of the endorsement.

b. Endorsement

Use Designated Construction Project(s) General Aggregate Limit Endorsement **BP 14 18.**

c. Premium Determination

Refer to company.

30. Exclusion – Damage To Work Performed By Subcontractors On Your Behalf

a. Description Of Coverage

This endorsement amends Section II – Liability of the Businessowners Coverage form by removing the exception to the exclusion for work performed by a subcontractor at any site or operation.

b. Endorsement

Use Exclusion – Damage To Work Performed By Subcontractors On Your Behalf Endorsement **BP 14 19.**

c. Premium Determination

Refer to company.

31. Exclusion – Damage To Work Performed By Subcontractors On Your Behalf – Designated Sites Or Operations

a. Description Of Coverage

This endorsement amends Section II – Liability of the Businessowners Coverage form by removing the exception to the exclusion for work performed by a subcontractor for sites or operations listed in the Schedule of the endorsement.

b. Endorsement

Use Exclusion – Damage To Work Performed By Subcontractors On Your Behalf – Designated Sites Or Operations Endorsement **BP 14 20.**

c. Premium Determination

Refer to company.

32. Communicable Disease Exclusion

a. Description

This endorsement amends Businessowners Liability Coverage to exclude bodily injury, property damage and personal and advertising injury arising out of the actual or alleged transmission of a communicable disease.

b. Endorsement

Use Communicable Disease Exclusion Endorsement **BP 14 86**.

c. Premium Determination

Refer to company.

33. Amendment Of Personal And Advertising Injury Definition

a. Description

This endorsement amends the definition of personal and advertising injury by removing the offense of an oral or written publication that violates a person's right of privacy.

b. Endorsement

Use Amendment Of Personal And Advertising Injury Definition Endorsement **BP 14 91**.

c. Premium Determination

Refer to company.

34. Access Or Disclosure Of Confidential Or Personal Information Exclusions

The mandatory Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement **BP 15 04** referenced in Rule **16**, may be replaced by one of the following endorsements:

a. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement

(1) Description Of Coverage

This endorsement excludes liability arising out of any access to or disclosure of any person's or organization's confidential or personal information. The exclusion in this endorsement does not include the limited exception for bodily injury that is included in Endorsement **BP 15 04**.

(2) Endorsement

Use Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement **BP 15 05**.

(3) Premium Determination

Refer to company.

b. Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement

(1) Description Of Coverage

This endorsement excludes liability arising out of any access to or disclosure of any person's or organization's confidential or personal information only with respect to personal and advertising injury.

(2) Endorsement

Use Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement **BP 15 06**.

(3) Premium Determination

Refer to company.

c. Electronic Data Liability – Limited Coverage Endorsement

See Paragraph **5**, Electronic Data for a description of Electronic Data Liability – Limited Coverage Endorsement **BP 05 95**.

When Endorsement **BP 15 05**, Endorsement **BP 15 06** or Endorsement **BP 05 95** is attached to the policy, do not attach Endorsement **BP 15 04**.

C. Additional Insured Endorsements (Liability And Medical Expenses Coverage)

1. Additional Insured – Managers Or Lessors Of Premises

a. Description Of Coverage

This endorsement is used to include as additional insureds designated persons or organizations for their liability as owners of designated premises leased to the named insured.

b. Endorsement

Use Additional Insured – Managers Or Lessors Of Premises Endorsement **BP 04 02**.

c. Premium Determination

Refer to the multistate rates to determine the additional premium.

d. Deductible

Optional deductibles do not apply.

2. Additional Insured – Controlling Interest

a. Description Of Coverage

This endorsement provides coverage for additional insureds who control either the insured or the insured's premises.

b. Endorsement

Use Additional Insured – Controlling Interest Endorsement **BP 04 06**.

3. Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivisions – Permits Or Authorizations Relating To Premises

a. Description Of Coverage

This endorsement provides coverage for certain premises hazards, for state or federal governmental organizations issuing permits or authorizations to owners or lessees.

b. Endorsement

Use Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivisions – Permits Or Authorizations Relating To Premises Endorsement **BP 04 07**.

4. Additional Insured – Townhouse Associations

a. Description Of Coverage

This endorsement covers individual townhouse owners for liability arising from membership in townhouse associations.

b. Endorsement

Use Additional Insured – Townhouse Associations Endorsement **BP 04 08**.

5. Additional Insured – Mortgagee, Assignee, Or Receiver

a. Description Of Coverage

This endorsement covers mortgagees, assignees or receivers on policies covering owners or general lessees. Construction and alterations are excluded.

b. Endorsement

Use Additional Insured – Mortgagee, Assignee, Or Receiver Endorsement **BP 04 09**.

6. Additional Insured – Owner Or Other Interests From Whom Land Has Been Leased

a. Description Of Coverage

This endorsement covers owners or lessors of land leased to the insured. Construction, alterations and post-lease occurrences are excluded.

b. Endorsement

Use Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased Endorsement **BP 04 10**.

7. Additional Insured – Co-Owner Of Insured Premises

a. Description Of Coverage

This endorsement covers co-owners of the insured premises.

b. Endorsement

Use Additional Insured – Co-Owner Of Insured Premises Endorsement **BP 04 11**.

- 8. Additional Insured – Engineers, Architects, Or Surveyors**
 - a. Description Of Coverage**

This endorsement covers engineers, architects or surveyors engaged by the insured for premises and operations liability. Professional liability is excluded.
 - b. Endorsement**

Use Additional Insured – Engineers, Architects, Or Surveyors Endorsement **BP 04 13**.
- 9. Additional Insured – Lessor Of Leased Equipment**
 - a. Description Of Coverage**

This endorsement is used to include as an additional insured a designated person or organization leasing equipment to the insured, for liability that involves contributory negligence and arises out of an occurrence that takes place during the term of the lease. A separate endorsement should be attached for each such lessor named as an additional insured.
 - b. Endorsement**

Use Additional Insured – Lessor Of Leased Equipment Endorsement **BP 04 16**.
 - c. Premium Determination**

Refer to the multistate rates to determine the additional premium.
 - d. Deductible**

Optional deductibles do not apply.
- 10. Additional Insured – Vendors**
 - a. Description Of Coverage**

This endorsement:

 - (1) May be added to policies insuring distributors.
 - (2) Includes as an additional insured a vendor shown in the Schedule of the endorsement, but only with respect to liability arising out of the vendor's sale or distribution of the named insured's products.
 - b. Endorsement**

Use Additional Insured – Vendors Endorsement **BP 04 47**.
 - c. Premium Determination**

Refer to company.
- 11. Additional Insured – Designated Person Or Organization**
 - a. Description Of Coverage**

This endorsement includes as an insured the person or organization shown in the Schedule of the endorsement, but only with respect to the liability arising out of the ongoing operations of the insured contractor or liability in connection with premises owned by or rented to the insured contractor.
 - b. Endorsement**

Use Additional Insured – Designated Person Or Organization Endorsement **BP 04 48**.
 - c. Premium Determination**

Refer to company.
- 12. Additional Insured – Engineers, Architects, Or Surveyors Not Engaged By The Named Insured**
 - a. Description Of Coverage**

This endorsement provides coverage for engineers, architects or surveyors not engaged by an insured contractor, but contractually required to be added as additional insureds to the insured contractor's policy.
 - b. Endorsement**

Use Additional Insured – Engineers, Architects, Or Surveyors Not Engaged By The Named Insured Endorsement **BP 04 49**.
 - c. Premium Determination**

Refer to company.
- 13. Additional Insured – Owners, Lessees Or Contractors**
 - a. Description Of Coverage**

This endorsement provides coverage for:

(1) Owners or lessees of buildings on policies covering contractors; and

(2) Contractors on policies covering subcontractors;

but only for liability for ongoing operations performed for such owners, lessees or contractors by the insured contractor or subcontractor.

b. Endorsement

Use Additional Insured – Owners, Lessees Or Contractors Endorsement **BP 04 50.**

c. Premium Determination

Refer to company.

14. Additional Insured – Owners, Lessees Or Contractors – With Additional Insured Requirement In Construction Contract

a. Description Of Coverage

This endorsement includes as additional insureds owners, lessees or contractors who have signed a contract or an agreement that requires them to be added as additional insureds on a policy covering a contractor or a subcontractor with respect to liability in connection with the insured contractor's ongoing operations performed for that additional insured.

b. Endorsement

Use Additional Insured – Owners, Lessees Or Contractors – With Additional Insured Requirement In Construction Contract Endorsement **BP 04 51.**

c. Premium Determination

Refer to company.

15. Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivisions – Permits Or Authorizations

a. Description Of Coverage

This endorsement provides coverage for certain premises hazards or for state or federal governmental organizations issuing permits or authorizations to contractors. This Rule does not apply to operations performed for such governmental organizations.

b. Endorsement

Use Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivisions – Permits Or Authorizations Endorsement **BP 04 52.**

16. Amendment Of Insured Contract Definition

a. Description Of Coverage

This endorsement excludes liability arising out of tort liability for which the named insured or anyone acting on behalf of the named insured did not contribute, in whole or in part, to the bodily injury or property damage.

b. Endorsement

Use Amendment Of Insured Contract Definition Endorsement **BP 05 98.**

c. Premium Determination

Refer to company.

17. Additional Insured – Owners, Lessees Or Contractors – Completed Operations

a. Description Of Coverage

This endorsement provides coverage for:

(1) Owners or lessees of buildings on policies covering contractors; and

(2) Contractors on policies covering subcontractors

but only with respect to liability for completed operations for such owners, lessees or contractors by the insured contractor or subcontractor.

b. Endorsement

Use Additional Insured – Owners, Lessees Or Contractors – Completed Operations Endorsement **BP 14 02.**

c. Premium Determination

Refer to company.

18. Additional Insured – Grantor Of Franchise

a. Description Of Coverage

This endorsement includes as an insured, the person or organization shown in the Schedule of the endorsement, but only with respect to their liability as a grantor of a franchise.

b. Endorsement

Use Additional Insured – Grantor Of Franchise Endorsement **BP 14 05**.

c. Premium Determination

Refer to company.

19. Additional Insured – Owners, Lessees Or Contractors – With Additional Insured Requirement For Other Parties In Construction Contract

a. Description Of Coverage

This endorsement may be used to include as additional insureds owners, lessees or contractors when the named insured has agreed in writing in a contract or an agreement to include them, or any other party or organization, as additional insureds on a policy covering a contractor or a subcontractor with respect to liability in connection with the insured contractor's ongoing operations performed for the additional insured.

b. Endorsement

Use Additional Insured – Owners, Lessees Or Contractors – With Additional Insured Requirement For Other Parties In Construction Contract Endorsement **BP 14 87**.

c. Premium Determination

Refer to company.

20. Primary And Noncontributory – Other Insurance Condition

a. Description Of Coverage

This endorsement provides that the coverage made available to an additional insured will be provided on a primary and noncontributory basis.

b. Endorsement

Use Primary And Noncontributory – Other Insurance Condition Endorsement **BP 14 88**.

D. Endorsements Applicable To Specific Classes

1. Contractors' Optional Coverages

a. Description Of Coverage

The aggregate limit of insurance for Liability and Medical Expenses in the Businessowners Liability Coverage may be changed from a per policy to a per project basis for every project engaged in by the insured contractor that is covered by the policy.

b. Endorsement

Use Amendment – Aggregate Limits Of Insurance (Per Project) Endorsement **BP 07 02**.

c. Premium Determination

Refer to Rule **23.C.6.b**. Premium Determination – Liability And Medical Expenses Coverage for limits of insurance and increased limits factors.

2. Motels

a. Description Of Coverage

Motel – Liability For Guests' Property In Safe Deposit Boxes Endorsement **BP 07 11** amends the Businessowners Coverage-Form **BP 00 03** by adding a coverage grant to cover guests' property held in a safe deposit box on the insured's premises. It should be used in conjunction with Motels Endorsement **BP 07 10**.

Coverage is available for Guests' Property In Safe Deposit Boxes at limits of \$25,000, \$50,000, \$100,000 or \$250,000 per occurrence.

b. Endorsement

Use Motel—Liability For Guests' Property In Safe Deposit Boxes Endorsement **BP 07 11**.

c. Premium Determination

Refer to the multistate rates to determine the additional premium.

Refer to company for optional limits above \$250,000.

d. Deductible

Optional property damage liability deductibles may be applied to this coverage. Refer to Rule **24.D.** for details.

3. Professional Liability Endorsements

a. ~~Barbers~~Barber Shops And Beauticians~~Hair Salons~~ Professional Liability

(1) Description Of Coverage

This endorsement is used to provide professional liability coverage for bodily injury, property damage, personal injury and advertising injury or other injury that results from the rendering of or failure to render professional services in the operation of a barbershop or ~~beauty~~hair salon.

(2) Endorsement

Use ~~Barbers~~Barber Shops And Beauticians~~Hair Salons~~ Professional Liability Endorsement **BP 08 01.**

(3) Premium Determination

Refer to company.

b. Beauty Salons Professional Liability

(1) Description Of Coverage

This endorsement is used to provide professional liability coverage for bodily injury, property damage, personal injury and advertising injury or other injury that results from the rendering of or failure to render professional services in the operation of a beauty salon.

(2) Endorsement

Use Beauty Salons Professional Liability Endorsement **BP 08 09.**

(3) Premium Determination

Refer to company.

c. Funeral Directors Professional Liability

(1) Description Of Coverage

This endorsement is used to provide professional liability coverage for bodily injury, property damage, personal injury, advertising injury or other injury arising out of the rendering of, or failure to render, professional services as a funeral director.

(2) Endorsement

Use Funeral Directors Professional Liability Endorsement **BP 08 02.**

(3) Premium Determination

Refer to company.

cd. Optical And Hearing Aid Establishments

(1) Description Of Coverage

This endorsement is used to provide professional liability coverage for bodily injury, property damage, personal injury and advertising injury arising out of the rendering of or failure to render, professional services by an establishment's certified/licensed opticians or hearing aid specialists while performing services at the designated premises.

(2) Endorsement

Use Optical And Hearing Aid Establishments Endorsement **BP 08 03.**

(3) Premium Determination

Refer to company.

de. Pharmacists Liability Coverage Options

(1) Pharmacists Endorsement BP 08 07

(a) Description Of Coverage

This endorsement is used to provide professional liability coverage for bodily injury, property damage and personal and advertising injury caused by the rendering of, or failure to render, professional services in connection with services in the practice of a retail pharmacist or pharmacy.

This endorsement excludes injury:

- (i) Caused by the willful violation of any applicable state statutes or ordinance relating to the sale of pharmaceuticals by or with the knowledge or consent of any insured;

(ii) Arising out of an insured's consulting, diagnostic, referral or similar service including performing blood tests, prescribing or administering any drugs or vaccinations, and managing drug therapy as required under any state statutes; and

(iii) Arising out of goods or products prescribed by any insured as permitted by any applicable statute.

(b) Endorsement

Use Pharmacists Endorsement **BP 08 07**.

(c) Premium Determination

(i) Premium

i. Refer to the multistate rates to determine the premium.

ii. Multiply the Pharmacists Professional Liability multistate rate in Table **29.D.3.de.(1)(c)(i)(LC)** by the annual gross sales (per \$1,000), derived from pharmacist operations, to determine the additional premium.

(ii) Optional Higher Limits Of Insurance

For optional higher limits of insurance, multiply the premium determined in Paragraph (i) by a factor in Table **29.D.3.de.(1)(c)(ii)(RF)**. The limit of insurance must be the same as the limit provided for Liability and Medical Expenses Coverage.

(d) Deductible

Optional deductibles do not apply.

(2) Pharmacists – Broad Coverage Endorsement BP 08 06

(a) Description Of Coverage

To provide the coverage contemplated by state statute, which expands the traditional duties and responsibilities of pharmacists, attach Pharmacists – Broad Coverage Endorsement **BP 08 06** instead of Pharmacists Endorsement **BP 08 07**.

This endorsement is used to provide professional liability coverage for bodily injury, property damage and personal and advertising injury caused by the rendering of, or failure to render, professional services in connection with services in the practice of pharmacy, for operations of a retail druggist or drugstore, including administering or prescribing any drug consulting, diagnostic, referral or similar service. The endorsement does not apply to any claim resulting from the willful violation of any applicable state statutes.

(b) Endorsement

Use Pharmacists – Broad Coverage Endorsement **BP 08 06**.

(c) Premium Determination

(i) Premium

i. Refer to the multistate rates to determine the premium.

ii. Multiply the Pharmacists Professional Liability multistate rate in Table **29.D.3.de.(2)(c)(i)(LC)** by the annual gross sales (per \$1,000), derived from pharmacist operations, to determine the additional premium.

(ii) Optional Higher Limits Of Insurance

For optional higher limits of insurance, multiply the premium determined in Paragraph (i) by a factor in Table **29.D.3.de.(2)(c)(ii)(RF)**. The limit of insurance must be the same as the limit provided for Liability and Medical Expenses Coverage.

(d) Deductible

Optional deductibles do not apply.

ef. Printer's Errors And Omissions Liability

(1) Description Of Coverage

This endorsement provides liability coverage for the insured's negligent acts, errors or omissions in providing printing services. The endorsement does not apply to any claim resulting from any publishing function.

(2) Endorsement

Use Printer's Errors And Omissions Liability Endorsement **BP 08 04**.

(3) Premium Determination

Refer to company.

fg. Veterinarians Professional Liability Coverage

(1) Description Of Coverage

This endorsement is used to provide professional liability coverage for bodily injury, property damage, personal injury and advertising injury arising out of the rendering of, or failure to render, professional services as a veterinarian.

(2) Eligible Veterinarians

Veterinarians specializing in the treatment of house pets.

(3) Ineligible Veterinarians

Veterinarians providing veterinary services for:

- (a)** Animals used or bred for professional racing, show or delivering;
- (b)** Animals belonging to zoos, circuses, carnivals, rodeos, theatrical or other show enterprises;
- (c)** Training or obedience schools;
- (d)** Laboratory animal breeders;
- (e)** Animal shelters;
- (f)** Commercial cattle or hog confinement operations;
- (g)** Animal auctions; or
- (h)** Prize livestock.

(4) Endorsement

Use Veterinarians Professional Liability Endorsement **BP 08 05**.

(5) Premium Determination

- (a)** Refer to the multistate rates to determine the premium.
- (b)** Use the Veterinarians Professional Liability multistate premium for each veterinarian to determine the additional premium.

(6) Deductible

Optional deductibles do not apply.

(7) Optional Higher Limits Of Insurance

For optional higher limits of insurance, multiply the premium determined in Paragraph **(5)** by a factor in Table **29.D.3.fg.(7)(RF)**. The limit of insurance must be the same as the limit provided for Liability and Medical Expenses Coverage.

4. Seed Merchants Endorsements

The following endorsements create options to modify Businessowners Liability Coverage:

a. Option One – Exclusion – Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate – Seed Merchants Endorsement BP 14 12

To exclude property damage liability arising out of the erroneous delivery of seed; an error in mechanical mixture of seed; or the failure of seed to germinate attach Exclusion – Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate – Endorsement BP 14 12.

Refer to company for rating.

b. Option Two – Seed Merchants – Coverage For Erroneous Delivery Or Mixture (Resulting Failure Of Seed To Germinate Not Included) Endorsement BP 14 13

This endorsement:

- (1)** Removes Exclusion n. Damage To Impaired Property Or Property Not Physically Injured applicable to Business Liability Coverage as respects property damage liability that generally results from the erroneous delivery of seed; or an error in mechanical mixture of seed;
- (2)** Adds an exclusion for property damage liability arising out of the failure of seed to germinate.

Use Seed Merchants – Coverage For Erroneous Delivery Or Mixture (Resulting Failure Of Seed To Germinate Not Included) Endorsement BP 14 13.

Refer to company for rating.

c. Option Three – Seed Merchants – Coverage For Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate Endorsement BP 14 14

This endorsement removes Exclusion n. Damage To Impaired Property Or Property Not Physically Injured applicable to Business Liability Coverage as respects property damage liability that results from the erroneous delivery of seed; or an error in mechanical mixture of seed; or the failure of seed to germinate under certain circumstances.

Use Seed Merchants – Coverage For Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate Endorsement BP 14 14.

Refer to company for rating.

5. Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement

a. Description Of Coverage

This endorsement provides Directors And Officers (D&O) Liability Coverage for eligible condominiums, co-ops and community associations. There are three Insuring Agreements in the endorsement:

- (1) Management Liability provides coverage for loss on behalf of an insured person, except to the extent that the association has indemnified the insured person. Losses are the result of claims arising out of wrongful acts committed by the insured person. Under Management Liability, liability coverage is extended to include claims against the spouse of the insured person and estates, heirs and legal representatives of the insured, respectively.
- (2) Association Reimbursement provides coverage for payment on behalf of the association for loss for which the association has indemnified the insured person (as permitted by law).
- (3) Association Liability provides coverage for payment on behalf of the association for loss for which the association is legally obligated as a result of a claim.

b. Endorsement

Use Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement BP 17 24.

Endorsement BP 17 24 provides coverage for liability arising out of wrongful acts committed by an insured, as defined. The Schedule of the endorsement provides an entry for:

- (1) The name of the insured association;
- (2) A Limit of Insurance for damages and defense expenses;
- (3) A deductible amount. The company's obligation to pay damages and defense expenses on behalf of the insured applies only to the amount of damages and defense expenses in excess of any deductible amount stated as applicable to such coverages. A single deductible applies to the coverages provided under the three Insuring Agreements;
- (4) The date of pending or prior litigation;
- (5) A retroactive date. If "none" is entered in the Schedule of the endorsement, there is no retroactive date. If there is no retroactive date, coverage may be afforded for wrongful acts committed before the inception date of the policy; and
- (6) An extended reporting period, as described in Paragraph e.

c. Limits Of Insurance

A base annual aggregate limit of insurance of \$10,000 applies. This limit may be increased. Optional higher limits of \$25,000, \$50,000, \$75,000 and \$100,000 are available. For the applicable increased limits factors, refer to Table 29.D.5.c.(RF).

d. Deductible

A base deductible of \$500 applies. This deductible may be increased. Optional deductibles of \$1,000, \$2,500, \$5,000, \$10,000 and \$25,000 are available. For the applicable deductible credit factors, refer to Table 29.D.5.d.(RF). Subtract the factor selected in Table 29.D.5.d.(RF) from the applicable increased limits factor selected in Paragraph c. The result from this step will be used to replace the increased limit factor selected in Paragraph c.

e. Extended Reporting Period

An Extended Reporting Period option can be selected by marking a checkbox in the Schedule of the endorsement. This option provides for a three year Extended Reporting Period only for coverages available in the Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement. The claim must be for a loss, as defined in the endorsement, because of a wrongful act committed by an insured person which occurs:

- (1) On or after the Retroactive Date; and
- (2) Before the end of the policy period.

The Named Insured must request this coverage within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.

f. Premium Determination

Refer to company for rating. However, the premium charged for the Extended Reporting Period may not exceed 1.00 times the annual premium for the Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement.

g. Aggregate Limit

There is no separate or additional limit of insurance for the Extended Reporting Period. The limit of insurance available during the Extended Reporting Period is the remaining amount of the aggregate limit of insurance available at the time the policy was cancelled or non-renewed if any.

E. Other Endorsements

1. Information Security Protection Endorsement

a. Description Of Coverage

(1) Insuring Agreements

Information Security Protection Endorsement **BP 15 07** contains seven insuring agreements. Insuring Agreements **a., b., c., e.** and **f.** provide first-party coverage. Insuring Agreements **d.** and **g.** provide third-party coverage written on a claims-made basis.

(a) Insuring Agreement a. Replacement Or Restoration Of Electronic Data

This insuring agreement provides coverage for costs incurred by the insured to replace or restore electronic data or computer programs as well as the cost of data entry, reprogramming and computer consultation services resulting directly from an e-commerce incident sustained during the policy period. E-commerce incident is defined to mean a virus, malicious code or denial of service attack introduced into or enacted upon the computer system (including electronic data) or a network to which it is connected, that is designed to damage, destroy, delete, corrupt or prevent the use of or access to any part of the computer system or otherwise disrupt its normal operation.

(b) Insuring Agreement b. Public Relations Expense

This insuring agreement provides coverage for fees and costs of a public relations firm and any other reasonable expenses incurred by the insured, with the insurer's written consent, to protect or restore its reputation in response to negative publicity resulting from an e-commerce incident, as that term is defined in the endorsement, or security breach. Security breach is defined to mean the acquisition of personal information held within the computer system or in non-electronic format while in the care, custody or control of the insured or authorized third party by a person:

(i) Who is not authorized to have access to such information; or

(ii) Who is authorized to have access to such information but whose access results in the unauthorized disclosure of such information.

(c) Insuring Agreement c. Security Breach Expense

This insuring agreement provides coverage for expenses incurred by the insured, including costs: to establish whether a security breach has occurred or is occurring; to investigate the cause, scope and extent of a security breach and to identify any affected parties; to determine any action necessary to correct or remediate the conditions that led to or resulted from a security breach, including, but not limited to, fees paid for legal and other professional advice on how to respond to the security breach; to notify all parties affected by a security breach, including, but not limited to, notice to be transmitted through media required by privacy regulations; overtime salaries paid to employees assigned to handle inquiries from parties affected by a security breach; fees and expenses of a company hired by the insured to operate a call center to handle inquiries from parties affected by a security breach; post-event monitoring for parties affected by a security breach for up to one year from the date of notification to those affected parties of such security breach; and any other reasonable expenses incurred by the insured with the insurer's written consent.

(d) Insuring Agreement d. Security Breach Liability

This insuring agreement provides coverage for both loss that the insured becomes legally obligated to pay and defense expenses as a result of a claim first made against the insured during the policy period or Extended Reporting Period for a wrongful act or series of interrelated wrongful acts taking place on or after the Retroactive Date. Wrongful act, as it pertains to this insuring agreement, is defined to mean any actual or alleged neglect, breach of duty or omission by an insured that results in a security breach, as that term is defined in the endorsement, or transmission of a computer virus to another person or organization.

Coverage may also be provided for both loss (meaning fines or penalties assessed against the insured to the extent such fines or penalties are insurable by law) and defense expenses in connection with a regulatory proceeding as a result of a wrongful act covered under the insuring agreement.

(e) Insuring Agreement e. Extortion Threats

This insuring agreement provides coverage for extortion expenses and ransom payments incurred by the insured resulting directly from an extortion threat. Extortion threat is defined to mean a threat or series of related threats to introduce a virus, malicious code or denial of service attack; disseminate, divulge or utilize the insured's proprietary information or weakness in the source code within the computer system; destroy, corrupt or prevent normal access to the computer system; inflict ransomware on the computer system or a network to which it is connected; or publish a client's personal information.

(f) Insuring Agreement f. Business Income And Extra Expense

This insuring agreement provides coverage for the actual loss of business income and/or extra expense incurred by the insured resulting directly from an e-commerce incident or extortion threat as those terms are defined in the endorsement.

(g) Insuring Agreement g. Web Site Publishing Liability

This insuring agreement provides coverage for both loss that the insured becomes legally obligated to pay and defense expenses as a result of a claim first made against the insured during the policy period or Extended Reporting Period for a wrongful act or series of interrelated wrongful acts taking place on or after the Retroactive Date. Wrongful act, as it pertains to this insuring agreement, is defined to mean any actual or alleged error, misstatement or misleading statement posted or published by an insured on its web site that results in an infringement of another's copyright, trademark, trade name, trade dress, title, slogan, service name or service mark. Wrongful act, in this endorsement, is not defined to include infringing upon another's copyright, trade dress or slogan in the insured's advertisement (coverage for infringing upon another's copyright, trade dress or slogan in the insured's advertisement is addressed in the base policy coverage form).

(2) Coverage Tiers

The seven insuring agreements are provided in three Coverage Tiers. Coverage Tier 1 is automatically provided when the endorsement is attached to the policy. Coverage Tiers 2 and 3 are activated by Schedule entry. Tier 2 must be selected if Tier 3 is selected.

(a) Tier 1: Insuring Agreement a. Replacement Or Restoration Of Electronic Data; Insuring Agreement b. Public Relations Expense; and Insuring Agreement c. Security Breach Expense.

(b) Tier 2: Insuring Agreement d. Security Breach Liability.

(c) Tier 3: Insuring Agreement e. Extortion Threats; Insuring Agreement f. Business Income And Extra Expense; and Insuring Agreement g. Web Site Publishing Liability.

b. Endorsement

Use Endorsement **BP 15 07**.

c. Retroactive Date

The Retroactive Date applies only to Insuring Agreements **d.** and **g.**

(1) The Retroactive Date is a specific date entered in the Schedule of the endorsement. Any wrongful act which occurred prior to the Retroactive Date is not covered, even if a claim for such wrongful act is first made during the policy period, the Basic Extended Reporting Period, or the Supplemental Extended Reporting Period (if purchased).

(2) If "None" is entered in the Schedule of the endorsement, there is no Retroactive Date. In such case, coverage may be afforded for wrongful acts occurring prior to the inception date of the policy.

d. Basic Extended Reporting Period

The Basic Extended Reporting Period applies only to Insuring Agreements **d.** and **g.**

(1) If the circumstances related to cancellation or nonrenewal of coverage specified in the Extended Reporting Periods Condition of the endorsement are met, a Basic Extended Reporting Period is automatically provided at no additional charge. This period starts with the end of the policy period and lasts for 30 days.

(2) The Basic Extended Reporting period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the aggregate limit of insurance applicable to such claims.

(3) There is no separate or additional Aggregate Limit of Insurance for the Basic Extended Reporting Period. The limit of insurance available during the Basic Extended Reporting Period shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the policy period.

e. Limits Of Insurance

The Information Security Protection Endorsement may be written with an aggregate limit of insurance of \$10,000, \$25,000, \$50,000, \$75,000 or \$100,000.

f. Deductible

- (1) A deductible applies to Insuring Agreements a., b., c., d., e. and g. The deductible will be shown in the Schedule and is available in amounts of \$500, \$1,000, \$2,500 or \$5,000.
- (2) Insuring Agreement f. is subject to the greater of the deductible amount shown in the Schedule or the amount of loss incurred during the waiting period shown in the Schedule from the beginning of the interruption. While the default period is 24 hours, an option to reduce the waiting period to eight hours is also available and can be selected in the Schedule.
- (3) In the event a loss is covered under more than one Insuring Agreement, the applicable deductible amount will be applied only once per occurrence, wrongful act or interrelated wrongful acts.

g. Premium Determination

- (1) For Tier 1 coverages, based on the limit of insurance and deductible selected, refer to multistate rates Table 29.E.1.g.(1)(LC) to determine the additional premium.
- (2) For Tier 1 and Tier 2 coverages, based on the limit of insurance and deductible selected, refer to multistate rates Table 29.E.1.g.(2)(LC) to determine the additional premium.
- (3) For Tier 1, Tier 2 and Tier 3 coverages, based on the limit of insurance and deductible selected, refer to multistate rates Table 29.E.1.g.(3)(LC) to determine the additional premium.
- (4) If an eight-hour waiting period is selected for business income and extra expense coverage, multiply the additional premium determined in Paragraph (3) by the factor shown in Table 29.E.1.g.(4)(RF).
- (5) Contracted Security Breach Services:
 - (a) If you or the insured has contracted with a company to provide pre-security breach services (i.e., services designed to prepare for, or reduce the likelihood of, a security breach), such as those offered by IDT911 (a/k/a IDentity Theft 911), with respect to the coverages provided by this endorsement, multiply the applicable additional premium determined in Paragraphs (1) through (4) by the factor shown in Table 29.E.1.g.(5)(a)(RF).
 - (b) If you or the insured has contracted with a company to provide post-security breach services (i.e., services designed to appropriately respond to, and lessen the impact of, a security breach) such as those offered by IDT911 (a/k/a IDentity Theft 911), with respect to the coverages provided by this endorsement, multiply the applicable additional premium determined in Paragraphs (1) through (4) by the factor shown in Table 29.E.1.g.(5)(b)(RF).
 - (c) If you or the insured has contracted with a company to provide pre- and post-security breach services, such as those offered by IDT911 (a/k/a IDentity Theft 911), with respect to the coverages provided by this endorsement, multiply the applicable additional premium determined in Paragraphs (1) through (4) by the factor shown in Table 29.E.1.g.(5)(c)(RF).
- (6) For all applicable Risk Characteristics, add together the corresponding factors shown in Table 29.E.1.g.(6)(RF), and add 1.00 to the sum. Multiply the result by the additional premium determined in Paragraphs (1) through (5).

h. Supplemental Extended Reporting Period

The Supplemental Extended Reporting Period applies only to Insuring Agreements d. and g.

- (1) If the circumstances related to cancellation or nonrenewal of coverage specified in the Extended Reporting Periods Condition of the endorsement are met, an optional Supplemental Extended Reporting Period is available, but only for an additional charge. The Named Insured must request the Supplemental Extended Reporting Period in writing within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first. The Supplemental Extended Reporting Period will begin after the 30-day Basic Extended Reporting Period expires and will last for one year.
- (2) Refer to company for rating. However, the premium charged for the Supplemental Extended Reporting Period may not exceed 1.00 times the annual premium for Endorsement BP 15 07.
- (3) There is no separate or additional Aggregate Limit of Insurance for the Supplemental Extended Reporting Period. The limit of insurance available during the Supplemental Extended Reporting Period shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the Basic Extended Reporting Period.

i. Payment Card Industry Coverage

(1) Description Of Coverage

This endorsement provides coverage for both loss (meaning fines or penalties assessed against the insured to the extent such fines or penalties are insurable by law) and defense expenses as a result of a claim in the form of an action taken by a card company for noncompliance with Payment Card Industry Data Security Standards first made against the insured during the policy period or during the Extended Reporting Period in response to a wrongful act or series of interrelated wrongful acts covered under Insuring Agreement d. Security Breach Liability.

(2) Endorsement

Use Payment Card Industry (PCI) – Provide Coverage For Defense Expenses And Fines Or Penalties Endorsement **BP 15 08**.

(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.

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.

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 Apartment Buildings 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**.

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 mercantile or office occupancy – includes 3- or 4-family lessor's risk only	6514465144
4 families or fewer, with mercantile or office occupancy – includes 3- or 4-family lessor's risk only and garden apartments	6514265145
Over 4 families with no mercantile or office occupancy	6513265146
Over 4 families with mercantile or office occupancy	6513365147
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

- 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.

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

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:

- 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.
- Section II – Liability to:
 - 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 ~~Restaurants~~ 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.911.e.(1)(LC)** and **29.A.911.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.1821.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.

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.e.(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 in on the Declarations or Restaurants Endorsements~~endorsements~~.

b. Form

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

C. Eligible Classifications

1. ~~The following classifications~~Any restaurant described in Rule **22.A.9.** and in the Businessowners Classification Table are the only ones is eligible for the Restaurants endorsements~~:-~~.

Description	Class Code
Fast Food Restaurants	
Cafes	09004
Cafeteria-Style—Buffet	09024
Chicken	09034
Concession Stands/Snack Bars	09054
Delicatessens and Sandwich Shops	09074
Donut Shops	09094
Drive-ins/Service in Car (When Drive-ins/Service in Car and any other eligible classification applies, rate and code the restaurants as Drive-ins/Service in Car.)	09114
Drug Stores	09134
Hamburger/Malt Shops	09154
Hotdog Shops	09164
Oriental-Style	09184
Other Ethnic-Style	09194
Pizza Shops	09204
Roast Beef	09224
Seafood	09244
Take Out Only Restaurants—no on-premises consumption of food (When Take Out Only Restaurants—no on-premises consumption of food and any other eligible restaurants classification applies, rate and code the restaurants as Take Out Only Restaurants—no on-premises consumption of food.)	09254
Limited Cooking Restaurants	
Cafes	09014
Coffee Bars or Shops	09044
Concession Stands/Snack Bars	09064
Delicatessen and Sandwich Shops	09084
Donut Shops	09104
Drive-ins/Service in Car (When Drive-ins/Service in Car and any other eligible classification applies, rate and code the restaurants as Drive-ins/Service in Car.)	09124
Drug Stores	09144
Ice Cream and Yogurt Stores	09174
Pizza Shops	09214

Description	Class Code
Salad Bars	09234
Take Out Only Restaurants – no on-premises consumption of food (When Take Out Only Restaurants – no on-premises consumption of food and any other eligible restaurant classification applies, rate and code the restaurant as Take Out Only Restaurants – no on-premises consumption of food.)	09264

Table 42.C.1. Eligible Classifications

2. Any of the classifications listed 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.

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.

C. Eligible Classifications

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

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

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.

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.

(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.

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.

4. POLICY TERM

<u>Term Of Policy</u>	<u>Term Factor</u>
<u>6 months</u>	<u>0.5</u>
<u>18 months</u>	<u>1.5</u>
<u>2 years</u>	<u>2.0</u>
<u>3 years</u>	<u>3.0</u>

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

<u>Term Of Policy</u>	<u>Term Factor</u>
<u><1</u>	<u>1.1</u>

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

<u>Premium</u>	<u>Factor</u>
<u><\$500</u>	<u>1.05</u>

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

10. POLICY CANCELLATION

Factor
<u>.90</u>

Table 10.B.(RF) Other Calculations Factor

B.Other Calculations

Factor	<u>.90</u>
---------------	------------

Table 10.B.(RF) Other Calculations Factor

23. PREMIUM DEVELOPMENT – MANDATORY COVERAGES

Property Rate Numbers	Building Factor	Business Personal Property Factor
01	<u>1.000</u>	<u>1.000</u>
02	<u>0.707704</u>	<u>0.673</u>
03	<u>0.677712</u>	<u>0.579</u>
04	<u>0.976</u>	<u>1.231043</u>
05	<u>1.057107</u>	<u>0.990</u>
06	<u>1.0450.979</u>	<u>0.722</u>
07	<u>1.240322</u>	<u>1.702</u>
08	<u>1.332401</u>	<u>1.461</u>
09	<u>1.827467</u>	<u>1.788</u>
10	<u>2.101057</u>	<u>2.149</u>
11	<u>2.548295</u>	<u>2.487</u>
12	<u>2.893857</u>	<u>2.846</u>
13	<u>1.302263</u>	<u>1.304</u>
14	<u>1.918838</u>	<u>1.889</u>
15	<u>2.206256</u>	<u>2.370</u>
16	<u>2.675658</u>	<u>2.537</u>
17	<u>2.514331</u>	<u>2.451</u>
18	<u>3.798302</u>	<u>3.257</u>
19	<u>0.979</u>	<u>1.011517</u>
20	<u>1.240321</u>	<u>1.860</u>
21	<u>2.488</u>	<u>3.714987</u>
22	<u>2.488</u>	<u>3.714987</u>
23	<u>2.488</u>	<u>3.714987</u>
24	<u>2.204126</u>	<u>2.225</u>
25	<u>2.525368</u>	<u>2.426</u>
26	<u>4.6773.215</u>	<u>3.215</u>
27	<u>1.909</u>	<u>1.792</u>
28	<u>3.614</u>	<u>2.632</u>
29	<u>3.614</u>	<u>2.632</u>

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

Construction Type	Building Factor	Business Personal Property Factor
Frame Construction	1.000	<u>1.000</u>
Joisted Masonry	<u>0.825940</u>	<u>0.993</u>
Non-Combustiblecombustible	<u>0.785</u>	0.825
Masonry Non-Combustiblecombustible	<u>0.749759</u>	<u>0.825</u>
Modified Fire Resistive-Or-Fire Resistive-resistive	<u>0.560592</u>	<u>0.722</u>
Fire-resistive	<u>0.565</u>	<u>0.722</u>

Table 23.C.3.(RF) Construction Relativities

Public Protection (Fire) Classification	Building Factor	Business Personal Property Factor
1—4	1.000	<u>1.000</u>
<u>2</u>	1.000	<u>1.000</u>
<u>3</u>	1.000	<u>1.000</u>
<u>4</u>	<u>1.058</u>	<u>1.000</u>
5—6	<u>1.063085</u>	<u>1.000</u>
<u>6</u>	<u>1.141</u>	<u>1.000</u>
7—8	<u>1.260230</u>	<u>1.140</u>
<u>8</u>	<u>1.230</u>	<u>1.140</u>
8B	<u>1.490278</u>	<u>1.202</u>
9—10	<u>1.490299</u>	<u>1.225</u>
<u>10</u>	<u>1.378</u>	<u>1.343</u>
<u>1X – 5X</u>	<u>1.216</u>	<u>1.134</u>
<u>6X – 7X</u>	<u>1.278</u>	<u>1.202</u>
<u>8X</u>	<u>1.299</u>	<u>1.225</u>
<u>1Y – 5Y</u>	<u>1.216</u>	<u>1.134</u>
<u>6Y – 8Y</u>	<u>1.278</u>	<u>1.202</u>
<u>10W</u>	<u>1.356</u>	<u>1.318</u>

Table 23.C.4.a.(RF) Public Protection (Fire) Classification Relativities

Property Rate Numbers	<u>Building Factor</u>	<u>Business Personal Property Factor</u>
01	<u>0.850800</u>	<u>0.900</u>
02	<u>0.850800</u>	<u>0.900</u>
03	<u>0.850800</u>	<u>0.900</u>
04	<u>0.750700</u>	<u>0.800</u>
05	<u>0.850800</u>	<u>0.900</u>
06	<u>0.750700</u>	<u>0.800</u>
07	<u>0.800750</u>	<u>0.850</u>
08	<u>0.850800</u>	<u>0.900</u>
09	<u>0.850600</u>	<u>0.900</u>
10	<u>0.750700</u>	<u>0.800</u>
11	<u>0.800</u>	<u>0.900</u>
12	<u>0.650</u>	<u>0.750</u>
1113	<u>0.750</u>	<u>0.850</u>
14	<u>0.800</u>	<u>0.900</u>
1215	<u>0.700</u>	<u>0.800</u>
1316	<u>0.800</u>	<u>0.900</u>
1417	<u>0.850700</u>	<u>0.800</u>
1518	<u>0.650</u>	<u>0.750</u>
1619	<u>0.750</u>	<u>0.850</u>
1720	<u>0.750</u>	<u>0.850</u>
18	<u>0.700</u>	
1921	<u>0.800</u>	<u>0.900</u>
2022	<u>0.800</u>	<u>0.900</u>
2123	<u>0.750</u>	<u>0.850</u>
2224	<u>0.850700</u>	<u>0.800</u>
2325	<u>0.700</u>	<u>0.800</u>
2426	<u>0.750</u>	<u>0.850</u>
2527	<u>0.750</u>	<u>0.850</u>
28	<u>0.650</u>	<u>0.750</u>
2629	<u>0.800650</u>	<u>0.750</u>

Table 23.C.5.(RF) Sprinklered Factors

Building Limit (000's)	Limit Of Insurance Relativity Factors		
	Group A	Group B	Group C
\$ <50	1.678	1.142	1.330
50	1.678	1.142	1.330
75	1.525	1.115	1.223
100	1.347	1.080	1.153
125	1.224	1.053	1.101
150	1.132	1.032	1.061
175	1.059	1.015	1.028
200	1.000	1.000	1.000
225	0.951	0.935	0.976
250	0.908	0.881	0.955
275	0.872	0.834	0.921
300	0.840	0.794	0.890
325	0.812	0.759	0.863
350	0.786	0.727	0.839
375	0.763	0.699	0.817
400	0.742	0.674	0.796
425	0.723	0.651	0.778
450	0.706	0.630	0.761
475	0.689	0.611	0.745
500	0.674	0.594	0.731
550	0.647	0.562	0.704
600	0.623	0.535	0.681
650	0.602	0.511	0.660
700	0.583	0.490	0.641
750	0.566	0.471	0.625
800	0.551	0.454	0.609
850	0.537	0.439	0.595
900	0.524	0.425	0.582
950	0.512	0.412	0.570
1,000	0.500	0.400	0.559
Over 1,000	0.500	0.400	0.559

Table 23.C.6.a.(2)(c)(iii)i.(RF) Building Limit Of Insurance Relativity Factors

Business Personal Property Limit (000's)	Limit Of Insurance Relativity Factor
\$ <10	1.767
10	1.767
15	1.531
20	1.383
25	1.278
30	1.198
35	1.135
40	1.082
45	1.038
50	1.000
60	0.938
70	0.888
80	0.842
90	0.798
100	0.762
110	0.730
120	0.702
130	0.677
140	0.655
150	0.635
160	0.617
170	0.601
180	0.585
190	0.571
200	0.558
210	0.546
220	0.535
230	0.525
240	0.515
250	0.505
Over 250	0.505

Table 23.C.6.a.(2)(c)(iii)ii.(RF) Business Personal Property Limit Of Insurance Relativity Factors

Class Group (Limit of Insurance) Occupant Liability	Factor
01	1.000
02	<u>0.372401</u>
03	<u>1.082284</u>
04	<u>1.483775</u>
05	<u>4.6472.049</u>
06	<u>2.207049</u>
07	<u>3.072948</u>
08	<u>3.5625.343</u>
09	<u>3.7174.153</u>
10	<u>4.274945</u>
11	<u>0.649748</u>
12	<u>0.9881.033</u>
13	<u>1.324307</u>
14	1.843
15	<u>2.437136</u>
16	<u>2.230174</u>
18	<u>1.000</u>
22	<u>4.993</u>

Table 23.C.6.b.(2)(b)(i)#1(RF) Liability Class Group Relativities (Limit Of Insurance)

Class Group (Annual Gross Sales) Occupant Liability	Factor
31	1.000
32	1.403
33	<u>4.3402.010</u>
34	<u>4.3402.010</u>
35	<u>4.3402.010</u>
36	<u>0.504510</u>
37	<u>0.687692</u>
38	<u>0.550569</u>
39	<u>0.727744</u>
40	<u>3.029</u>
41	<u>1.762</u>
42	<u>3.029</u>
43	<u>1.797</u>
44	<u>1.664</u>

Table 23.C.6.b.(2)(b)(i)#2(RF) Liability Class Group Relativities (Annual Gross Sales)

Class Group (Annual Payroll) Occupant Liability	Factor
51	1.000
52	1.436513
53	1.122100
54	1.446313
55	2.255004
56	1.926727
57	2.0541.880
58	2.033172
59	4.4683.890

Table 23.C.6.b.(2)(b)(i)#3(RF) Liability Class Group Relativities (Annual Payroll)

Class Group (Limit of Insurance) Lessors Liability	Factor
01	1.000
02	<u>1.104132</u>
03	<u>1.104267</u>
04	<u>1.615694</u>
05	<u>1.615746</u>
06	<u>1.615702</u>
07	<u>2.406467</u>
08	<u>2.406042</u>
09	<u>2.406747</u>
10	<u>2.767760</u>
11	0.662
12	<u>0.969957</u>
13	0.969
14	1.443
15	1.443
16	1.443
17	<u>0.600736</u>
18	<u>1.127157</u>
19	<u>1.145001</u>
20	<u>1.479361</u>
21	<u>0.364244</u>
<u>22</u>	<u>3.247</u>
31	<u>1.590791</u>
32	<u>2.979974</u>
33	<u>0.769515</u>
34	<u>0.851643</u>
35	<u>0.990761</u>
36	<u>2.202508</u>
37	<u>2.549804</u>
38	<u>2.473518</u>
39	<u>2.820814</u>
<u>40</u>	<u>6.265</u>
<u>41</u>	<u>3.644</u>
<u>42</u>	<u>6.265</u>
<u>43</u>	<u>3.718</u>
<u>44</u>	<u>3.442</u>
51 – 59 – Office	1.139
51 – 59 – Shop/Storage	1.320

Table 23.C.6.b.(2)(b)(i)#4(RF) Liability Class Group Relativities

Liability And Medical Expenses Limit (000's)	Aggregate Limit For Products/ Completed Operations (000's)	Aggregate Limit For Liability And Medical Expenses (000's)	Increased Limits Factor
\$ 300	\$ 600	\$ 600	1.000
300	900	600	1.001
500	1,000	1,000	1.094032
500	1,500	1,000	1.095033
1,000	2,000	2,000	1.205074
1,000	3,000	2,000	1.207076
2,000	4,000	4,000	1.332117
2,000	6,000	4,000	1.333118

Table 23.C.6.b.(2)(b)(ii)(RF) Increased Limits Factors

24. DEDUCTIBLES

Fixed Dollar Deductible	Total Building And Business Personal Property Limit Of Insurance	Fixed Dollar Deductible Factor	Windstorm Or Hail Percentage Deductible Factors*		
			1%	2%	5%
<u>\$ 500</u>	<u>Up to \$50,000</u>	<u>1.000</u>	<u>N/A</u>	<u>0.998</u>	<u>0.994</u>
	<u>\$50,001 – 250,000</u>	<u>1.000</u>	<u>0.987</u>	<u>0.970</u>	<u>0.937</u>
	<u>\$250,001 – 500,000</u>	<u>1.000</u>	<u>0.969</u>	<u>0.944</u>	<u>0.905</u>
	<u>\$500,001 – 1,000,000</u>	<u>1.000</u>	<u>0.963</u>	<u>0.941</u>	<u>0.906</u>
	<u>Over \$1,000,000</u>	<u>1.000</u>	<u>0.942</u>	<u>0.919</u>	<u>0.886</u>
<u>1,000</u>	<u>Up to \$50,000</u>	<u>0.945</u>	<u>N/A</u>	<u>N/A</u>	<u>0.943</u>
	<u>\$50,001 – 250,000</u>	<u>0.964</u>	<u>0.958</u>	<u>0.943</u>	<u>0.910</u>
	<u>\$250,001 – 500,000</u>	<u>0.974</u>	<u>0.950</u>	<u>0.927</u>	<u>0.887</u>
	<u>\$500,001 – 1,000,000</u>	<u>0.982</u>	<u>0.950</u>	<u>0.928</u>	<u>0.893</u>
	<u>Over \$1,000,000</u>	<u>0.987</u>	<u>0.933</u>	<u>0.910</u>	<u>0.877</u>
<u>2,500</u>	<u>Up to \$50,000</u>	<u>0.815</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$50,001 – 250,000</u>	<u>0.878</u>	<u>N/A</u>	<u>0.874</u>	<u>0.841</u>
	<u>\$250,001 – 500,000</u>	<u>0.912</u>	<u>0.902</u>	<u>0.879</u>	<u>0.839</u>
	<u>\$500,001 – 1,000,000</u>	<u>0.937</u>	<u>0.914</u>	<u>0.893</u>	<u>0.858</u>
	<u>Over \$1,000,000</u>	<u>0.957</u>	<u>0.910</u>	<u>0.886</u>	<u>0.853</u>
<u>5,000</u>	<u>Up to \$50,000</u>	<u>0.668</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$50,001 – 250,000</u>	<u>0.773</u>	<u>N/A</u>	<u>N/A</u>	<u>0.760</u>
	<u>\$250,001 – 500,000</u>	<u>0.835</u>	<u>N/A</u>	<u>0.821</u>	<u>0.781</u>
	<u>\$500,001 – 1,000,000</u>	<u>0.879</u>	<u>0.870</u>	<u>0.848</u>	<u>0.813</u>
	<u>Over \$1,000,000</u>	<u>0.917</u>	<u>0.879</u>	<u>0.855</u>	<u>0.821</u>
<u>7,500</u>	<u>Up to \$50,000</u>	<u>0.574</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$50,001 – 250,000</u>	<u>0.700</u>	<u>N/A</u>	<u>N/A</u>	<u>0.695</u>
	<u>\$250,001 – 500,000</u>	<u>0.778</u>	<u>N/A</u>	<u>0.775</u>	<u>0.740</u>
	<u>\$500,001 – 1,000,000</u>	<u>0.835</u>	<u>0.832</u>	<u>0.814</u>	<u>0.779</u>
	<u>Over \$1,000,000</u>	<u>0.886</u>	<u>0.854</u>	<u>0.831</u>	<u>0.797</u>
<u>10,000</u>	<u>Up to \$50,000</u>	<u>0.508</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$50,001 – 250,000</u>	<u>0.646</u>	<u>N/A</u>	<u>N/A</u>	<u>0.644</u>
	<u>\$250,001 – 500,000</u>	<u>0.735</u>	<u>N/A</u>	<u>N/A</u>	<u>0.709</u>
	<u>\$500,001 – 1,000,000</u>	<u>0.801</u>	<u>N/A</u>	<u>0.789</u>	<u>0.754</u>
	<u>Over \$1,000,000</u>	<u>0.860</u>	<u>0.835</u>	<u>0.811</u>	<u>0.778</u>

* Windstorm or Hail percentage deductibles do not apply if the product of the percentage and the Limit of Insurance applicable to the location being rated is less than the fixed dollar deductible.

Table 24.C.4.(RF) Optional Property Deductible Factors (Per Location)

C. Optional Windstorm Or Hail Percentage Deductibles

4. Deductible Relativities

Fixed Dollar Deductible	Fixed Dollar Deductible Factor	Windstorm Or Hail Percentage Deductible Factors*		
		1%	2%	5%
\$ 500	1.000	0.970	0.950	0.930
1,000	0.930	0.910	0.890	0.870
2,500	0.810	0.810	0.790	0.770

* Windstorm or Hail percentage deductibles do not apply if the Limit of Insurance applicable to the property being rated is less than \$100,000 for the 1% deductible, \$50,000 for the 2% deductible or \$20,000 for the 5% deductible.

Table 24.C.4.(RF) Optional Property Deductible Factors (Per Location)

c. \$250 Fixed Dollar Deductible Option

Deductible	Factor
\$ 250	1.050

Table 24.C.4.c.(RF) \$250 Property Deductible Option Factor

D. Property Damage Liability Deductibles

4. Deductible Factors

a. Per Occurrence Basis

Deductible	Per Occurrence Factor	Per Claim Factor
\$ 250	0.998	Refer to company.
500	0.996	Refer to company.
1,000	0.993	Refer to company.
2,500	0.986	Refer to company.

Table 24.D.4.a.(RF) Property Damage Liability Deductible Factors

28. OPTIONAL COVERAGES

Factor
.05

Table 28.A.1.b.(RF) Accounts Receivable Factor

A. Property Coverages

1. Accounts Receivable

b. Premium Determination

Factor	Factor
	.05

Table 28.A.1.b.(RF) Accounts Receivable Factor

Factor
.25

Table 28.A.2.b.(RF) Actual Cash Value – Buildings Option Factor

~~2. Actual Cash Value – Buildings Option
 b. Rating Procedure~~

Factor	.25
---------------	-----

~~Table 28.A.2.b.(RF) Actual Cash Value – Buildings Option Factor~~

~~3. Automatic Increase In Insurance
 b. Rating Procedure~~

Amount Of Annual Increase	Annual Policy Credit Factor
2%	0.030
4%	0.020
6%	0.010

~~Table 28.A.3.b.#1(RF) Automatic Increase In Insurance Factors~~

Amount Of Annual Increase	Annual Policy Charge Factor
10%	0.010
12%	0.020
14%	0.030
16%	0.040
For each additional 2.0%	Add 0.010

~~Table 28.A.3.b.#2(RF) Automatic Increase In Insurance Factors~~

Factor
.10

~~Table 28.A.4.b.1.(RF) Business Income From Dependent Properties Factor~~

~~4. Business Income From Dependent Properties
 b. Premium Determination~~

Factor	.10
---------------	-----

~~Table 28.A.4.b.(RF) Business Income From Dependent Properties Factor~~

Factor
.13

~~Table 28.A.4.b.2.(RF) Business Income From Dependent Properties And Secondary Dependent Properties Factor~~

5. Business Income – Ordinary Payroll Coverage

b. Premium Determination

Number Of Days*	Factor
90	0.005
120	0.010
150	0.015
180	0.020
270	0.025
360	0.030

* Interpolation Not Permitted

Table 28.A.5.b.(RF) Business Income – Ordinary Payroll Factors

6. Business Income (Extended) – Extended Period Of Indemnity

b. Premium Determination

Number Of Days*	Factor
60	0.010
90	0.015005
120	0.020010
150	0.030020
180	0.040030
270	0.045035
360	0.050040

** Interpolation Not Permitted

Table 28.A.6.b.(RF) Business Income (Extended) – Extended Period Of Indemnity Factors

Factor
.10

Table 28.A.7.b.(RF) Electronic Data Factor

7. Electronic Data

b. Premium Determination

Factor	Factor
	-.10

Table 28.A.7.b.(RF) Electronic Data Factor

Factor
1.10

Table 28.A.8.b.(6)(RF) Employee Dishonesty Factor

8. Employee Dishonesty

b. Premium Determination

Factor	Factor
	1.10

Table 28.A.8.b.(RF) Employee Dishonesty Factor

Factor
.25

Table 28.A.10.c.(RF) Forgery Or Alteration Factor

10. Forgery Or Alteration
c. Premium Determination

Factor	.25
---------------	-----

Table 28.A.10.c.(RF) Forgery Or Alteration Factor

Factor	
	.10

Table 28.A.11.b.(RF) Interruption Of Computer Operations Factor

11. Interruption Of Computer Operations
b. Premium Determination

Factor	.10
---------------	-----

Table 28.A.11.b.(RF) Interruption Of Computer Operations Factor

15. Valuable Papers And Records
b. Premium Determination

FactorDeductible	.10Factor
\$ <u>250</u>	<u>1.020</u>
<u>500</u>	<u>1.000</u>
<u>1,000</u>	<u>0.960</u>
<u>2,500</u>	<u>0.870</u>
<u>5,000</u>	<u>0.780</u>
<u>10,000</u>	<u>0.680</u>

Table 28.A.12.b.(1)(RF) Optional Property Damage Deductible Factors

Hours	Factor
<u>0</u>	<u>1.025</u>
<u>24</u>	<u>1.020</u>
<u>48</u>	<u>1.010</u>
<u>120</u>	<u>0.990</u>

Table 28.A.12.b.(2)(RF) Optional Time Deductible Factors

Factor	
	.10

Table 28.A.15.b.(RF) Valuable Papers And Records Factor

Factor	
	.30

Table 28.A.16.b.(RF) Outdoor Property Factor

Factor	
	.05

Table 28.B.1.c.(RF) Damage To Premises Rented To You Factor

B. Liability And Medical Expenses Coverage

1. Damage To Premises Rented To You

c. Premium Determination

Factor	.05
---------------	-----

Table 28.B.1.c.(RF) Damage To Premises Rented To You Factor

Factor	
	.10

Table 28.B.2.d.(RF) Broadened Coverage For Damage To Premises Rented To You Factor

2. Broadened Coverage For Damage To Premises Rented To You

d. Premium Determination

Factor	.10
---------------	-----

Table 28.B.2.d.(RF) Broadened Coverage For Damage To Premises Rented To You Factor

Factor	
	.020

Table 28.B.3.c.(RF) \$10,000 Limit Per Person Medical Expenses Factor

29. ENDORSEMENTS

Factor	
	.01

Table 29.A.1.c.(RF) Business Income Changes – Time Period Factor

A. Property Endorsements

1. Business Income Changes – Time Period

c. Premium Determination

Factor	.04
---------------	-----

Table 29.A.1.c.(RF) Business Income Changes – Time Period Factor

Offices		
Limit Of Insurance	Buildings	Business Personal Property
\$ 100,000	.97	.95
150,000	.98	.96
250,000	.99	.97
Motels And Residential		
Limit Of Insurance	Buildings	Business Personal Property
\$ 100,000	.97	.97
150,000	.98	.98
250,000	.99	.99
Contractors		
Limit Of Insurance	Buildings	Business Personal Property
\$ 100,000	.84	.99
150,000	.86	1.00
250,000	.88	1.00
All Other		
Limit Of Insurance	Buildings	Business Personal Property
\$ 100,000	.96	.96
150,000	.97	.97
250,000	.98	.98

Table 29.A.2.c.(RF) Business Income And Extra Expense Coverage Limit Of Insurance Factors

Number Of Months	Factor
6 Months	.97
9 Months	.99
18 Months	1.02

Table 29.A.3.c.(RF) Business Income And Extra Expense Coverage – Revised Period Of Indemnity Factors

Factor
1.20

Table 29.A.7.c.(3)(RF) Earthquake – Rating Factor

- 5. Earthquake
- c. Premium Determination
- (3) Rating

Factor	
	1.20

Table 29.A.5.c.(3)(RF) Earthquake – Rating Factor

Factor
1.30

Table 29.A.7.c.(5)(RF) Earthquake – Functional Building Valuation Factor

(5) Functional Building Valuation

Factor	1.30
---------------	------

Table 29.A.5.c.(5)(RF) Earthquake – Functional Building Valuation Factor

Factor	
	1.25

Table 29.A.7.c.(6)(RF) Earthquake – Functional Business Personal Property Valuation Factor

(6) Functional Business Personal Property Valuation

Factor	1.25
---------------	------

Table 29.A.5.c.(6)(RF) Earthquake – Functional Business Personal Property Valuation Factor

Factor	
	1.20

Table 29.A.8.c.(3)(RF) Earthquake And Volcanic Eruption (Sub-limit) – Rating Factor

Factor	
	1.30

Table 29.A.8.c.(5)(RF) Earthquake And Volcanic Eruption (Sub-limit) – Functional Building Valuation Factor

Factor	
	1.25

Table 29.A.8.c.(6)(RF) Earthquake And Volcanic Eruption (Sub-limit) – Functional Business Personal Property Valuation Factor

Factor	
	1.30

Table 29.A.12.e.(RF) Functional Building Valuation Factor

10. Functional Building Valuation

e. Premium Determination

Factor	1.30
---------------	------

Table 29.A.10.e.(RF) Functional Building Valuation Factor

Factor	
	1.25

Table 29.A.13.d.(RF) Functional Business Personal Property Valuation Factor

11. Functional Business Personal Property Valuation

d. Premium Determination

Factor	1.25
---------------	------

Table 29.A.11.d.(RF) Functional Business Personal Property Valuation Factor

Number Of Days*	Factor
60	.002
90	.003
120	.004
150	.006
180	.008
*Interpolation not permitted	

Table 29.A.18.b.(2)(i)(RF) Fungi Coverage Options – Business Income (Extended) – Extended Period Of Indemnity Factors

15. Mold – Fungi, Wet Rot, Dry Rot And Bacteria

b. Fungi Or Bacteria Coverage Options Endorsement

(2) Premium Determination

Number Of Days*	Factor
60	.002
90	.003
120	.004
150	.006
180	.008
*Interpolation Not Permitted	

Table 29.A.15.b.(2)(RF) Fungi Or Bacteria Coverage Options – Business Income (Extended) – Extended Period Of Indemnity Factors

Factor	.10
---------------	-----

Table 29.A.19.c.(1)(a)(RF) Named Perils – Building Factor

16. Named Perils – Building And Business Personal Property

c. Premium Determination

Factor	.10
---------------	-----

Table 29.A.16.c.(1)(a)(RF) Named Perils – Building Factor

Factor	.10
---------------	-----

Table 29.A.19.c.(1)(b)(RF) Named Perils – Business Personal Property Factor

Factor	.10
---------------	-----

Table 29.A.16.c.(1)(b)(RF) Named Perils – Business Personal Property Factor

Factor	.10
---------------	-----

Table 29.A.19.c.(2)(a)(RF) Named Perils – Building Factor

Factor	.10
---------------	-----

Table 29.A.16.c.(2)(a)(RF) Named Perils – Building Factor

Factor	
	.30

Table 29.A.19.c.(2)(b)(RF) Named Perils – Business Personal Property Factor

Factor	.30
---------------	-----

Table 29.A.16.c.(2)(b)(RF) Named Perils – Business Personal Property Factor

Factor	
	.15

Table 29.A.20.e.(1)(a)(RF) Coverage 1 – Coverage For Loss In Value Of The Undamaged Portion Of The Building Factor

17. Ordinance Or Law Coverage

e. Rate Modification

(1) Causes Of Loss Other Than Earthquake

(a) Coverage 1 – Coverage For Loss In Value Of The Undamaged Portion Of The Building

Factor	.15
---------------	-----

Table 29.A.17.e.(1)(a)(RF) Coverage 1 – Coverage For Loss In Value Of The Undamaged Portion Of The Building Factor

Factor	
	.85

Table 29.A.20.e.(2)(RF) Earthquake Factor

(2) Earthquake

Factor	.85
---------------	-----

Table 29.A.17.e.(2)(RF) Earthquake Factor

Factor	
	.02

Table 29.A.20.e.(3)(a)(RF) Business Income And Extra Expense Option – Other Than Earthquake Factor

(3) Business Income And Extra Expense Option

(a) Other Than Earthquake

Factor	.02
---------------	-----

Table 29.A.17.e.(3)(a)(RF) Business Income And Extra Expense Option – Other Than Earthquake Factor

Factor	
	.10

Table 29.A.20.e.(3)(b)(RF) Business Income And Extra Expense Option – Earthquake Factor

(b) Earthquake

Factor	.10
--------	-----

Table 29.A.17.e.(3)(b)(RF) Business Income And Extra Expense Option – Earthquake Factor

<u>Factor</u>	
1.20	

Table 29.A.22.d.(2)(RF) Sprinkler Leakage – Earthquake Extension Factor

19. Sprinkler Leakage – Earthquake Extension

d. Premium Determination

(2) Rating

Factor	1.20
--------	------

Table 29.A.19.d.(2)(RF) Sprinkler Leakage – Earthquake Extension Factor

<u>Factor</u>	
1.30	

Table 29.A.22.d.(4)(RF) Sprinkler Leakage – Functional Building Valuation Factor

(4) Functional Building Valuation

Factor	1.30
--------	------

Table 29.A.19.d.(4)(RF) Sprinkler Leakage – Functional Building Valuation Factor

<u>Factor</u>	
1.25	

Table 29.A.22.d.(5)(RF) Sprinkler Leakage – Functional Business Personal Property Factor

(5) Functional Business Personal Property

Factor	1.25
--------	------

Table 29.A.19.d.(5)(RF) Sprinkler Leakage – Functional Business Personal Property Factor

<u>Factor</u>	
.13	

Table 29.A.25.a.(4)(b)(i)(RF) Vacancy Permit Factor

22. Vacancy Endorsements

a. Vacancy Permit

(4) Premium Determination

(b) Rating Procedure

Factor	.13
--------	-----

Table 29.A.22.a.(4)(b)(i)(RF) Vacancy Permit Factor

<u>Factor</u>	
1.10	

Table 29.A.27.c.(RF) Brands And Labels Factor

Factor
<u>.98</u>

Table 29.A.28.c.(RF) Windstorm Or Hail Losses To Roof Surfacing – Actual Cash Value Loss Settlement

Factor
<u>.25</u>

Table 29.A.30.d.(1)(RF) Theft Of Clients' Property

Factor
<u>.40</u>

Table 29.A.32.c.(RF) Debris Removal Additional Insurance Factor

Factor
<u>.14</u>

Table 29.A.34.d.(1)(RF) Specified Business Personal Property Temporarily Away From Premises – All-risk Factor

Factor
<u>.09</u>

Table 29.A.34.d.(2)(RF) Specified Business Personal Property Temporarily Away From Premises – Named Perils Factor

Factor
<u>.20</u>

Table 29.A.35.a.(1)(RF) Higher Limits – Theft Limitations Factor

Factor
<u>.98</u>

Table 29.A.36.d.(1)(RF) Limitations On Coverage For Roof Surfacing – Actual Cash Value Loss Settlement

Factor
<u>.99</u>

Table 29.A.36.d.(2)(RF) Limitations On Coverage For Roof Surfacing – Cosmetic Exclusion

Factor
<u>.98</u>

Table 29.A.36.d.(3)(RF) Limitations On Coverage For Roof Surfacing – Actual Cash Value Loss Settlement and Cosmetic Exclusion

<u>Factor</u>
<u>.08</u>

Table 29.A.37.d.(1)(RF) Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis)

<u>Percentage Of Insurance To Exposure</u>	<u>Factor</u>
<u>75% or more</u>	<u>1.00</u>
<u>50% to 74.9%</u>	<u>1.75</u>
<u>25% to 49.9%</u>	<u>2.50</u>
<u>Under 25%</u>	<u>3.25</u>

Table 29.A.40.e.(1)(b)(RF) Insurance To Exposure Factors

<u>Endorsement</u>	<u>Factor</u>
<u>Flood Coverage</u>	<u>0.02</u>
<u>Earthquake And Volcanic Eruption Coverage</u>	<u>0.01</u>
<u>Windstorm Or Hail Exclusion</u>	<u>0.05 (credit)</u>

Table 29.A.40.e.(2)(b)(RF) Endorsements Modifying Covered Causes Of Loss Factors

<u>Number Of Days*</u>	<u>Factor</u>
<u>30</u>	<u>0.10 (credit)</u>
<u>90</u>	<u>0.05</u>
<u>120</u>	<u>0.10</u>
<u>150</u>	<u>0.20</u>
<u>180</u>	<u>0.25</u>
<u>270</u>	<u>0.30</u>
<u>360</u>	<u>0.35</u>

* Interpolation not permitted

Table 29.A.40.e.(3)(b)(RF) Extended Business Income Coverage Factors

<u>Factor</u>
<u>0.25</u>

Table 29.A.40.e.(4)(b)(RF) Business Income Coverage No Waiting Period Factor

B. Liability Endorsements

7. Employment-Related Practices Liability

b. Employment-Related Practices Liability Coverage Endorsement

(2) Limits Of Insurance

<u>Policy Limit (000's)</u>	<u>Factor</u>
<u>\$ 10</u>	<u>1.000</u>
<u>25</u>	<u>2.1592.204</u>
<u>50</u>	<u>3.7283.827</u>
<u>75</u>	<u>5.0045.117</u>
<u>100</u>	<u>6.0636.173</u>

Table 29.B.7.b.(2)(RF) Employment-Related Practices Liability – Limits Of Insurance Factors

~~(3) Deductible~~

Deductible Amount	Deductible Discount Factors
\$ 500	.000
1,000	.012-.007
2,500	.044-.025
5,000	.089-.056
10,000	.167-.116
25,000	.353-.273

~~Table 29.B.7.b.(3)(RF) Employment-Related Practices Liability – Deductible Factors~~

~~11. Hired Auto And Non-Owned Auto Liability~~

~~c. Premium Determination~~

~~(2) Optional Higher Limits Of Insurance~~

Limit (000's)	Factor
\$ 500	1.090
1,000	1.220
2,000	1.360

~~Table 29.B.11.c.(2)(RF) Hired Auto And Non-Owned Auto Liability – Optional Higher Limits Factors~~

Factor
.10

~~Table 29.B.14.c.(RF) Medical Expenses – Exclusion Factor~~

~~14. Medical Expenses – Exclusion~~

~~c. Rating~~

Factor	
	.10

~~Table 29.B.14.c.(RF) Medical Expenses – Exclusion Factor~~

~~D. Endorsements Applicable To Specific Classes~~

~~3. Professional Liability Endorsements~~

~~d. Pharmacists Liability Coverage Options~~

~~(1) Pharmacists Endorsement BP-08-07~~

~~(c) Premium Determination~~

~~(ii) Optional Higher Limits Of Insurance~~

Per Occurrence Limit Of Insurance (000's)	Aggregate Limit (000's)	Increased Limit Factor
\$ 500	\$ 1,000	1.150
1,000	2,000	1.320
2,000	4,000	1.490

~~Table 29.D.3.de.(1)(c)(ii)(RF) Pharmacists Liability Coverage – Optional Higher Limits Of Insurance Factors~~

(2) Pharmacists – Broad Coverage Endorsement BP 08-06

(c) Premium Determination

(ii) Optional Higher Limits Of Insurance

Per Occurrence Limit Of Insurance (000's)	Aggregate Limit (000's)	Increased Limit Factor
\$ 500	\$ 1,000	1.150
1,000	2,000	1.320
2,000	4,000	1.490

Table 29.D.3.de.(2)(c)(ii)(RF) Pharmacists Liability Coverage – Optional Higher Limits Of Insurance Factors

f. Veterinarians Professional Liability Coverage

(7) Optional Higher Limits Of Insurance

Per Occurrence Limit Of Insurance (000's)	Aggregate Limit (000's)	Increased Limit Factor
\$ 500	\$ 1,000	1.150
1,000	2,000	1.320
2,000	4,000	1.490

Table 29.D.3.fg.(7)(RF) Veterinarians Professional Liability Coverage – Optional Higher Limits Factors

Policy Limit (000's)	Factor
\$ 10	1.000
25	2.159
50	3.728
75	5.004
100	6.063

Table 29.D.5.c.(RF) Condominiums, Co-ops, Associations – Directors And Officers Liability Limits Of Insurance Factors

Deductible Amount	Deductible Discount Factors
\$ 500	.000
1,000	.012
2,500	.044
5,000	.089
10,000	.167
25,000	.353

Table 29.D.5.d.(RF) Condominiums, Co-ops, Associations – Directors And Officers Liability Deductible Discount Factors

Factor
1.01

Table 29.E.1.g.(4)(RF) Eight-hour Waiting Period Factor

Factor
0.90

Table 29.E.1.g.(5)(a)(RF) Pre-security Breach Services Contract Factor

Factor
<u>0.90</u>

Table 29.E.1.g.(5)(b)(RF) Post-security Breach Services Contract Factor

Factor
<u>0.85</u>

Table 29.E.1.g.(5)(c)(RF) Pre- And Post-security Breach Services Contract Factor

Risk Characteristics	
<u>Insured conducts online transactions</u>	<u>0.02</u>
<u>Remote access to insured's computer system(s) is granted to authorized third parties (employees, customers and/or business partners)</u>	<u>0.02</u>
<u>Insured does not have a website</u>	<u>-0.05</u>
<u>Insured has active social media profiles</u>	<u>0.02</u>
<u>Insured collects data from customers or visitors to their website(s) that is re-quired by law to be protected</u>	<u>0.02</u>
<u>Insured collects and retains information on minors</u>	<u>0.02</u>
<u>Insured utilizes medical records in daily business</u>	<u>0.05</u>
<u>Insured utilizes background and/or credit checks in daily business and retains this information</u>	<u>0.05</u>
<u>Insured employs encryption in customer communications</u>	<u>-0.10</u>
High Hazard Classifications, including: <ul style="list-style-type: none"> ● <u>Accounting Services</u> ● <u>Collection Agencies</u> ● <u>Credit Reporting Agencies</u> ● <u>Detective or Investigative Agencies</u> ● <u>Employment Agencies</u> ● <u>Financial Planners</u> ● <u>Insurance Agents</u> ● <u>Lawyers</u> ● <u>Mailing or Addressing Companies</u> ● <u>Medical Offices/Health Maintenance Organizations</u> ● <u>Payroll Accounting Services</u> 	<u>0.10</u>

Table 29.E.1.g.(6)(RF) Risk Characteristics Factors

Factor
<u>0.07</u>

Table 29.E.1.i.(3)(RF) Payment Card Industry Coverage Factor

Factor
0.02

Table 29.E.1.j.(3)(RF) Dishonest, Malicious Or Fraudulent Acts Committed By Employees Coverage Factor

41. APARTMENT BUILDINGS CLASS-SPECIFIC ENDORSEMENTS

B. Endorsements

1. Apartment Buildings

c. Premium Determination

Factor
1.25

Table 41.B.1.c.(1)(RF) Apartment Buildings Premium Determination – Employee Dishonesty Optional Coverage

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

c. Deductibles

Deductible			Factor
Other Than Collision		Collision	
Each Auto	Any One Event		
\$ 250	\$ 500	\$ 500	1.00
250	1,000	500	.96
500	2,500	500	.85
500	2,500	1,000	.76
1,000	Refer To Company	1,000	.68

Table 41.B.2.c.(3)(RF) Apartment Buildings – Loss Or Damage To Tenants' Autos – Deductible Factors

42. RESTAURANTS CLASS-SPECIFIC ENDORSEMENTS

B. Endorsements

1. Restaurants

d. Premium Determination

Factor
1.10

Table 42.B.1.d.(2)(RF) Restaurants Premium Determination – Employee Dishonesty Optional Coverage

2. Restaurants – Loss Or Damage To Customers' Autos (Legal Liability Coverage)

c. Deductibles

Deductible			Factor
Other Than Collision		Collision	
Each Auto	Any One Event		
\$ 250	\$ 500	\$ 500	1.00
250	1,000	500	.96
500	2,500	500	.86
500	2,500	1,000	.76
1,000	Refer To Company	1,000	.68

Table 42.B.2.ed.(3)(RF) Restaurants – Loss Or Damage To Customers' Autos – Deductible Factors

43. RESIDENTIAL CLEANING SERVICES – CLASS-SPECIFIC ENDORSEMENT

Factor
1.25

Table 43.B.3.b.(RF) Residential Cleaning Services Premium Determination – Employee Dishonesty Optional Coverage

44. PHOTOGRAPHERS CLASS-SPECIFIC ENDORSEMENTS

Factor
0.25

Table 44.B.1.d.(4)(RF) Photography Premium Determination – Employee Dishonesty – Theft Of Clients' Property

Factor
0.25

Table 44.B.2.c.(2)(RF) Photography Premium Determination – Worldwide Coverage

-A- CLASSIFICATIONS

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
<u>Air Conditioning and Combined Air Conditioning and Heating Equipment – Distributors Only</u>	<u>50581</u>	<u>5075</u>	<u>421730</u>	<u>14</u>	<u>15</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Air Conditioning Equipment – Retail Only	59999	5075	443111	09	08	LOI	3	M
Antique Stores	59325	5932	453310	09	03	LOI	1	H
Apartment Building								
4 families or fewer, with no mercantile or office occupancy – includes 3- or 4- family lessor's risk only	651416 <u>5144</u>	6513	531110	04	19	LOI	3	M
4 families or fewer, with mercantile or office occupancy – includes 3- or 4- family lessor's risk only and garden apartments	651426 <u>5145</u>	6513	531110	04	19	LOI	3	M
Over 4 families with no mercantile or office occupancy	651326 <u>5146</u>	6513	531110	06	20	LOI	3	M
Over 4 families with mercantile or office occupancy	651336 <u>5147</u>	6513	531110	06	20	LOI	3	M
Appliances and Accessories – installation, servicing or repair – Commercial or Household	71212	762*	811412	08	04	LOI	3	M
Appliance Distributors								
Household and Home Furnishings	50081	5064	421620	14	12	LOI	3	M
Household Types – Radio, Television or Compact Disc Players	50061	5064	421620	14	12	LOI	2	M
Appliance Stores								
Household Appliances and Home Furnishings	57224	5722	443111	09	05	LOI	3	M
Radio, Television and Phonographic Stores (including parts and supplies)	57326	5731	443112	09	05	LOI	2	M
Army and Navy Stores	53983	5399	453310	11	03	LOI	3	M
Art Galleries								
Not-For-Profit	84112	8412	712110	05	03	LOI	1	H
Other Than Not-For-Profit	84112	5999	453920	05	03	LOI	1	H
Auctioneers – Sales conducted away from the insured's premises	59999	7389	561990	09	08	LOI	3	M

Auctions – On premises owned or rented by the insured	59999	5999	453998	09	08	LOI	3	M
Automobile Parts and Supplies								
Distributors	50111	5013	421120	13	11	LOI	3	S
Retail Stores (Including Tires)	55313	5531	441310	07	03	LOI	3	S

Table #1(CT) -A- Classifications

-C- CLASSIFICATIONS (OTHER THAN CONTRACTORS)

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Camera and Photographic Equipment – Retail Only	59955	5946	443130	09	03	LOI	2	M
<u>Candy or Confectionary Stores</u>	<u>54446</u>	<u>5441</u>	<u>445292</u>	<u>09</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>No Manufacturing on Premises</u>	<u>54457</u>	<u>5441</u>	<u>445292</u>	<u>09</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>Confectionary Manufacturing from Purchased Chocolate on Premises</u>	<u>54467</u>	<u>2066</u>	<u>311330</u>	<u>10</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>Nonchocolate Confectionary Manufacturing on Premises</u>	<u>54477</u>	<u>2064</u>	<u>311340</u>	<u>10</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
Catalog or Premium Coupon Redemption Stores	73905	5961	454110	07	04	LOI	3	M
Ceramics – Retail Only	59999	5999	444190	09	08	LOI	1	S
Clothing or Wearing Apparel – Distributors								
Men's and Boy's Clothing and Furnishings	50231	5136	422320	16	11	LOI	3	M
Women's, Children's and Infants' <u>Infants'</u> Clothing and Accessories	50231	5137	422330	16	11	LOI	3	M
Clothing or Wearing Apparel – Retail								
Children's and Infants' Wear	56413	5641	448130	11	03	LOI	3	M
Clothing – Ladies' and Girls' (Coats, Suits and Dresses)	56214	5621	448120	11	03	LOI	3	M
Clothing – Men's' and Boys' (Coats and Suits)	56114	5611	448110	11	03	LOI	3	M
Fabric Stores (Including Millinery and Trimmings)	56311	5949	451130	11	03	LOI	3	M
Family Clothing Stores	56325	5651	448140	11	03	LOI	3	M
Furs (Including Pelts)	56814	5632	448190	11	03	LOI	3	M

Haberdashery and Men's Furnishings	56113	5611	448150	11	03	LOI	3	M
Hosiery	56313	5632	448190	11	03	LOI	3	M
Ladies' Specialty Stores	56319	5632	448190	11	03	LOI	3	M
Ladies' Undergarments and Lingerie	56312	5632	448190	11	03	LOI	3	M
Leather Products or Hide Stores	56992	5948	448320	11	03	LOI	3	M
Men's and Boy's' Hats and Caps	50333	5611	448150	11	03	LOI	3	M
Shoe Stores – Children's, Ladies and Men's	56613	5661	451110	11	03	LOI	3	M
Sporting Goods and Athletic Apparel	59526	5699	451110	11	06	LOI	3	M
Wigs	59993	5699	448150	11	03	LOI	3	M
Collectibles and Memorabilia								
Distributors	50261	5092	421920	13	11	LOI	1	H
Retail	59992	5999	453998	07	03	LOI	1	H
Computer Stores	57326	5734	443120	09	05	LOI	2	M
<u>Condominiums</u>								
<u>Commercial Condominium (Association risk only)</u>	<u>60989</u>	<u>6531</u>	<u>531312</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Office Condominium (Association risk only)	60999	6531	531312	02	18	LOI	3	M
Residential Condominium (Association risk only)	69145	6531	531311	03	17	LOI	3	M
Convenience Food Stores								
Without Gasoline Sales – No Restaurant	54136	5411	445120	10	09	LOI	2	M
With Gasoline Sales – No Restaurant	09321	5411	445120	10	10	LOI	2	M
With Limited Cooking Restaurant – No Gasoline Sales	09331	5411	445120	24	36	SALES	2	M
With Fast Food Restaurant – No Gasoline Sales	09341	5411	445120	25	37	SALES	2	M
With Limited Cooking Restaurant With Gasoline Sales	09351	5411	445120	24	38	SALES	2	M
With Fast Food Restaurant With Gasoline Sales	09361	5411	445120	25	39	SALES	2	M
Copying and Duplicating Stores	71877	7334	561438	08	04	LOI	3	M
Cosmetic, Hair or Skin Preparation – Retail Only	59991	5999	446120	09	03	LOI	3	M

Table #3(CT) -C- Classifications (Other Than Contractors)

-C- CLASSIFICATIONS (CONTRACTORS)

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Air Conditioning Systems or Equipment – Dealer or Distributors and Installation, Servicing or Repair (Includes sales and installation of ducts and piping and also includes display rooms and shops:)								
Office	74011	1711	235110	19	57	PAY	3	M
Shop	74021	1711	235110	20	57	PAY	3	M
Appliances and Accessories – Installation or Service or Repair – Commercial (Not including TV or Radio)								
Office	74071	1799	23599	19	53	PAY	3	M
Shop	74081	1799	23599	20	53	PAY	3	M
Appliances and Accessories – Installation or Service or Repair – Household (Not including TV or Radio)								
Office	74101	1799	23599	19	53	PAY	3	M
Shop	74111	1799	23599	20	53	PAY	3	M
Carpentry – Construction of Residential Property – Not exceeding 3 stories in height (1)								
Office	74161	1751	235510	19	55	PAY	3	S
Shop	74171	1751	235510	20	55	PAY	3	S
Carpentry – Interior (2)								
Office	74221	1751	235510	19	55	PAY	3	S
Shop	74231	1751	235510	20	55	PAY	3	S
Carpet, Rug, Furniture or Upholstery Cleaning – On customer's premises								
Office	74251	7217	561740	19	55	PAY	3	M
Shop	74261	7217	561740	20	55	PAY	3	M
Ceiling or Wall Installation – Metal only (Other than Metal should be classified as Dry Wall or Wallboard Installation or Carpentry-)								
Office	74281	1761	235420	19	53	PAY	3	S
Shop	74291	1761	235420	20	53	PAY	3	S

Concrete Construction (3)								
Office	74341	1771	235710	19	57	PAY	3	M
Shop	74351	1771	235710	20	57	PAY	3	M
Door, Window or Assembled Millwork – Installation – Metal only (Other than metal should be classified as Carpentry)								
Office	74411	1751	235510	19	56	PAY	3	S
Shop	74421	1751	235510	20	56	PAY	3	S
Driveway, Parking Area or Sidewalk Repair – Paving or Re-paving (Not including clearing of right-of-way, earth or rock excavation and filling or grading of land-)								
Office	74471	1771	235710	19	57	PAY	3	S
Shop	74481	1771	235710	20	57	PAY	3	S
Dry Wall or Wallboard Installation								
Office	74501	1742	235420	19	51	PAY	3	M
Shop	74511	1742	235420	20	51	PAY	3	M
Electrical Work – Within Buildings (4)								
Office	74561	1731	235310	19	53	PAY	3	M
Shop	74541	1731	235310	20	53	PAY	3	M
Fence Erection Contractors – (Only applies to risks that install or erect fences-)								
Office	74591	1799	235990	19	55	PAY	3	S
Shop	74601	1799	235990	20	55	PAY	3	S
Floor Covering Installation – Not Ceramic Tile or Stone								
Office	74651	1752	235520	19	53	PAY	3	M
Shop	74661	1752	235520	20	53	PAY	3	M
Furniture or Fixtures – Installation in Offices or Stores – Portable – Metal or Wood								
Office	74681	1799	23599	19	53	PAY	3	S

Shop	74691	1799	23599	20	53	PAY	3	S
Glass Dealers and Glaziers – Sales and Installation (Includes bending, grinding, beveling or silvering of plate glass-)								
Office	74741	1793	235920	19	52	PAY	3	S
Shop	74751	1793	235920	20	52	PAY	1	S
Heating or Combined Heating and Air Conditioning Systems or Equipment – Dealers or Distributors and Installation, Servicing or Repair – No Liquefied Petroleum Gas (LPG) Equipment Sales or Work (Includes sales and installation of ducts and piping and also includes display rooms and shops-)								
Office	74771	1711	235110	19	57	PAY	3	M
Shop	74781	1711	235110	20	57	PAY	3	M
House Furnishings Installation – Not Otherwise Classified (Includes incidental upholstery and floor covering installation)								
Office	74831	1799	23599	19	53	PAY	3	M
Shop	74841	1799	23599	20	53	PAY	3	M
Interior Decorators								
Office	74861	7389	541410	19	54	PAY	3	M
Shop	74871	7389	541410	20	54	PAY	3	M
Landscape Gardening – No Tree Removal or Excavation (5)								
Office	74891	0782/ 0783	561730	19	52	PAY	3	S
Shop	74901	0782/ 0783	561730	20	52	PAY	3	S
Lawn Sprinkler Installation								
Office	74951	1711	235110	19	58	PAY	3	S
Shop	74961	1711	235110	20	58	PAY	3	S
Masonry								
Office	75511	1741	235410	19	54	PAY	3	S
Shop	75521	1741	235410	20	54	PAY	3	S
Metal Erection – Decorative or Artistic (6)								
Office	75541	1791	235910	19	56	PAY	3	S

Shop	75551	1791	235910	20	56	PAY	4	S
Painting – Exterior – Buildings or Structures – 3 stories or less in height (Not Otherwise Classified) (7)								
Office	75601	1721	235210	19	56	PAY	3	M
Shop	75611	1721	235210	20	56	PAY	3	M
Painting – Interior Buildings or Structures (8)								
Office	75631	1721	235210	19	56	PAY	3	M
Shop	75641	1721	235210	20	56	PAY	3	M
Paper Hanging								
Office	75691	1721	235210	19	54	PAY	3	H
Shop	75701	1721	235210	20	54	PAY	3	H
Permanent Yards – Maintenance or Storage (9)								
	74361	****	****	(10)	N/A	N/A	N/A	N/A
Plastering or Stucco Work								
Office	75751	1742	235420	19	52	PAY	3	M
Shop	75761	1742	235420	20	52	PAY	3	M
Plumbing – Commercial (Not Industrial) (11)								
Office	75781	1711	235110	19	58	PAY	3	S
Shop	75791	1711	235110	20	58	PAY	3	S
Plumbing – Residential or Domestic (12)								
Office	75811	1711	235110	19	58	PAY	3	S
Shop	75821	1711	235110	20	58	PAY	3	S
Refrigeration Systems or Equipment – Dealers and Distributors and Installation, Servicing or Repair – Commercial (13)								
Office	75871	1711	235110	19	57	PAY	3	M
Shop	75881	1711	235110	20	57	PAY	3	M
Residential Cleaning Services								

Office	<u>76221</u>	<u>7349</u>	<u>561720</u>	<u>8</u>	<u>55</u>	<u>PAY</u>	<u>3</u>	<u>M</u>
Shop	<u>76231</u>	<u>7349</u>	<u>561720</u>	<u>8</u>	<u>55</u>	<u>PAY</u>	<u>3</u>	<u>M</u>
Roofing – Residential								
Office	75931	1761	235610	19	59	PAY	3	S
Shop	75941	1761	235610	20	59	PAY	4	S
Septic Tank Systems – Cleaning								
Office	75961	7699	562991	19	56	PAY	3	S
Shop	75971	7699	562991	20	56	PAY	3	S
Siding Installation – 3 stories or less in height (Wood siding installation should be classified as Carpentry-)								
Office	76021	1761	235610	19	52	PAY	3	S
Shop	76031	1761	235610	20	52	PAY	3	S
Sign Painting or Lettering – Inside of Building – No Spray Painting (Includes shop operations and the existence hazard of signs located away from the insured's premises-)								
Office	76051	7389	541890	19	51	PAY	3	M
Shop	76061	7389	541890	20	51	PAY	3	M
Tile, Stone, Marble Mosaic or Terrazzo Work – Interior Construction (Includes incidental exterior work-)								
Office	76111	1743	235430	19	52	PAY	3	S
Shop	76121	1743	235430	20	52	PAY	3	S
Window Cleaning – 3 stories or less in height								
Office	76171	1799	561720	19	57	PAY	3	S
Shop	76181	1799	561720	20	57	PAY	3	S

Table #4(CT) -C- Classifications (Contractors)

CONTRACTORS FOOTNOTES

- (1) Carpentry – Construction of Residential Property – Not exceeding ~~three~~3 stories in height

This classification includes construction of private garages in connection with such residential property. This classification also includes incidental shop work.

- (2) Carpentry – Interior

This classification includes the installation of doors, floors, windows, cabinets and hardwood or parquet flooring. This classification is not applicable to contractors engaged in any other carpentry operations at the same job or location.

This classification also includes incidental shop work.

(3) Concrete Construction

This classification includes foundations, making, setting up or taking down forms, scaffolds, false-work or concrete distributing apparatus.

This classification excludes excavation, pile driving, tunneling, subway construction, caisson or cofferdam work, guniting, bridge and elevated highway construction and sewer work.

(4) Electrical Work – Within Buildings

This classification applies to risks engaged in wiring of buildings and includes installation or repair of electrical fixtures and appliances and incidental outside work.

This classification excludes installation of alarms or alarm systems and electrical machinery or auxiliary apparatus.

(5) Landscape Gardening – No Tree Removal or Excavation

This classification includes laying out of grounds, planting trees, shrubs, flowers or lawns. Use Pesticide Or Herbicide Applicator – Limited Pollution Coverage Endorsement **BP 07 08**.

(6) Metal Erection – Decorative or Artistic

This classification applies to risks whose predominant operation is the installation or erection of metal work. This classification includes shop operations in connection with metal work installed or erected by the insured.

This classification does not include shop operations in connection with metal work not installed or erected by the insured.

(7) Painting – Exterior – Buildings or Structures – 3 stories or less in height (Not Otherwise Classified)

A mandatory property damage deductible of \$250 applies. Use Business Liability Coverage – Property Damage Liability Deductible (Per Claim Basis) Endorsement **BP 07 03** or Business Liability Coverage – Property Damage Liability Deductible (Per Occurrence Basis) Endorsement **BP 07 04**.

This classification excludes painting of steel structures and bridges.

(8) Painting – Interior Buildings or Structures

A mandatory property damage deductible of \$250 applies. Use Business Liability Coverage – Property Damage Liability Deductible (Per Claim Basis) Endorsement **BP 07 03** or Business Liability Coverage – Property Damage Liability Deductible (Per Occurrence Basis) Endorsement **BP 07 04**.

(9) Permanent Yards – Maintenance or Storage

This classification is applicable only to a permanent yard maintained by a contractor for the storage of material or the storage and maintenance of equipment. It is not available for division of payroll at the place where construction operations are carried on.

This classification includes products coverage only when concurrent liability insurance for products/completed operations is provided for other contracting operations of the insured.

This classification excludes mill operations or fabrication.

(10) Refer to the state loss cost pages for the appropriate Permanent Yards – Maintenance or Storage loss costs.

(11) Plumbing – Commercial (Not Industrial)

This classification includes:

- The installation, service or repair of sanitary gas, steam, hot water, pipe or other pipe fittings including building connections and gas or liquid fuel appliances; and
- The incidental sales of plumbing fixtures and supplies to be used in connection with the insured's installation, service or repair operations.

(12) Plumbing – Residential or Domestic

This classification includes:

The installation, service or repair of sanitary gas, steam, hot water, pipe or other pipe fittings including building connections and gas or liquid fuel appliances; and

The incidental sales of plumbing fixtures and supplies to be used in connection with the insured's installation, service or repair operations.

This classification applies to insureds whose principal operations are in connection with 1-4 family dwellings. Also includes house connections, shop and display rooms.

(13) Refrigeration Systems or Equipment – Dealers and Distributors and Installation, Servicing or Repair – Commercial

This classification applies to risks engaged in:

Sales and installation, servicing or repair of refrigeration systems and equipment.

Installation, servicing or repair of refrigeration systems or equipment only.

This classification includes the sales and installation of ducts and piping and also includes shop and display rooms.

-G- CLASSIFICATIONS

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Gardening and Light Farming Supply								
Distributors	50471	5191	422910	14	13	LOI	1	M
Retail	59698	5261	444220	09	06	LOI	3	M
Gift Shops	59994	5947	453220	09	05	LOI	1	M
Glass Dealers and Glaziers – Retail Only	57155	5231	444190	07	08	LOI	1	S
Grocery								
Distributors	50481	5141/ 5149	422410	15	16	LOI	2	M
Stores								
With an area at least 4,000 square feet	54127	5411	445110	40	09	LOI	2	M
<u>Without Gasoline Sales</u>	<u>54321</u>	<u>5411</u>	<u>445110</u>	<u>10</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>With Gasoline Sales</u>	<u>54331</u>	<u>5411</u>	<u>447190</u>	<u>10</u>	<u>10</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
With an area less than 4,000 square feet	54136	5411	445110	40	09	LOI	2	M
<u>Without Gasoline Sales</u>	<u>54341</u>	<u>5411</u>	<u>445110</u>	<u>10</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>With Gasoline Sales</u>	<u>54351</u>	<u>5411</u>	<u>447190</u>	<u>10</u>	<u>10</u>	<u>LOI</u>	<u>2</u>	<u>M</u>

Table #8(CT) -G- Classifications

-L- CLASSIFICATIONS

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Laundry and Dry Cleaning								
Laundry and Dry Cleaning or Dyeing Receiving Stations	71811	7212	812320	07	04	LOI	3	M
Laundry and Dry Cleaning Stores – Using petroleum solvents (including Stoddard type solvents and other combustible hydrocarbon solvents) and having less than 3 pick-up stations	09501	7212	812320	12	07	LOI	3	M
Laundry and Dry Cleaning Stores – Using synthetic solvents (including perchloroethylene or other synthetic solvents) and having less than 3 pick-up stations	09521	7212	812320	07	07	LOI	3	M
<u>Laundromat (Self-service)</u>								
<u>Supervised</u>	<u>09531</u>	<u>7215</u>	<u>812310</u>	<u>27</u>	<u>22</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
<u>Non-supervised</u>	<u>09541</u>	<u>7215</u>	<u>812310</u>	<u>27</u>	<u>22</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Leather Products or Hide Stores – Retail only	56992	5948	448320	11	03	LOI	3	M
Lithographing	71855	2752	323110	08	02	LOI	3	M
Locksmiths	52512	7699	561622	07	05	LOI	3	S
Luggage Goods – Retail Only	59999	5948	448320	09	08	LOI	3	M

Table #13(CT) -L- Classifications

-M- CLASSIFICATIONS

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Machinery or Equipment Dealers – Farm Type Only	59695	5999	453998	09	06	LOI	4	S
Mail Box or Packaging Stores								
Packing and Preparing Goods For Shipping	71837	7389	488991	08	04	LOI	3	M
Packaging Services (Except packing and crating for transportation)	71837	7389	561910	08	04	LOI	3	M
Mail Order Houses – Retail Only	59999	5961	454110	09	08	LOI	3	M
Mailing or Addressing Companies								
Mailing List Compiling Services/Mailing List Publishers	71837	7331	511140	08	04	LOI	3	M
Direct Mailing Companies	71837	7331	541860	08	04	LOI	3	M
Marble Products – Retail only	59999	5999	453998	09	08	LOI	1	S
Meat, Fish, Poultry or Seafood								
Distributors								
Fish or Seafood	50671	5146	422460	15	16	LOI	2	H
Meat	50671	5147	422470	15	16	LOI	2	H
Poultry	50671	5144	422440	15	16	LOI	2	H
<u>Retail</u>								
Fish or Seafood	54216	5421	445220	10	09	LOI	2	H
Meat or Poultry	54216	5421	445210	10	09	LOI	2	H
Medical, Hospital and Surgical Supply – Retail Only	50815	5999	453998	07	06	LOI	2	M
Metal Dealers	59999	5999	453998	09	08	LOI	4	S
Motels								
No Restaurants	69151	7011	721110	21	33	SALES	3	M
With Limited Cooking Restaurants	69161	7011	721110	22	34	SALES	3	M
With Fast Food Restaurants	69171	7011	721110	23	35	SALES	3	M

Music Stores – Pre-Recorded	57338	5735	451220	09	03	LOI	2	M
Musical Instrument Stores	57334	5736	451140	09	03	LOI	2	M

Table #14(CT) -M- Classifications

-O- CLASSIFICATIONS (OTHER THAN OFFICES)

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Office Machines or Appliances								
Distributors – No Repair	50691	5044	421420	14	11	LOI	3	M
Retail – No Repair	50925	5999	453998	09	03	LOI	3	M
Optical Goods								
Distributors	50721	5048	421460	13	12	LOI	3	M
Retail	59954	5995	446130	07	05	LOI	3	M

Table #16(CT) -O- Classifications (Other Than Offices)

-O- CLASSIFICATIONS (OFFICES)

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Accounting Services – Except CPAs								
Office	<u>651246</u> <u>3611</u>	8721	541219	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>3611</u>	<u>872165</u> <u>34</u>	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>3621</u>	8721	541219	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>63621</u>	<u>8721</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Accounting Services – CPAs								
Office	<u>651246</u> <u>3631</u>	8721	541211	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>3631</u>	<u>653187</u> <u>21</u>	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>3641</u>	8721	541211	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>63641</u>	<u>8721</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Advertising and Related Services								
Office	<u>651246</u> <u>3651</u>	731*	541810	01	01	LOI	3	M

Lessors Risk Only	651986 <u>3651</u>	653473 <u>1*</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3661</u>	731*	541810	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	63661	<u>731*</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Bookkeeping Services								
Office	651246 <u>3671</u>	8721	541219	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3671</u>	653487 <u>21</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3681</u>	8721	541219	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	63681	<u>8721</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Collection Agencies								
Office	651246 <u>3691</u>	7322	561440	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3691</u>	653473 <u>22</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3711</u>	7322	561440	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	63711	<u>7322</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Credit Reporting Agencies								
Office	651246 <u>3721</u>	7323	561450	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3721</u>	653473 <u>23</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3731</u>	7323	561450	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	63731	<u>7323</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Detective or Investigative Agencies – Private (Personal Injury And Advertising Injury Endorsement BP 04 37 must be attached.)								
Office	651246 <u>3741</u>	7381	561611	01	01	LOI	3	M
Office – Lessors Risk Only	651986 <u>3741</u>	653473 <u>81</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3751</u>	7381	561611	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	63751	<u>7381</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Employment Agencies (Personal Injury And Advertising Injury Endorsement BP 04 37 must be attached.)								
Office	651246 <u>3761</u>	7361	561310	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3761</u>	653473 <u>61</u>	531120	01	01	LOI	3	M

Condominium – Office	609996 <u>3771</u>	7361	561310	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	609996 <u>63771</u>	<u>7361</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Engineers or Architects – Consulting – Not engaged in actual construction								
Office	651246 <u>3781</u>	871*	541330	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3781</u>	653487 <u>1*</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3791</u>	871*	541330	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	609996 <u>63791</u>	<u>871*</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Health Maintenance Organizations								
Office	651246 <u>3811</u>	6324	621491	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3811</u>	653463 <u>24</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3821</u>	6324	621491	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	609996 <u>63821</u>	<u>6324</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Inspection and Appraisal Companies – Inspecting for insurance or valuation purposes								
Office	651246 <u>3831</u>	6411	524298	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3831</u>	653464 <u>11</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3841</u>	6411	524298	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	609996 <u>63841</u>	<u>6411</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Insurance Agents								
Office	651246 <u>3851</u>	6411	524210	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3851</u>	653464 <u>11</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3861</u>	6411	524210	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	609996 <u>63861</u>	<u>6411</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Interior Decorators								
Office	651246 <u>3871</u>	7389	541410	01	01	LOI	3	M
Lessors Risk Only	651986 <u>3871</u>	653473 <u>89</u>	531120	01	01	LOI	3	M
Condominium – Office	609996 <u>3881</u>	7389	541410	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	609996 <u>63881</u>	<u>7389</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Labor Union (Personal Injury And Advertising Injury Endorsement BP 04 37 must be attached.)								
Office	651246 3891	8631	813930	01	01	LOI	3	M
Lessors Risk Only	651986 3891	653486 31	531120	01	01	LOI	3	M
Condominium – Office	609996 3911	8631	813930	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>63911</u>	<u>8631</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Lawyers (Personal Injury And Advertising Injury Endorsement BP 04 37 or Exclusion – Personal Injury And Advertising Injury – Lawyers Endorsement BP 14 15 must be attached.)								
Office	651246 3921	8111	541110	01	01	LOI	3	M
Lessors Risk Only	651986 3921	653481 11	531120	01	01	LOI	3	M
Condominium – Office	609996 3931	8111	541110	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>63931</u>	<u>8111</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Manufacturers' Representatives								
Office	651246 3941	8611	813910	01	01	LOI	3	M
Lessors Risk Only	651986 3941	653486 11	531120	01	01	LOI	3	M
Condominium – Office	609996 3951	8611	813910	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>63951</u>	<u>8611</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Marine Appraisers or Surveyors								
Office	651246 3961	7389	541990	01	01	LOI	3	M
Lessors Risk Only	651986 3961	653473 89	531120	01	01	LOI	3	M
Condominium – Office	609996 3971	7389	541990	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>63971</u>	<u>7389</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Medical Offices								
Office	651246 3981	80**	62111*	01	01	LOI	2	H
Lessors Risk Only	651986 3981	653480 **	531120	01	01	LOI	2	H
Condominium – Office	609996 3991	80**	62111*	02	18	LOI	2	H
<u>Condominium – Office – Lessors Risk Only</u>	<u>63991</u>	<u>80**</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>2</u>	<u>H</u>

Not Otherwise Classified								
Office	<u>651216</u> <u>5171</u>	****	****	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>5171</u>	<u>6531**</u> **	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>5231</u>	****	****	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>65231</u>	****	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Payroll Accounting Services								
Office	<u>651216</u> <u>4011</u>	8721	541214	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>4011</u>	<u>653187</u> 21	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>4021</u>	8721	541214	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>64021</u>	<u>8721</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Political Campaign Headquarters or Offices (Personal Injury And Advertising Injury Endorsement BP 04 37 must be attached.)								
Office	<u>651216</u> <u>4031</u>	8651	813940	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>4031</u>	<u>653186</u> 51	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>4051</u>	8651	813940	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>64051</u>	<u>8651</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Real Estate Agents								
Office	<u>651216</u> <u>4061</u>	6531	531210	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>4061</u>	6531	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>4071</u>	6531	531210	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>64071</u>	<u>6531</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Security and Patrol Agencies (Personal Injury And Advertising Injury Endorsement BP 04 37 must be attached.)								
Office	<u>651216</u> <u>4081</u>	7381	561612	01	01	LOI	3	M
Lessors Risk Only	<u>651986</u> <u>4081</u>	<u>653173</u> 81	531120	01	01	LOI	3	M
Condominium – Office	<u>609996</u> <u>4091</u>	7381	561612	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	<u>64091</u>	<u>7381</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Ticket Agencies – Theatrical								
Office	651246 4121	7922	561599	01	01	LOI	3	M
Lessors Risk Only	651986 4121	653479 22	531120	01	01	LOI	3	M
Condominium – Office	609996 4131	7922	561599	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	64131	<u>7922</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Ticket Agencies – Other Than Theatrical								
Office	651246 4141	7999	561599	01	01	LOI	3	M
Lessors Risk Only	651986 4141	653479 99	531120	01	01	LOI	3	M
Condominium – Office	609996 4151	7999	561599	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	64151	<u>7999</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Title Agents								
Office	651246 4161	6541	541191	01	01	LOI	3	M
Lessors Risk Only	651986 4161	653465 41	531120	01	01	LOI	3	M
Condominium – Office	609996 4171	6541	541191	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	64171	<u>6541</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
Veterinarians Office								
Office	651246 4181	074*	541940	01	01	LOI	2	H
Lessors Risk Only	651986 4181	653407 4*	531120	01	01	LOI	2	H
Condominium – Office	609996 4191	074*	541940	02	18	LOI	2	H
<u>Condominium – Office – Lessors Risk Only</u>	64191	<u>074*</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>2</u>	<u>H</u>
Water Companies								
Office	651246 5111	4941	221310	01	01	LOI	3	M
Lessors Risk Only	651986 5111	653449 41	531120	01	01	LOI	3	M
Condominium – Office	609996 5161	4941	221310	02	18	LOI	3	M
<u>Condominium – Office – Lessors Risk Only</u>	65161	<u>4941</u>	<u>531120</u>	<u>02</u>	<u>18</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Table #17(CT) -O- Classifications (Offices)

-R- CLASSIFICATIONS (OTHER THAN RESTAURANTS)

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Refrigeration Equipment – Commercial								
Distributors	50771	5078	421740	14	15	LOI	3	M
Retail	59983	5999	453998	09	08	LOI	3	M
Retail Stores (Not Otherwise Classified)	59999	5999	453998	09	08	LOI	3	M

Table #20(CT) -R- Classifications (Other Than Restaurants)

-R- CLASSIFICATIONS (RESTAURANTS)

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
<u>Casual Dining</u>								
<u>Bistros, Brasseries and Cafes – With no sales of alcoholic beverages</u>	<u>09611</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>40</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Bistros, Brasseries and Cafes – Bring Your Own Alcohol Establishments – With no sales of alcoholic beverages</u>	<u>09671</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>41</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Bistros, Brasseries and Cafes – With sales of alcoholic beverages up to 50% of total sales</u>	<u>09621</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>41</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Diners – With no sales of alcoholic beverages</u>	<u>09631</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>40</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Diners – Bring Your Own Alcohol Establishments – With no sales of alcoholic beverages</u>	<u>09681</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>41</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Diners – With sales of alcoholic beverages up to 50% of total sales</u>	<u>09641</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>41</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Family-style Restaurants – With no sales of alcoholic beverages</u>	<u>09651</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>40</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Family-style Restaurants – Bring Your Own Alcohol Establishments – With no sales of alcoholic beverages</u>	<u>09691</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>41</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Family-style Restaurants – With sales of alcoholic beverages up to 50% of total sales</u>	<u>09661</u>	<u>5812</u>	<u>72210</u>	<u>28</u>	<u>41</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Fast Food Restaurants</u>								
Cafes	09001	5812	722212	18	32	SALES	2	M
Cafeteria Style – Buffet	09021	5812	722212	18	32	SALES	2	M
Chicken	09031	5812	722211	18	32	SALES	2	M

Concession Stands/Snack Bars	09051	5812	722213	18	32	SALES	2	M
Delicatessens and Sandwich Shops	09071	5812	722211	18	32	SALES	2	M
Donut Shops	09091	5812	722210	18	32	SALES	2	M
Drive-ins/Service in Car (When Drive-ins/Service in Car and any other eligible classification applies, rate and code the restaurant as Drive-ins/Service in Car.)	09111	5812	722211	18	32	SALES	2	M
Drug Stores	09131	5812	722211	18	32	SALES	2	M
Hamburger/Malt Shops	09151	5812	722211	18	32	SALES	2	M
Hotdog Shops	09161	5812	722211	18	32	SALES	2	M
Oriental Style	09181	5812	722211	18	32	SALES	2	M
Other Ethnic Style	09191	5812	722211	18	32	SALES	2	M
Pizza Shops	09201	5812	722210	18	32	SALES	2	M
Roast Beef	09221	5812	722211	18	32	SALES	2	M
Seafood	09241	5812	722211	18	32	SALES	2	M
Take Out Only Restaurants – No on-premises consumption of food (When Take Out Only Restaurants – No on-premises consumption of food and any other eligible restaurant classification applies, rate and code the restaurant as Take Out Only Restaurants – No on-premises consumption of food.)	09251	5812	722211	18	32	SALES	2	M
Fine Dining								
<u>With no sales of alcoholic beverages</u>	<u>09421</u>	<u>5812</u>	<u>72212</u>	<u>29</u>	<u>42</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>Bring Your Own Alcohol Establishments – With no sales of alcoholic beverages</u>	<u>09451</u>	<u>5812</u>	<u>72212</u>	<u>29</u>	<u>43</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>With sales of alcoholic beverages up to 30% of total sales</u>	<u>09431</u>	<u>5812</u>	<u>72212</u>	<u>29</u>	<u>43</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
<u>With sales of alcoholic beverages more than 30% up to 75% of total sales</u>	<u>09441</u>	<u>5812</u>	<u>72212</u>	<u>29</u>	<u>44</u>	<u>SALES</u>	<u>2</u>	<u>M</u>
Limited Cooking Restaurants								
Cafes	09011	5812	722212	17	31	SALES	2	M
Coffee Bars or Shops	09041	5812	722213	17	31	SALES	2	M
Concession Stands/Snack Bars	09061	5812	722213	17	31	SALES	2	M
Delicatessens and Sandwich Shops	09081	5812	445210	17	31	SALES	2	M
Donut Shops	09101	5812	722210	17	31	SALES	2	M

Drive-ins/Service in Car (When Drive-ins/Service in Car and any other eligible restaurant classification applies, rate and code the restaurant as Drive-ins/Service in Car.)	09121	5812	722211	17	31	SALES	2	M
Drug Stores	09141	5812	722211	17	31	SALES	2	M
Ice Cream and Yogurt Stores	09171	5812	722213	17	31	SALES	2	M
Pizza Shops	09211	5812	722210	17	31	SALES	2	M
Salad Bars	09231	5812	722211	17	31	SALES	2	M
Take Out Only Restaurants – no No on-premises consumption of food (When Take Out Only Restaurants – no No on-premises consumption of food and any other eligible restaurant classification applies, rate and code the restaurant as Take Out Only Restaurants – no No on-premises consumption of food.)	09261	5812	722211	17	31	SALES	2	M

Table #21(CT) -R- Classifications (Restaurants)

-S- CLASSIFICATIONS

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Secondhand or Salvage Dealers – Retail only	59999	5932	453310	09	08	LOI	4	S
Seed Merchants (Including or excluding misdelivery or germination failure.)	59625	5261	444220	07	06	LOI	2	M
Self-Storage Facilities	09411	4225	531130	26	21	LOI	3	M
Sewing Machine Stores	57223	5722	443111	07	03	LOI	3	M
Ship Chandler Stores	59999	5999	453998	09	08	LOI	3	M
Shoe Stores								
Repair	71926	7251	811430	07	04	LOI	3	M
Retail	56613	5661	451110	11	03	LOI	3	M
Sporting Goods or Athletic Equipment Stores (Including Apparel)	59526	5941	451110	11	06	LOI	2	M
Stationery or Paper Products								
Distributors								

Paper (e.g., fine, printing, writing), bulk, wholesaling	50801	511*	422110	14	12	LOI	3	H
Paper (except office supplies, printing paper, stationery, writing paper) wholesaling	50801	511*	422130	14	12	LOI	3	H
Retail	59435	5943	453210	09	05	LOI	3	H
Straw and Straw Products – Retail Only	59999	5999	453998	09	08	LOI	4	M
Supermarkets								
With an area at least 4,000 square feet	54127	5411	445110	10	09	LOI	2	M
<u>Without Gasoline Sales</u>	<u>54221</u>	<u>5411</u>	<u>445110</u>	<u>10</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>With Gasoline Sales</u>	<u>54231</u>	<u>5411</u>	<u>447110</u>	<u>10</u>	<u>10</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
With an area less than 4,000 square feet	54136	5411	445110	10	09	LOI	2	M
<u>Without Gasoline Sales</u>	<u>54241</u>	<u>5411</u>	<u>445110</u>	<u>10</u>	<u>09</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
<u>With Gasoline Sales</u>	<u>54251</u>	<u>5411</u>	<u>447110</u>	<u>10</u>	<u>10</u>	<u>LOI</u>	<u>2</u>	<u>M</u>
Swimming Pools – Retail Only (Coverage does not apply to medical payments. Medical Expenses – Exclusion Endorsement BP 04 38 must be attached.)	59999	5999	453998	09	08	LOI	3	S

Table #22(CT) -S- Classifications

RATING EXAMPLE APPENDIX

IMPORTANT NOTE

The rates used in the following examples are provided for illustrative purposes only. You should determine from your individual company what rates are actually in effect.

A. Example #1 (Occupant)

1. Policywriting And Rating Information (Businessowners Coverage Form BP 00 03)

- a. Named Insured: ABC Clothing Store
- b. Mailing Address: 77 Homewood Avenue, Anytown, USA
- c. Location of Address: 4115 Paterson Road, Anytown, USA
 - Refer to Rule 23., Paragraph C.2. for Rating Territory. In this example, the territory is 701.
- d. Interest of Applicant in Premises: Tenant with contractual responsibility to insure building
 - Refer to Rule 23., Paragraph B.5. Insured is an occupant.
- e. Occupancy: Men's and Boys' Clothing Store
 - Refer to Rule 23., Paragraph C.1., and to the Businessowners Classification Table. The Businessowners Commercial Statistical Plan Class Code is 56114, which corresponds to Rate Number 11 and Class Group 03. This risk has a limit of insurance exposure base for liability.
- f. Floor Area: 6,000 sq. feet
- g. Gross annual sales: \$300,000
- h. Named Insured is: Individual
- i. Term of Policy: 1 year
- j. Deductible: \$500, no wind or hail percentage
 - Refer to Rule 24., Paragraph C.4.a.
- k. Limit of Insurance:
 - Building (including appurtenant structures): \$225,000
 - Business Personal Property: \$60,000
 - Business Liability: \$500,000 per occurrence, \$1,000,000 aggregate for products/completed operations and \$1,000,000 aggregate for premises
- l. Optional Coverages:
 - Accounts Receivable: \$50,000 Limit of Insurance
- m. Endorsements:
 - Additional Insured – Managers Or Lessors Of Premises (BP 04 02)
- n. Building Construction:
 - Refer to Rule 23., Paragraph C.3. In this example, the construction is Masonry Non-Combustible.
- o. Limit of Insurance Relativities:
 - Building: Refer to Rule 23., Paragraph C.6.a.(2)(c)(iii)i. In this example, the Limit of Insurance Relativity Group is A and the applicable factor for Group A is 0.951.
 - Business Personal Property: Refer to Rule 23., Paragraph C.6.a.(2)(c)(iii)ii. In this example, the limit of insurance relativity is 0.938.
- p. Public Protection (Fire) Classification:
 - Refer to Rule 23., Paragraph C.4.a. In this example, the protection code is 05.
- q. Building Code Effectiveness Grading:
 - Refer to Rule 23., Paragraph C.4.b. In this example, the building code effectiveness grade is 5 with an applicable factor of 0.980.
- r. Sprinklered Property:
 - Refer to Rule 23., Paragraph C.5. In this example, the building is sprinklered.
- s. State Base Rates for Territory 701:
 - Building: 0.150

- Business Personal Property: 0.287
- Liability Occupant (LOI): 0.235

2. Businessowners Coverage Form BP 00 03 Premium Determination

Step	Explanation
1. Determine the Occupancy Relativity	Refer to Table 23.C.1.b.(RF) for Property and Table 23.C.6.b.(2)(b)(i)#1(RF) for Liability. The <u>property building occupancy factor corresponding to property rate number 11 is 2.548295</u> . The <u>business personal property occupancy factor corresponding to property rate number 11 is 2.487</u> . The liability occupancy factor corresponding to liability class group 03 is <u>1.082284</u> .
2. Determine the Building Construction Relativity	Refer to Table 23.C.3.(RF) . The building construction <u>building factor for masonry non-combustible is 0.749759</u> . The <u>building construction business personal property factor for masonry non-combustible is 0.825</u> .
3. Determine the Building Limit of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)i.(RF) . The building limit of insurance factor for Group A is 0.951.
4. Determine the Business Personal Property Limit of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)ii.(RF) . The business personal property limit of insurance factor in this example is 0.938.
5. Determine the Public Protection (Fire) Classification Relativity	Refer to Table 23.C.4.a.(RF) . The public protection (fire) classification <u>building factor for code 5 is 1.063085</u> . The <u>public protection (fire) classification business personal property factor for code 5 is 1.000</u> .
6. Determine the Building Code Effectiveness Grading Relativity	Refer to Table 23.C.4.b.(5)(RF) in the state-specific Rating Relativities and Factors Pages. (Note: Building Code Effectiveness Grading Relativities vary by state.) The factor used in this example is 0.980.
7. Determine the Sprinklered Property Relativity	Refer to Table 23.C.5.(RF) . The sprinklered property <u>building factor corresponding to property rate number 11 is 0.850800</u> . The <u>sprinklered property business personal property factor corresponding to property rate number 11 is 0.900</u> .
8. Determine the Deductible Relativity	Refer to Table 24.C.4.(RF) . The factor for a \$500 fixed dollar deductible with a total limit of insurance of \$285,000 (<u>\$225,000 Building limit of insurance plus \$60,000 Business Personal Property limit of insurance</u>) is 1.000.
9. Determine Liability Increased Limits Relativity	Refer to Table 23.C.6.b.(2)(b)(ii)(RF) . The liability increased limits factor for \$500,000/\$1,000,000/\$1,000,000 is <u>1.094032</u> .
10. Determine the Final Building Rate	Refer to Rule 23. , Paragraph C.6.a.(2)(c)(viii) . The rate for this risk is $0.150 \times 2.548295 \times 0.749759 \times 0.951 \times 1.063085 \times 0.980 \times 0.850800 \times 1.000 = 0.244211$.
11. Determine the Building Premium	Refer to Rule 23. , Paragraph C.6.a.(3)(a) . The building premium for this risk is calculated as follows: $0.244211 \times (\$225,000/100) = \542475 .
12. Determine the Final Business Personal Property Rate	Refer to Rule 23. , Paragraph C.6.a.(2)(c)(viii) . The final business personal property rate for this risk is calculated as follows: $0.287 \times 2.548487 \times 0.749825 \times 0.938 \times 1.063000 \times 0.980 \times 0.850900 \times 1.000 = 0.455487$.
13. Determine the Business Personal Property Premium	Refer to Rule 23. , Paragraph C.6.a.(3)(b) . The business personal property premium is calculated as follows: $0.455487 \times (\$60,000/100) = \273292 .

14. Determine the Final Liability Rate	Refer to Rule 23. , Paragraph C.6.b.(2)(b)(iv) . The final liability rate is calculated as follows: $0.235 \times 1.082284 \times 1.094032 = 0.278311$.
15. Determine the Liability Premium	Refer to Rule 23. , Paragraph C.6.b.(3)(c) . The liability premium is calculated as follows: $0.278311 \times (\$60,000/100) = \167187 .
16. Determine the Additional Premium for the Accounts Receivable Optional Coverage	Refer to Rule 28. , Paragraph A.1.b . The additional premium for the Accounts Receivable Optional Coverage is calculated as follows: $(0.455487 \times 0.05 = 0.023025) \times (\$40,000/100) = \$910$.
17. Determine the Additional Premium for the attachment of Additional Insured – Managers Or Lessors Of Premises Endorsement BP 04 02	Refer to Rule 29. , Paragraph C.1.c . The additional premium for Endorsement BP 04 02 is \$17.
18. Determine the Total Policy Premium	The Total Policy Premium is calculated as follows: $\$542 + \$273 + \$167 + \$9475 + \$292 + \$187 + \$10 + \$17 = \$1,008981$.

Table A.2.(RX) Businessowners Coverage Form BP 00 03 Premium Determination

B. Example #2 (Payroll Exposure Base for Liability)

1. Policywriting And Rating Information (Businessowners Coverage Form BP 00 03)

- a. Named Insured: Larry's Lawn Sprinkler Installation Store
- b. Mailing Address: 157 Main Street, Anytown, USA
- c. Location of Address: 5111 Willow Avenue, Anytown, USA
 - Refer to Rule **23.**, Paragraph **C.2**. for Rating Territory. In this example, the territory is 703.
- d. Interest of Applicant in Premises: Tenant with no contractual responsibility to insure building-
 - Refer to Rule **23.**, Paragraph **B.5**. Insured is an Occupant.
- e. Occupancy: Contractor
 - Refer to Rule **23.**, Paragraph **C.1.**, and to the Businessowners Classification Table. The Businessowners Commercial Statistical Plan Class Code is 74961, which corresponds to Rate Number 20 and Class Group 58. This risk has a payroll exposure base for liability.
- f. Floor Area: 5,000 sq. feet
- g. Gross annual payroll: \$50,000
- h. Named Insured is: Individual
- i. Term of Policy: 1 year
- j. Deductible:
 - (1) \$1,000 property, no wind or hail percentage
 - (2) \$1,000 liability
 - Refer to Rule **24.**, Paragraph **C.4.a.** and Paragraph **D.1**.
- k. Limit of Insurance:
 - Building (including appurtenant structures): \$225,000
 - Business Personal Property: \$60,000
 - Business Liability: \$300,000 per occurrence, \$900,000 aggregate for products/completed operations and \$600,000 for premises
 - Yard Storage: \$35,000
- l. Optional Coverages:
 - Employee Dishonesty – 4 Employees: \$25,000 Limit of Insurance
- m. Endorsements:
 - Hired Auto Liability, \$300,000 (**BP 04 04**)

- Contractors Installation, Tools And Equipment – \$5,000 per site, \$15,000 all sites; \$2,000 sub-limit for any one tool or piece of equipment (BP 07 01)
- n. Building Construction:
 - Refer to Rule 23., Paragraph C.3. In this example, the construction is Frame.
- o. Limit Of Insurance Relativities:
 - Business Personal Property: Refer to Rule 23., Paragraph C.6.a.(2)(c)(iii)ii. In this example, the limit of insurance relativity is 0.938.
- p. Public Protection (Fire) Classification:
 - Refer to Rule 23., Paragraph C.4.a. In this example, the protection code is 09.
- q. Building Code Effectiveness Grading:
 - Refer to Rule 23., Paragraph C.4.b. In this example, the building code effectiveness grade is 3 with an applicable factor of 0.970.
- r. Sprinklered Property:
 - Refer to Rule 23., Paragraph C.5. In this example, the building is **not** sprinklered.
- s. State Base Rates for Territory 703:
 - Building: N/A
 - Business Personal Property: 0.373
 - Liability (Payroll): 9.265
 - Yard Storage – Maintenance or Storage: 0.327

2. Businessowners Coverage Form BP 00 03 Premium Determination

Step	Explanation
1. Determine the Occupancy Relativity	Refer to Table 23.C.1.b.(RF) for Property and Table 23.C.6.b.(2)(b)(i)#3(RF) for Liability. The <u>business personal</u> property occupancy factor corresponding to property rate number 20 is 1.240860. The liability occupancy factor corresponding to liability class group 58 is 2.033172.
2. Determine the Building Construction Relativity	Refer to Table 23.C.3.(RF). The building construction <u>business personal property</u> factor for frame is 1.000.
3. Determine the Business Personal Property Limit Of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)ii.(RF). The business personal property limit of insurance factor in this example is 0.938.
4. Determine the Public Protection (Fire) Classification Relativity	Refer to Table 23.C.4.a.(RF). The public protection (fire) classification <u>business personal property</u> factor for code 9 is 1.490225.
5. Determine the Building Code Effectiveness Grading Relativity	Refer to Table 23.C.4.b.(5)(RF) in the state specific Rating Relativities and Factors Pages. (Note: Building Code Effectiveness Grading Relativities vary by state.) The factor used in this example is 0.970.
6. Determine the Sprinklered Property Relativity	Refer to Table 23.C.5.(RF). The sprinklered property factor does not apply.
7. Determine the Deductible Relativity for Property	Refer to Table 24.C.4.(RF). The factor for a \$1,000 fixed dollar with a total limit of insurance of \$285,000 (<u>\$225,000 Building limit of insurance plus \$60,000 Business Personal Property limit of insurance</u>) deductible is 0.930974.
8. Determine the Deductible Relativity for Liability	Refer to Table 24.D.4.a.(RF). The factor for a \$1,000 deductible is 0.993.
9. Determine the Liability Increased Limits Relativity	Refer to Table 23.C.6.b.(2)(b)(ii)(RF). The liability increased limits factor for \$300,000/\$900,000/\$600,000 is 1.001.

10. Determine the Building Premium	There is no building premium associated with this policy.
11. Determine the Final Business Personal Property Rate	Refer to Rule 23., Paragraph C.6.a.(2)(c)(viii). The final business personal property rate for this risk is calculated as follows: $0.373 \times 1.240860 \times 1.000 \times 0.938 \times 0.970 \times 1.490225 \times 0.930974 = 0.583753$.
12. Determine the Business Personal Property Premium	Refer to Rule 23., Paragraph C.6.a.(3)(b). The business personal property premium is calculated as follows: $0.583753 \times (\$60,000/100) = \350452 .
13. Determine the Final Liability Rate	Refer to Rule 23., Paragraph C.6.b.(2)(b)(iv). The final liability rate is calculated as follows: $9.265 \times 2.033172 \times 0.993 \times 1.001 = 48.72320.003$.
14. Determine the Liability Premium	Refer to Rule 23., Paragraph C.6.b.(3)(b). The liability premium is calculated as follows: $48.72320.003 \times (\$50,000/1,000) = \$9361,000$.
15. Determine the Permanent Yards – Maintenance or Storage Additional Premium	Refer to Rule 23., Paragraph C.6.c.(3). The additional premium for the Permanent Yards – Maintenance or Storage is calculated as follows: $(0.327 \times 0.930 = 0.304) \times (\$35,000/100) = \$106$.
16. Determine the Additional Premium for the Employee Dishonesty Optional Coverage	Refer to Rule 28., Paragraph A.8.b. The additional premium for Employee Dishonesty is \$40870.88.
17. Determine the Additional Premium for the attachment of Hired Auto And Non-Owned Auto Liability Endorsement BP 04 04	Refer to Rule 29., Paragraph B.11.c.(1). The additional premium for Endorsement BP 04 04 is a flat charge, in this case = \$3832.66.
18. Determine the Additional Premium for the attachment of Contractors Installation, Tools And Equipment Endorsement BP 07 01	Refer to Rule 16., Paragraph B.4.a.(3). The additional premium for Endorsement BP 07 01 is $\$90 \times 0.930 = \84 a flat charge, in this case = \$69.50.
19. Determine the Total Policy Premium	The Total Policy Premium is calculated as follows: $\$350 + \$936452 + \$1,000 + \$106 + \$408 + \$38 + \$8470.88 + \$32.66 + \$69.50 = \$1,622732$.

Table B.2.(RX) Businessowners Coverage Form BP 00 03 Premium Determination

C. Example #3 (Lessors)

1. Policywriting And Rating Information (Businessowners Coverage Form BP 00 03)

- a. Named Insured: Brad's Building Rental
- b. Mailing Address: 43 Van Loon Street, Anytown, USA
- c. Location of Address: 1115 Drake Drive, Anytown, USA
 - Refer to Rule 23., Paragraph C.2. for Rating Territory. In this example, the territory is 702.
- d. Interest of Applicant in Premises: Owner of building with no contractual responsibility to insure occupant's contents
 - Refer to Rule 23., Paragraph B.5. Insured is a lessor.
- e. Occupancy: Hamburger Hal's Fast Food Restaurant
 - Refer to Rule 23., Paragraph C.1., and to the Businessowners Classification Table. The Businessowners Commercial Statistical Plan Class Code is 09151, which corresponds to Rate Number 18 and Class Group 32. This risk has a limit of insurance exposure base for liability, since the insured is a lessor.
- f. Floor Area: 6,500 sq. feet
- g. Gross annual sales: \$200,000. **Note:** This information is not needed for a lessor, but would be pertinent for rating the occupant (since a sales liability exposure base would be used).
- h. Named Insured is: Individual
- i. Term of Policy: 1 year

- j. Deductible: \$500 – 2% Wind or Hail
 - Refer to Rule **24.**, Paragraph **C.4.b.**
- k. Limit of Insurance:
 - Building (including appurtenant structures): \$225,000
 - Business Personal Property: \$40,000 that does not belong to occupant
 - Business Liability: \$1,000,000 per occurrence, \$2,000,000 aggregate for products/completed operations and \$2,000,000 for premises
- l. Optional Coverages:
 - Actual Cash Value – Buildings Option
 - Automatic Increase in Insurance – 10%
- m. Endorsements:
 - Named Peril Endorsement **BP 10 09** – no burglary or robbery coverage
- n. Building Construction:
 - Refer to Rule **23.**, Paragraph **C.3.** In this example, the construction is Non-Combustible.
- o. Limit of Insurance Relativities:
 - Building: Refer to Rule **23.**, Paragraph **C.6.a.(2)(c)(iii)i.** In this example, the Limit of Insurance Relativity Group is A and the applicable factor for Group A is 0.951.
 - Business Personal Property: Refer to Rule **23.**, Paragraph **C.6.a.(2)(c)(iii)ii.** In this example, the limit of insurance relativity is 1.082.
- p. Public Protection (Fire) Classification:
 - Refer to Rule **23.**, Paragraph **C.4.a.** In this example, the protection code is 08.
- q. Building Code Effectiveness Grading
 - Refer to Rule **23.**, Paragraph **C.4.b.** In this example, the building code effectiveness grade is 8 with an applicable factor of 0.990.
- r. Sprinklered Protection:
 - Refer to Rule **23.**, Paragraph **C.5.** In this example, the building is sprinklered.
- s. State Base Rates for Territory 702:
 - Building: 0.210
 - Business Personal Property: 0.402
 - Liability – Lessors (LOI): 0.124

2. Businessowners Coverage Form BP 00 03 Premium Determination

Step	Explanation
1. Determine the Occupancy Relativity	Refer to Table 23.C.1.b.(RF) for Property and Table 23.C.6.b.(2)(b)(i)#4(RF) for Liability. The property building occupancy factor corresponding to property rate number 18 is 3.798-302 . The business personal property occupancy factor corresponding to property rate number 18 is 3.257 . The liability occupancy factor corresponding to liability class group 32 is 2.979974 .
2. Determine the Building Construction Relativity	Refer to Table 23.C.3.(RF) . The building construction building factor for Non-Combustible is 0.8725 . The building construction business personal property factor for non-combustible is 0.825 .
3. Determine the Building Limit of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)i.(RF) . The building limit of insurance factor for Group A is 0.951.
4. Determine the Business Personal Property Limit of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)ii.(RF) . The business personal property limit of insurance factor in this example is 1.082.

5. Determine the Public Protection (Fire) Classification Relativity	Refer to Table 23.C.4.a.(RF) . The public protection (fire) classification <u>building factor</u> for code 8 is <u>1.260-230</u> . The <u>public protection (fire) classification business personal property factor</u> for code 8 is <u>1.140</u> .
6. Determine the Building Code Effectiveness Grading Relativity	Refer to Table 23.C.4.b.(5)(RF) in the state specific Rating Relativities and Factors Pages. (Note: Building Code Effectiveness Grading Relativities vary by state.) The factor used in this example is 0.990.
7. Determine the Sprinklered Property Relativity	Refer to Table 23.C.5.(RF) . The sprinklered property <u>building factor</u> corresponding to property rate number 18 is <u>0.700-650</u> . The <u>sprinklered property business personal property factor</u> corresponding to property rate number 18 is <u>0.750</u> .
8. Determine the Deductible Relativity	Refer to Table 24.C.4.(RF) . The factor for a \$500 fixed dollar deductible with a 2% <u>w</u> indstorm or <u>H</u> ail percentage deductible <u>with a total limit of insurance of \$265,000</u> (<u>\$225,000 Building limit of insurance plus \$40,000 Business Personal Property limit of insurance</u>) is <u>0.950944</u> .
9. Determine the Liability Increased Limits Relativity	Refer to Table 23.C.6.b.(2)(b)(ii)(RF) . The liability increased limits factor for \$1,000,000/\$2,000,000/\$2,000,000 is <u>1.205074</u> .
10. Determine the Final Building Rate	Refer to Rule 23. , Paragraph C.6.a.(2)(c)(viii) . The rate for this risk is calculated as follows: $0.210 \times 3.798302 \times 0.825785 \times 0.951 \times 1.260230 \times 0.700650 \times 0.990 \times 0.950944 = 0.549387$.
11. Determine the Building Premium	Refer to Rule 23. , Paragraph C.6.a.(3)(a) . The building premium for this risk is calculated as follows: $0.549387 \times (\$225,000/100) = \$1,2468871$.
12. Determine the Final Business Personal Property Rate	Refer to Rule 23. , Paragraph C.6.a.(2)(c)(viii) . The final business personal property rate for this risk is calculated as follows: $0.402 \times 3.798257 \times 0.825 \times 1.082 \times 1.260140 \times 0.700750 \times 0.990 \times 0.950 = 1.134947 = 0.934$.
13. Determine the Business Personal Property Premium	Refer to Rule 23. , Paragraph C.6.a.(3)(b) . The business personal property premium is calculated as follows: $1.1340934 \times (\$40,000/100) = \452374 .
14. Determine the Final Liability Rate	Refer to Rule 23. , Paragraph C.6.b.(2)(b)(iv) . The final liability rate is calculated as follows: $0.124 \times 2.979974 \times 1.205074 = 0.445396$.
15. Determine the Liability Premium	Refer to Rule 23. , Paragraph C.6.b.(3)(c) . The liability premium is calculated as follows: $0.445396 \times (\$225,000/100) = \$1,004891$.
16. Determine the Additional Premium for the Actual Cash Value Optional Coverage	Refer to Rule 28. , Paragraph A.2.b . The additional premium for the Actual Cash Value Optional Coverage is $\$1,004891 \times .25 = \250223 .
17. Determine the Additional Premium for the Automatic Increase in Insurance	Refer to Rule 28. , Paragraph A.3.b . and Table 28.A.3.b.#2(RF) . The additional premium for the Automatic Increase in Insurance Optional Coverage is $\$1,168871 \times 0.01 = \$12010 = \$9$.
18. Determine the Premium Credit for Named Perils – Building	Refer to Rule 29. , Paragraph A.1619.c.(1) . The Named Perils Endorsement BP 10 09 – building premium credit is $\$1,168871 \times 0.10 = \$117 = \$87$.
19. Determine the Premium Credit for Named Perils – Business Personal Property	Refer to Rule 29. , Paragraph A.1619.c.(2) . The Named Perils Endorsement BP 10 09 – business personal property premium credit is $\$452374 \times 0.30 = \136112 .

<p>20. Determine the Total Policy Premium</p>	<p>The Total Policy Premium is calculated as follows: \$1,168 + \$452 + \$1,001 + \$250 + \$12 - \$117 - \$136871 + \$374 + \$891 + \$223 + \$9 - \$87 - \$112 = \$2,630169.</p>
--	--

Table C.2.(RX) Businessowners Coverage Form BP 00 03 Premium Determination

D. Example #4 (Blanket Rating):

1. Policywriting And Rating Information (Businessowners Coverage Form BP 00 03)

- a. Named Insured: Dave's Dry Cleaning
- b. Mailing Address: 2731 Lucky Street, Anytown, USA
- c. Location of Address:
 - (1) 1121 Drake Drive, Anytown, USA (Main Plant)
 - (2) 5109 Willow Avenue, Anytown, USA (Receiving Station)
 - (3) 4127 Paterson Road, Anytown, USA (Receiving Station)
 - Refer to Rule 23., Paragraph C.2. for Rating Territory. In this example, all locations are in territory 702.
- d. Interest of Applicant in Premises: Owner and occupant of building (1), Occupant with no contractual obligation to insure building for (2) and (3).
 - Refer to Rule 23., Paragraph B.5. Insured is an occupant in all cases.
- e. Occupancy: Building (1) is a dry cleaning store that uses synthetic solvents. Buildings (2) and (3) are receiving stations.
 - Refer to Rule 23., Paragraph C.1., and to the Businessowners Classification Table. The Businessowners Commercial Statistical Plan Class Code for store (1) is 09521, which corresponds to Rate Number 07 and Class Group 07. The Class Code for stores (2) and (3) is 71811, which corresponds to Rate Number 07 and Class Group 04. This risk has a limit of insurance exposure base for liability.
- f. Floor Area: Building (1): 6,500 sq. feet, (2) and (3): 3,000 sq. feet each
- g. Named Insured is: Individual
- h. Term of Policy: 1 year
- i. Deductible: \$500, no wind or hail percentage
- j. Limit of Insurance:
 - Building (including appurtenant structures) \$200,000
 - Business Personal Property:
 - Store (1): \$150,000
 - Store (2): \$ 60,000
 - Store (3): \$ 40,000
 - Business Liability: \$300,000 per occurrence, \$600,000 aggregate for products/completed operations and \$600,000 for premises
- k. Optional Coverages:
 - Outdoor Signs: \$10,000 Limit of Insurance (all locations)
- l. Endorsements:
 - Newly Acquired Organizations – Businessowners Liability Coverage (BP 04 54)
- m. Building Construction:
 - Refer to Rule 23., Paragraph C.3. In this example, Store (1) has a Fire-Resistive building construction, Store (2) is Joisted Masonry and Store (3) is Masonry Non-Combustible.
- n. Public Protection (Fire) Classification:
 - Refer to Rule 23., Paragraph C.4.a. In this example, the protection code is 04 for all stores.
- o. Limit of Insurance Relativities:
 - Building: Refer to Rule 23., Paragraph C.6.a.(2)(c)(iii)i. In this example, the Limit of Insurance Relativity Group is A and the applicable factor for Group A is 1.000.
 - Business Personal Property: Refer to Rule 23., Paragraph C.6.a.(2)(c)(iii)ii. In this example, the limit of insurance relativity is:

- Store (1): 0.635
 - Store (2): 0.938
 - Store (3): 1.082
- p. Building Code Effectiveness Grading:
- Refer to Rule 23., Paragraph C.4.b. In this example, the building code effectiveness grade for all stores is 5 with an applicable factor of 0.980.
- q. Sprinklered Protection:
- Refer to Rule 23., Paragraph C.5. In this example, buildings (1) and (3) have sprinklers, while building (2) is not sprinklered.
- r. State Base Rates for Territory 702:
- Building: 0.195
 - Business Personal Property: 0.373
 - Liability Occupant (LOI): 0.210
 - Outdoor Signs: 1.092

2. Businessowners Coverage Form BP 00 03 Premium Determination

Step	Explanation
1. Determine the Occupancy Relativity	Refer to Table 23.C.1.b.(RF) for Property and Table 23.C.6.b.(2)(b)(i)(RF)#1(RF) for Liability. For Stores (1), (2) and (3), the <u>property building occupancy factor corresponding to property rate number 07 is 1.240.322. For Stores (1), (2) and (3), the business personal property occupancy factor corresponding to property rate number 07 is 1.702. For Store (1), the liability occupancy factor corresponding to liability class group 07 is 3.072948. For Stores (2) and (3), the liability occupancy factor corresponding to liability class group 04 is 1.483775.</u>
2. Determine the Building Construction Relativity	Refer to Table 23.C.3.(RF). The building construction building factor for Store (1), Fire Resistive, is 0.560565. The <u>building construction business personal property factor for Store (1), fire resistive, is 0.722. The building construction building factor for Store (2), Joisted Masonry, is 0.825 and joisted masonry, is 0.940. The building construction business personal property factor for Store (2), joisted masonry, is 0.993. The building construction building factor for Store (3), Masonry Non-Combustible, is 0.749 masonry non-combustible, is 0.759. The building construction business personal property factor for Store (3), masonry non-combustible, is 0.825.</u>
3. Determine the Building Limit of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)i.(RF). The building limit of insurance factor for Group A is 1.000.
4. Determine the Business Personal Property Limit of Insurance Relativity	Refer to Table 23.C.6.a.(2)(c)(iii)ii.(RF). The business personal property limit of insurance factor in this example is for Store (1) 0.635, for Store (2) 0.938 and for Store (3) 1.082.
5. Determine the Public Protection (Fire) Classification Relativity	Refer to Table 23.C.4.a.(RF). The public protection (fire) classification building factor for code 4 is 1.058. The <u>public protection (fire) classification business personal property factor for code 4 is 1.000.</u>
6. Determine the Building Code Effectiveness Grading Relativity	Refer to Table 23.C.4.b.(5)(RF) in the state specific Rating Relativities and Factors Pages. (Note: Building Code Effectiveness Grading Relativities vary by state.) The factor used in the example is 0.980.

<p>7. Determine the Sprinklered Property Relativity</p>	<p>Refer to Table 23.C.5.(RF). The sprinklered property factor does <u>building and business personal property factors do</u> not apply for Store (2). The sprinklered property building factor corresponding to property rate number 07, Stores (1) and (3), is <u>0.800750</u>. The sprinklered property business personal property factor corresponding to property rate number 07, Stores (1) and (3), is <u>0.850</u>.</p>
<p>8. Determine the Deductible Relativity</p>	<p>Refer to Table 24.C.4.(RF). The factor for a \$500 fixed dollar deductible with a total limit of insurance of \$450,000 (<u>\$200,000 Building limit of insurance plus \$250,000 Business Personal Property limit of insurance</u>) is 1.000 for all stores.</p>
<p>9. Determine the Liability Increased Limits Relativity</p>	<p>Refer to Table 23.C.6.b.(2)(b)(ii)(RF). The liability increased limits factor for \$300,000/\$600,000/\$600,000 is 1.000 for all stores.</p>
<p>10. Determine the Final Building Rate</p>	<p>Refer to Rule 23., Paragraph C.6.a.(2)(c)(viii). The rate for Store (1) is calculated as follows: $0.195 \times 1.240322 \times 0.560565 \times 1.000 \times 1.000058 \times 0.980 \times 0.800750 \times 1.000 = 0.406113$.</p>
<p>11. Determine the Building Premium</p>	<p>Refer to Rule 23., Paragraph C.6.a.(3)(a). The building premium for Store (1) is calculated as follows: $0.406113 \times (\\$200,000/100) = \\242226.</p>
<p>12. Determine the Final Business Personal Property Rate</p>	<p>Refer to Rule 23., Paragraph C.6.a.(2)(c)(viii). The final business personal property rate for Store (1) is calculated as follows: $0.373 \times 1.240702 \times 0.560722 \times 0.635 \times 1.000 \times 0.980 \times 0.800850 \times 1.000 = 0.429242$.</p> <p>The rate for Store (2) is calculated as follows: $0.373 \times 1.240702 \times 0.825993 \times 0.938 \times 1.000 \times 0.980 \times 1.000 = 0.354579$.</p> <p>The rate for Store (3) is calculated as follows: $0.373 \times 1.240702 \times 0.749825 \times 1.082 \times 1.000 \times 0.980 \times 0.800850 \times 1.000 = 0.294472$.</p>
<p>13. Determine the Business Personal Property Premium</p>	<p>Refer to Rule 23., Paragraph C.6.a.(3)(b). The business personal property premium for Store (1) is calculated as follows: $0.429242 \times (\\$150,000/100) = \\643863.</p> <p>Similarly, Store (2) is $0.354579 \times (\\$60,000/100) = \\$212,747$, and Store (3) is calculated as follows: $0.294472 \times (\\$40,000/100) = \\$117,789$.</p>
<p>14. Determine the Final Liability Rate</p>	<p>Refer to Rule 23., Paragraph C.6.b.(3)(b)(iv). The final liability rate for Store (1) is calculated as follows: $0.210 \times 3.072948 \times 1.000 = 0.645829$.</p> <p>The rate for Stores (2) and (3) is calculated as follows: $0.210 \times 1.483775 \times 1.000 = 0.248373$.</p>
<p>15. Determine the Liability Premium</p>	<p>Refer to Rule 23., Paragraph C.6.b.(3)(c). The liability premium for Store (1) is calculated as follows: $0.645829 \times (\\$150,000/100) = \\$968,744$.</p> <p>The liability premium for Store (2) is $0.248373 \times (\\$60,000/100) = \\$149,024$.</p> <p>The liability premium for Store (3) is $0.248373 \times (\\$40,000/100) = \\$99,349$.</p>

<p>16. Determine the Blanket Average Rate</p>	<p>Refer to Rule 21., Paragraph C.1. The total Limit of Insurance is \$200,000 + \$150,000 + \$60,000 + \$40,000 = \$450,000. The total Premium premium would be \$212 + \$194 + \$211 + \$118 = \$735-226 + \$363 + \$347 + \$189 = \$1,125. Thus, the blanket average rate is $\\$735,125 / (\\$450,000 / 100) = 0.163250$.</p>
<p>17. Determine the Additional Premium for the Outdoor Signs Optional Coverage</p>	<p>Refer to Rule 28., Paragraph A.14.b(2). The additional premium for the Outdoor Signs Optional Coverage is $1.092 \times (\\$10,000 / 100) = \\109.</p>
<p>18. Determine the Additional Premium for the attachment of Newly Acquired Organizations Endorsement BP 04 54</p>	<p>Refer to Rule 29., Paragraph B.17.c. There is no associated premium for <u>Endorsement BP 04 54</u> unless new premises are acquired.</p>
<p>19. Determine the Total Policy Premium</p>	<p>The Total Policy Premium is calculated as follows: $\\$212 + \\$194 + \\$211 + \\$118 + \\$968226 + \\$363 + \\$347 + \\$189 + \\$1,244 + \\$224 + \\$149 + \\$99 + \\$109 = \\$2,060851$.</p>

Table D.2.(RX) Businessowners Coverage Form BP 00 03 Premium Determination

A1. NON-RESIDENTIAL RISKS WINDSTORM LOSS MITIGATION FACTORS

ISO's Businessowners Program, including any forms, rules and loss costs referenced herein, is only available for use with non-residential risks in Florida. Refer to Rule **22.B**. Eligibility for further guidance on ineligible occupancies.

A. Explanation

This rule provides credits for windstorm damage mitigation in response to Florida Statutes, subsection (1) of 627.0629 which requires that, "a rate filing for residential property insurance must include appropriate discounts, credits, or other rate differentials, or appropriate reductions in deductibles, for properties on which fixtures actuarially demonstrated to reduce the amount of loss in a windstorm have been installed".

B. Eligibility – Windstorm Loss Mitigation Features

1. When the policy covers the peril of Windstorm or Hail, a residential risk located in the State of Florida may be eligible for a rate credit if one or more of the following loss mitigation features or construction techniques exists:

- a. Roof Covering/Roof Deck;
- b. Roof Deck Attachment;
- c. Roof-to-Wall Connection;
- d. Opening Protection;
- e. Secondary Water Resistance;
- f. Roof Shape; or
- g. Internal Pressure Design.

2. The loss mitigation features listed in Paragraph **B.1.** are described in detail in Paragraph **C**. Credits are provided via application of a rate modification factor; factors are presented in the Windstorm Loss Mitigation Factor Tables **A1.F.1.#1 – A1.F.1.#10(RF)**.

C. Description Of Building Features Or Building Location

The following descriptions are provided to assist in the determination of the applicable factor. They focus on terminology in the category headings, in the Tables **A1.F.1.#1 – A1.F.1.#10(RF)** which require further explanation.

1. Construction Year/Design Code:

- a. Existing Construction: Buildings constructed prior to 2002, and built to any code or standard other than Florida Building Code (FBC) 2001.
- b. New Construction: Buildings constructed in 2002 or later, and subject to the provisions of Florida Building Code (FBC) 2001.

2. Building Group:

- a. Group I: Buildings with a masonry or wood frame, one to three stories in height (disregard basements in story count.); or
- b. Group II: Buildings with a steel or concrete frame, or of reinforced masonry construction, which are 60 feet or less in height; or
- c. Group III: Buildings with a steel or concrete frame, which are greater than 60 feet in height.

3. Terrain Exposure Categories of the Florida Building Code:

- a. High Velocity Hurricane Zone: Miami-Dade and Broward Counties
- b. Terrain C (open terrain with scattered obstructions) applies to the following unless located in Miami-Dade or Broward County:
 - (1) Barrier islands (defined in Florida law as the land area from the seasonal high water line to a line 5,000 feet landward from the Coastal Construction Control line); and
 - (2) All other areas within 1,500 feet of the Coastal Construction Control line, or within 1,500 feet of the mean high tide line, whichever is less.
- c. Terrain B (urban, suburban and wooded areas) applies to all other locations in Florida that are not in the High Velocity Hurricane Zone or Terrain C category by virtue of their terrain exposure definitions.

4. Roof Coverings/Roof Deck:

- a. Florida Building Code (FBC) Equivalent: Roof coverings with specifications of the 1994 South Florida Building Code (SFBC) that required improved attachment methods and testing to a similar protocol to that of FBC 2001 Section 1504;
- b. Non-Florida Building Code (Non-FBC) Equivalent: Roof coverings that do not meet the requirements of the FBC Equivalent; or

- ~~c. Reinforced Concrete Roof Deck: A roof deck that is designed and constructed in accordance with the provisions of American Concrete Institute (ACI) 318 Building Code Requirements For Structural Concrete, including integral construction with a masonry wall system.~~
- ~~5. Roof Deck Attachment:
 - ~~a. Level A: Plywood/Oriented Strand Board (OSB) with 2 inch nails spaced at 6 inches from the edge of the plywood and 12 inches in the field on 24 inch truss spacing;~~
 - ~~b. Level B: Plywood/OSB with 2 1/2 inch nails spaced at 6 inches from the edge of the plywood and 12 inches in the field on 24 inch truss spacing;~~
 - ~~c. Level C: Plywood/OSB with 2 1/2 inch nails spaced at 6 inches from the edge of the plywood and 6 inches in the field on 24 inch truss spacing; or~~
 - ~~d. Level D: Dimensional Lumber and Tongue and Groove Decks composed of 3/4 inch thick boards with nominal widths of 4 inches or more.~~~~
- ~~6. Roof to Wall Connection:
 - ~~a. Toe-Nail Connection: Three (3) nails driven at an oblique angle through the rafter and into the top plate;~~
 - ~~b. Clips: Pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud. The metal does not wrap around the top of the rafter/truss, and the clip is only located on one side of the connection;~~
 - ~~c. Single Wraps: A single strap that is attached to the side and/or bottom of the top plate and is nailed to the rafter/truss; or~~
 - ~~d. Double Wraps: Straps that are wrapped on both sides, are attached to the side and/or bottom of the top plate, and are nailed to the rafter/truss.~~~~
- ~~7. Opening Protection:
 - ~~a. No or None: Glazed openings that are not protected for impact resistance;~~
 - ~~b. Hurricane Protection Type, Yes or With Opening Protection: All glazed openings protected to meet the requirements of one of the current Miami-Dade Code standards, as follows:
 - ~~(1) Standard Building Code SSTD-12 for large missile impact testing (9 pounds);~~
 - ~~(2) ASTM debris impact standard E 1886 and test E 1996; or~~
 - ~~(3) Miami-Dade Hurricane Impact Protocols PA 201 (large missile impact test), 202 (structural pressure, air, water, and forced entry test) and 203 (test for cyclic pressure).~~~~~~
- ~~8. Roof Shape:
 - ~~a. Flat; or~~
 - ~~b. Hip shape: Roof has sloping ends and sloping sides down to the roof eaves line; or~~
 - ~~c. Gable: Roof has vertical walls that extend all the way to the top of the inverted V.~~~~
- ~~9. Secondary Water Resistance:
Secondary water resistance is achieved by applying:
 - ~~a. Self Adhering Modified Bitumen Tape to the plywood joints; or~~
 - ~~b. Foamed polyurethane structural adhesive from inside the attic to cover the joints between all plywood sheets.~~~~
- ~~10. Wind Speed:
 - ~~a. Design Speed, measured in miles per hour, is the wind speed that the building is designed or mitigated to withstand, based on the fastest mile, as addressed in the SBC and ASCE 7-88. Wind speed was measured by fastest mile until the adoption of the FBC which converted to three-second gust wind speed;~~
 - ~~b. Gust Wind Speed of Design, measured in miles per hour, is the wind speed that the building is designed or mitigated to withstand, according to the FBC 2001, which established basic Wind Design Speeds for each FBC wind speed zone;~~
 - ~~c. Gust Wind Speed of Location, measured in miles per hour, is the peak gust wind speed corresponding to the location of the building, as determined by the Wind-Borne Debris Regions outlined in FBC Section 1606.1.5.~~~~
- ~~11. Design Exposure:
Design exposure refers to terrain roughness:
 - ~~a. Standard is used for all buildings built according to the 1982 or earlier Design Code (SBC 1976); or~~
 - ~~b. B applies to urban and suburban areas; or~~
 - ~~c. C applies to open terrain; or~~~~

~~d. D applies to buildings within 1,500 feet of the coast.~~

~~12. Wind-Borne Debris Region:~~

~~Wind-borne debris regions, established by FBC Section 1606.1.5, include:~~

~~a. All areas where the basic wind speed is 120 mph or greater.~~

~~b. Areas of Citrus, Hernando, Jefferson, Levy, Taylor and Wakulla Counties that are within one mile of the coast.~~

~~13. Internal Pressure Design:~~

~~a. Enclosed building design exists where the envelope is completely closed, and only wind leaking around doors, windows, framing, etc. is allowed to affect the interior of the building; or~~

~~b. Partially enclosed building design exists where openings are assumed to exist in one or more faces of the building. These openings allow the wind to create pressures inside the building.~~

~~D. Form~~

~~Windstorm Protective Devices Endorsement **BP 12 08** may be used.~~

~~E. Proof Of Compliance~~

~~A company may require proof which substantiates the existence of the loss mitigation features displayed in the loss mitigation factor tables, for example, certification by a registered or licensed design professional. The insured is responsible for the expense associated with substantiating the existence of the loss mitigation features.~~

~~F. Rate Modification~~

~~1. Existing Construction~~

~~a. Existing construction may be categorized as a Group I, II or III building, as defined in Paragraph **C.2**.~~

~~(1) For Group I existing construction, the features of the building or its location that determine the applicable factor are terrain category, roof covering, roof deck attachment, roof-to-wall connection, opening protection, roof shape, and secondary water resistance.~~

~~(2) For Group II existing construction, the features of the building or its location that determine the applicable factor are terrain category, design code, design speed, roof covering, opening protection, roof deck, and secondary water resistance.~~

~~(3) For Group III existing construction, the features of the building or its location that determine the applicable factor are terrain category, design code, design speed, design exposure, roof covering, opening protection, roof deck, and secondary water resistance.~~

~~b. Refer to Tables **A1.F.1.#1 – A1.F.1.#10(RF)** for the factors for Existing Construction. Select the appropriate table based on the following table descriptions (the description also appears as part of the caption at the bottom of the table):~~

~~Table #1 Group I – Terrain B – Non-FBC Equivalent~~

~~Table #2 Group I – Terrain B – FBC Equivalent~~

~~Table #3 Group I – Terrain C – Non-FBC Equivalent~~

~~Table #4 Group I – Terrain C – FBC Equivalent~~

~~Table #5 Group II – Terrain B~~

~~Table #6 Group II – Terrain C~~

~~Table #7 Group III – Terrain B – Design Code 1982 or Earlier (SBC 1976)~~

~~Table #8 Group III – Terrain B – Design Code 1983 to 2001 (SBC 1988)~~

~~Table #9 Group III – Terrain C – Design Code 1982 or Earlier (SBC 1976)~~

~~Table #10 Group III – Terrain C – Design Code 1983 to 2001 (SBC 1988)~~

~~2. New Construction~~

~~a. New construction may be categorized as a Group I, II or III building, as defined in Paragraph **C.2**.~~

~~(1) For Group I construction, the features of the building or its location that determine the applicable factor are terrain category, roof deck, gust wind speed of location, gust wind speed of design, internal pressure design, wind-borne debris region, roof shape, opening protection, and secondary water resistance.~~

~~(2) For Group II construction, the features of the building or its location that determine the applicable factor are roof deck, terrain category, gust wind speed of location, gust wind speed of design, wind-borne debris region, internal pressure design, opening protection, and secondary water resistance.~~

~~(3) For Group III construction, the features of the building or its location that determine the applicable factor are roof deck, terrain category, gust wind speed of location, gust wind speed of design, wind-borne debris region, internal pressure design, opening protection, and secondary water resistance.~~

b. Refer to the Tables **A1.F.2.#1 – A1.F.2.#3(RF)** for the factors for New Construction. Select the appropriate table based on the following table descriptions (the description also appears as part of the caption at the bottom of the table):

Table #1 Group I – Windstorm Mitigation Factors For New Construction (Built In 2002 Or Later)

Table #2 Group II – Windstorm Mitigation Factors For New Construction (Built In 2002 Or Later)

Table #3 Group III – Windstorm Mitigation Factors For New Construction (Built In 2002 Or Later)

3. Premium Determination

a. Select the Windstorm Mitigation Factor from the appropriate Windstorm Mitigation Factor Tables **A1.F.1.#1 – A1.F.1.#10(RF)** for existing construction or Tables **A1.F.2.#1 – A1.F.2.#3(RF)** for new construction.

b. Multiply the applicable Windstorm or Hail Component from Table **A1.F.3.(LC)** and the appropriate Windstorm Mitigation Factor as determined above in Paragraph a. The result will be the windstorm loss mitigation credit.

c. Subtract the windstorm loss mitigation credit as determined above in Paragraph b. from the state base rate determined in Rule **23.**, Paragraph **C.6.a.(2)(a)**. The result will be the state base rate adjusted for windstorm mitigation.

d. These steps should be done separately for buildings and business personal property.

A3. WINDSTORM OR HAIL EXCLUSION RESERVED FOR FUTURE USE

A. Explanation

The Windstorm or Hail cause of loss may be excluded:

1. Provided the covered property is eligible for coverage of such causes of loss from an underwriting association (wind-pool) or carrier of last resort established under Florida Law; or

2. At the option of the policyholder.

Florida law requires that an insurer issuing a property insurance policy must make available, at the option of the policyholder, an exclusion of windstorm coverage. Such exclusion pertains to any windstorm, including hurricane, and to hail. Coverage may be excluded only if the policyholder provides a statement (wording prescribed in Section 627.712 of the Florida statutes) to the insurer **on the policyholder's letterhead**. In addition, if the affected structure is subject to a mortgage or lien, the policyholder must also provide the insurer with a statement of consent from the mortgage holder or lien holder. The exclusion of coverage applies for the term of the policy and for each renewal thereafter; changes to the exclusion may be implemented only as of the date of renewal.

The insurer must keep the original copy of the signed statement, electronically or otherwise, and provide a copy to the policyholder.

Policywriting Support Form **IL N 154** Your Option To Exclude Windstorm Coverage may be used to inform the policyholder of these requirements.

B. Florida Windstorm Or Hail Exclusion Endorsement BP 10 62

1. Use Florida Windstorm Or Hail Exclusion Endorsement **BP 10 62**.

2. If the exclusion does not apply at all locations, use the Declarations to indicate the location(s) to which the exclusion applies.

C. Rate Modification

Subtract the appropriate amount in Florida Table **A3.C.(LC)** from the state base rate determined in Rule **23.**, Paragraph **C.6.a.(2)(a)**. This should be done separately for buildings and business personal property.

A5. RESERVED FOR FUTURE USE OPTION NOT TO COVER CONTENTS (RESIDENTIAL RISKS)

Florida law requires that an insurer issuing a commercial residential property insurance policy must make available, at the option of the policyholder, a means to exclude contents coverage. Coverage may be excluded only if the policyholder provides a handwritten statement to the insurer, containing wording prescribed in section 627.712 of the Florida statutes. The policyholder and all other named insureds must sign and date the statement. The insurer must keep the original copy of the signed statement, electronically or otherwise, and provide a copy to the policyholder who provided it. The exclusion of coverage applies for the term of the policy and for each renewal thereafter; changes to the exclusion may be implemented only as of the date of renewal.

Policywriting Support Form **IL N 153** Election Not To Purchase Contents Coverage Advisory Notice To Policyholders may be used to inform the policyholder of these requirements.

A7. CATASTROPHIC GROUND COVER COLLAPSE AND SINKHOLE LOSS

A. Catastrophic Ground Coverage Collapse

1. Florida law requires coverage in all Businessowners policies for Catastrophic Ground Cover Collapse, which is provided under Florida Changes Endorsement **BP 03 03** in place of the policy's Sinkhole Collapse coverage. Catastrophic Ground Cover Collapse provides coverage for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:
 - a. The abrupt collapse of the ground cover;
 - b. A depression in the ground cover clearly visible to the naked eye;
 - c. Structural damage to the building, including the foundation; and
 - d. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

Catastrophic Ground Cover Collapse Coverage does **not** include sinkhole losses that do not meet the criteria of catastrophic ground cover collapse. Coverage for Sinkhole Loss is addressed in Paragraph **B**.

2. If the policy is **not** endorsed to cover Sinkhole Loss, multiply the building and personal property rates by the Sinkhole Exclusion Catastrophic Ground Cover Collapse factor from Table **A7.A.2.(RF)**.
3. If the policy is **not** endorsed to cover Sinkhole Loss, the insurer must include the following notice in the renewal notice and in the insurance contract by entry in the Declarations, in bold type of not less than 14 points: **YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.**

B. Sinkhole Loss

Florida law requires the insurer to make available coverage for Sinkhole Loss for properties located in the state of Florida, subject to the following limited exception.

An insurer may nonrenew policies which include Sinkhole Loss coverage, for the purpose of removing such coverage; however, a policy including catastrophic ground cover collapse coverage must be offered. Further, the insurer must provide each policyholder with the opportunity to purchase Sinkhole Loss coverage if such action is in accordance with the terms of the insurer's underwriting or insurability guidelines ~~filed with~~ approved by the Florida Office of Insurance Regulation, and subject to inspection of the property.

Sinkhole Loss coverage is a broader coverage than Catastrophic Ground Cover Collapse Coverage and therefore when Sinkhole Loss coverage is provided on a residential property, apply **only** the Sinkhole Loss factor shown in Table **A7.B.(RF)**. When Sinkhole Loss coverage is provided on non-residential policies, do **not** apply the rate modifications for Sinkhole Exclusion Catastrophic Ground Cover Collapse or Sinkhole Loss from Tables **A7.A.2.(RF)** and **A7.B.(RF)**, respectively.

Sinkhole Loss means loss of or damage to Covered Property when structural damage to a building, including the foundation, is caused by settlement or systematic weakening of the earth supporting the building, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

When Sinkhole Loss coverage is provided, attach Florida – Sinkhole Loss Coverage Endorsement **BP 03 11** in addition to **BP 03 03**.

A8. GREEN UPGRADES

A. Description Of Coverage

The Increased Cost Of Loss And Related Expenses For Green Upgrades optional endorsement amends various **Section I – Property** coverage provisions to address green upgrades to real and personal property, and related expenses. The endorsement includes the following sections:

1. Green Upgrade Coverage

Green Upgrade Coverage modifies Replacement Cost Coverage to address loss settlement of damaged property using more energy-efficient, environmentally-preferable materials, products or methods in design, construction, manufacture or operation, as recognized by a Green standards-setter. This coverage:

- a. Applies to selected buildings and/or business personal property as scheduled in the endorsement;
- b. Does not apply to personal effects, property of others, leased property or stock;
- c. Does not pay any additional cost to repair or replace damaged property solely for the purpose of achieving points toward certification or recertification of the property by a Green standards-setter; and
- d. Does not include Ordinance Or Law Coverage, and therefore will not pay any additional cost, above the cost of a Green Upgrade, solely for the purpose of satisfying an ordinance or law. Ordinance Or Law Coverage is addressed in a separate endorsement; refer to Rule **29.A.2017.**, in this manual, for a description of this coverage.

2. Related Expenses

Coverage for Related Expenses is an option with respect to property to which Green Upgrade Coverage applies. If coverage for Related Expenses is indicated in the Schedule of the endorsement, the following related expenses apply with respect to a loss that is covered thereunder:

- a. Waste Reduction And Recycling, less any income received as a result;
- b. Design And Engineering Professional Fees;
- c. Certification Fees And Related Equipment Testing, but not including any further modification if the building fails to obtain certification, recertification or a specific level of certification; and
- d. Building Air-out And Related Testing.

3. Business Interruption

The period of restoration is extended for up to 30 days, to recognize the increased period of time attributable to green upgrades and related expenses. The period of restoration may be further extended by entering the total number of days for the extension in the Schedule. The Extended Business Income, within Business Income Additional Coverage, does not begin until the extended period of restoration ends.

B. Forms

Attach Increased Cost Of Loss And Related Expenses For Green Upgrades Endorsement **BP 14 75**.

C. Rules

1. The amount of coverage for Green Upgrades is based on a selected percentage which is applied to the amount of loss, subject to a maximum dollar limit. In the Schedule of Endorsement **BP 14 75**, for each entry of covered property:
 - a. For Increased Cost Of Loss, enter a percentage of 10%, 20%, 30%, 40% or 50%; and
 - b. Enter a dollar limit under Green Upgrades (Maximum Amount). The Green Upgrades dollar limit is not a function of the aforementioned percentage, except that such limit should not exceed the amount determined by applying the Increased Cost Of Loss percentage to the underlying Limit of Insurance on the property. For example, if the underlying Limit of Insurance on a building is \$500,000 and the selected Increased Cost Of Loss percentage is 30%, the selected dollar limit for Green Upgrades should not be more than (but may be less than) \$150,000. If the property is part of a Blanket Limit in the underlying policy, the preceding calculation would be performed using the property value, as determined in Rule **21.C.1.a**.
2. Coverage for Related Expenses is optional. For locations at which such coverage is to apply, enter a dollar amount in the Schedule. That amount applies to the total of all related expenses at that location.
3. The period of restoration is increased by up to 30 days as indicated in Paragraph **A.3.** of this rule. As an option, that 30-day period may be increased by entering in the Schedule the total number of days for the extended period of restoration. Refer to Paragraph **D.** of this rule for number of days.
4. The Actual Cash Value (ACV) – Buildings Loss Settlement option, as shown in the Declarations, does not apply to this coverage and should not be selected for buildings in which Endorsement **BP 14 75** is attached.
5. Refer to company to determine eligibility for providing blanket limits under Endorsement **BP 14 75**.

D. Premium Determination

1. Green Upgrades

- a. Divide the selected Green Upgrades dollar limit by the underlying Limit of Insurance on the property. (Refer to Paragraph **C.1.** for relevant information on the selection process.)
- b. Divide the result of Paragraph **a.** by the selected Increased Cost Of Loss percentage in factor form. The result is the Ratio.

Example: The selected Green Upgrades limit is \$400,000; the underlying property limit is \$1,000,000; the selected Increased Cost Of Loss percentage is 50% (.50).

Step (1) $\$400,000 \div \$1,000,000 = .40$

Step (2) $.40 \div .50 = \text{Ratio } 0.80$

- c. Select the appropriate rate modification factor from Table **A8.D.1.c.(RF)**, based on the Ratio. If the calculated Ratio is not shown in the table, use the rate modification factor associated with the next higher Ratio.
- d. Develop a Green Upgrades rate by applying the factor determined in Paragraph **c.** to the Building and/or Business Personal Property rate, as determined in Rule **23.C.6.a.(2)(c)(viii)** for the applicable property.

Example: If the Ratio is 0.80, the rate modification factor is 0.525. Apply the rate modification factor of 0.525 to the rate otherwise applicable to the property (\$.065 for purposes of this illustration), and multiply the resulting rate by the Green Upgrades limit, in hundreds.

Step (1) \$.065 X 0.525 = .034

Step (2) \$.034 X 4,000 = \$136

Note: The coverage amount selected for Green Upgrades is used only in the calculation of the Green Upgrades premium. The Green Upgrades coverage amount is **not** to be added to the underlying limit of insurance on the building or personal property in calculating the base policy premium for such property.

2. Related Expenses

Develop a rate for Related Expenses by applying the factor shown in Table **A8.D.2.(RF)** to the Building and/or Business Personal Property rate, as determined in Rule **23.C.6.a.(2)(c)(viii)** for the applicable property. Apply the Related Expenses rate to the limit of insurance selected for Related Expenses, in hundreds.

3. Extension Of The Period Of Restoration

To develop additional premium for this option, multiply the Building and Business Personal Property premium determined in Rule **23.C.6.a.(3)**, Rule **29.A.1210.e.** and Rule **29.A.1314.d.** by the applicable factor shown in Table **A8.D.3.(RF)**. The factor should be applied to both the Building and Business Personal Property premiums when both coverages are provided for a given risk.

4. POLICY TERM

Paragraph **A.** is replaced by the following:

- A.** The Businessowners Policy may be written on an annual or on a continuous annual basis.

Paragraph **C.1.** is replaced by the following:

- C.** Premium computation is as follows:

1. For prepaid policies, compute the premium using the annual rates in effect at policy inception multiplied by the policy term factor expressed in years shown in state Table **4.C.1.a.(RF)**. Multistate Table **4.C.1.b.(RF)** does not apply.

Paragraph **C.2.c.** does not apply.

Paragraph **C.3.** is replaced by the following:

3. For continuous annual policies compute the premium at inception using the rates in effect at that time. At each anniversary, compute the premium using the rates in effect at each anniversary.

8. ADDITIONAL PREMIUM CHANGES

Paragraph **A.2.** is replaced by the following:

2. In computing the additional premium for:
 - a. Any changes made to a location included at policy inception, use the rates and rules in effect on the effective date of the policy. If the changes are made after an anniversary date of the policy, use the rates and rules in effect on that anniversary date.
 - b. Locations which are added after policy inception (including all coverages, options and causes of loss at that location), use the rates and rules in effect as of the date of the change.
 - c. Any changes made to a location which was added after policy inception, use the rates and rules in effect as of the date the location was added.

Where the policy inception premium was less than the policywriting minimum premium, add the additional premium to the policy inception premium as the total premium for the policy. If the total premium is still below the policywriting minimum premium, charge the policywriting minimum premium instead.

Paragraph **C.** does not apply.

9. RETURN PREMIUM CHANGES

Paragraph **A.2.** is replaced by the following:

A. Premium Computation

2. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or a limit of insurance is reduced.

Paragraph **B.** is replaced by the following:

B. Waiver Of Premium

Waive return company premium as shown in state Table **9.B.(LC)**. Grant any return premium due if requested by the insured. This waiver applies only to that portion of the premium due on the effective date of the policy change.

Paragraph **C.** does not apply.

10. POLICY CANCELLATION

Paragraph **A.4.** does not apply.

Paragraph **B.** is replaced by the following:

B. Other Calculations

If the insured cancels a policy and Paragraph **A.** of this rule does not apply, compute return premium as follows:

1. Continuous Annual Policies And Annual Premium Payment Policies

Compute return premium by multiplying the pro rata unearned premium for the one year or annual installment period by the factor shown in Table **10.B.(RF)** and round to the next higher whole dollar.

2. Prepaid Policies

Compute the return premium by multiplying the pro rata unearned premium for the first full year by the factor shown in Table **10.B.(RF)**, then rounding to the next higher whole dollar.

Paragraph **C.** does not apply. is replaced by the following:

C. Retention Of Policywriting Minimum Premium

Do not retain the Policywriting Minimum Premium:

1. When the return premium is calculated under Paragraph **A.**;
2. When the policy is cancelled as of the inception date;
3. When the return premium is calculated under Paragraph **B.**, unless an exception has been sought under the provisions of Florida Regulations Section 4-170.010(2) by means of a prior approval filing for certain classes or types of risk as set forth in such filing. Refer to the insurer for information on exceptions, if any, in effect for that insurer.

16. MANDATORY FORMS, COVERAGE AND LIMITS

Paragraphs **B.2.** and **3.** are replaced by the following:

B. Forms

2. Condominium Associations And Commercial Units In Residential Condominiums

The attributes of a residential condominium are addressed in Section 718.103(23) of Florida Statutes. In general, a residential condominium means a condominium consisting of two or more units, any of which are intended for use as a private temporary or permanent residence, except that a condominium is not a residential condominium if the use for which the units are intended is primarily commercial or industrial and not more than three units are intended to be used for private residence, and are intended to be used as housing for maintenance, managerial, janitorial, or other operational staff of the condominium.

~~a. Condominium Association Coverage Endorsements~~

~~(1) Condominium Association Coverage Endorsement BP 17 01~~

~~(a) Description Of Coverage~~

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

~~(b) Endorsement~~

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

~~(2) Florida Changes – Residential Condominium Associations Coverage Endorsement BP 17 50~~

~~(a) Description Of Coverage~~

~~This endorsement amends the Businessowners Policy to provide coverage for residential condominium associations. Endorsement BP 17 50 modifies the Businessowners Coverage Form in response to Florida law governing residential condominium associations. The Actual Cash Value (ACV) Loss Settlement option does not apply to Residential Condominium Associations, and therefore, that option should not be shown in the Declarations as applicable to Residential Condominium Associations.~~

~~(b) Endorsement~~

- ~~(i) Use Florida Changes – Residential Condominium Association Coverage Endorsement BP 17 50;~~
- ~~(ii) Endorsement BP 17 50 includes the option to schedule additional property to be covered under the condominium association's insurance.~~

~~b. Condominium Commercial Units Coverage Endorsements~~

~~(1) 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 units. It must be attached when commercial condominium units are insured.~~

~~(b) Endorsement~~

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

~~(2) Florida Changes – Commercial Unit-owners In Residential Condominiums Coverage Endorsement BP 17 51~~

~~(a) Description Of Coverage~~

~~This optional endorsement amends the Businessowners Policy and may be used to provide coverage for commercial condominium units located in a residential condominium as described in Paragraph B.2. Endorsement BP 17 51 modifies the Businessowners Coverage Form to complement insurance provided to the residential condominium association under Endorsement BP 17 50. Improvements and additions that are part of the building or structure, when contained inside the individual unit are covered under Endorsement BP 17 51, unless, regardless of ownership, the Condominium Association Agreement requires the Association to insure such property.~~

~~Refer to Multistate Rule 29.A.3. for information with respect to loss assessment coverage.~~

~~(b) Endorsement~~

~~Use Florida Changes – Commercial Unit-owners In Residential Condominiums Coverage Endorsement BP 17 51.~~

The following is added to Paragraph B.:

B. Forms

~~8. Florida Changes Endorsement BP 03 03~~

~~Attach Florida Changes Endorsement BP 03 03 to all policies.~~

~~9. Florida Changes – Mediation Or Appraisal (Commercial Residential Property)~~

~~Attach Endorsement BP 06 24 to all policies that insure residential property.~~

The following is added to Paragraph B.2.:

2. Condominium Association Coverage Endorsement BP 17 01

Per Florida Additional Rule A1. Non-Residential Risks, this endorsement can only be used to provide coverage for non-residential risks.

The following is added to Paragraph B.3.:

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

Per Florida Additional Rule A1. Non-Residential Risks, this endorsement can only be used to provide coverage for non-residential risks.

The following is added to Rule 16.:

G. Policies Covering Residential Risks

If a policy covering a residential risk contains a separate Hurricane deductible, the following statement must appear on the face of the policy in boldface type no smaller than 18 points:

"THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

Refer to Rule 24.C. in these Florida exception pages for requirements concerning hurricane deductibles.

22. ELIGIBILITY

Paragraph A.1. does not apply.

Paragraph A.7.a.(1) does not apply.

The following is added to Paragraph B.:

Commercial residential risks, including but not limited to those described in Section 627.4025(1), F.S., as well as residential condo associations, apartments, homeowners associations, mobile homeowners associations, assisted living facilities, residential dwellings, townhomes, dormitories/fraternities/sororities, and parsonages/monasteries/nunneries/convents are ineligible for coverage.

Paragraphs B.1.c. and B.1.g. are replaced by the following:

B. Ineligible Occupancies

1. General

c. Condominium associations other than office or commercial condominiums;

g. One or two family dwellings.

23. PREMIUM DEVELOPMENT – MANDATORY COVERAGES

Paragraph B.1. does not apply.

Paragraphs B.2. and B.3. are replaced by the following:

B. Special Rules

2. Predominant Occupancy – Office

If office buildings contain eligible restaurant occupancies, rate property as a restaurant. If office buildings contain eligible occupancies other than restaurants, the rate of the occupancy (other than the office) with the largest total floor area applies. (If no single occupancy has the largest total floor area, use the highest rate.)

3. Predominant Occupancy – Other Than Office

If buildings (other than office) contain multiple eligible occupancies, the rate of the occupancy with the largest total floor area applies. (If no single occupancy has the largest total floor area, use the highest rate.)

Paragraph B.8.a.(2)(c) is replaced by the following:

B. Special Rules

8. Contractors

a. Payroll

(2) Executive Officers

(c) Rule

For premium computation purposes, use \$16,700 as the annual individual payroll for executive officers.

For premium computation purposes, use \$16,700 as the annual individual payroll for individual insureds or co-partners.

Paragraphs C.1.b. and C.1.c. are replaced by the following:

C. Premium Determination

1. Risk Classification

- b. Rate numbers for the building and business personal property premium calculation for all eligible risks. Refer to state Table **23.C.1.b.(RF)** for the relativity table.
- c. Class groups for liability premium calculation for all eligible risks. Refer to Tables **23.C.6.b.(2)(b)(i)#1(RF)** through **23.C.6.b.(2)(b)(i)#3(RF)** and state Table **23.C.6.b.(2)(b)(i)#4(RF)** for the relativity tables.

Paragraph **C.4.a.** is replaced by the following:

~~**4. Community Mitigation Classifications**~~

~~**a. Public Protection (Fire) Classification**~~

~~Refer to the Community Mitigation Classification Manual to determine the Public Protection (Fire) Classification. For premium determination, refer to state Table **23.C.4.(RF)** in the Florida Rating Relativities and Factors Section of the manual for Public Protection (Fire) Classification Relativities.~~

Paragraph **C.5.** is replaced by the following:

5. Sprinklered Property – Automatic Sprinkler System

When the building is protected by an Automatic Sprinkler system as defined in Paragraphs **a.** and/or **b.**, refer to state Table **23.C.5.(RF)** for factors.

a. Any automatic fire protective or extinguishing system, including connected:

- (1) Sprinklers and discharge nozzles;
- (2) Ducts, pipes, valves and fittings;
- (3) Tanks, their component parts and supports; and
- (4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

- (1) Non-automatic fire protective systems; and
- (2) Hydrants, standpipes and outlets.

This definition includes cooking protection equipment.

Use the following table to determine the Building Limit of Insurance Relativity Group for the applicable territory:

Territory	Building Limit Of Insurance Relativity Group
002	A
007	B
008	B
009	A
010	A
011	B
012	B
013	A
014	B
015	B
016	A
017	A

Table 23.C.6.a.(2)(b) Building Limit Of Insurance Relativity Group

Paragraph **C.6.a.(2)(c)(i)** is replaced by the following:

6. Premium Determination

a. Building And Business Personal Property Coverage

(2) Rate Determination

- (c) Calculate the building or business personal property state final rate as follows:

- (i) Based on the Rate Number assigned in the Businessowners Classification Table Section of the manual, multiply the building or business personal property state base rate by the Rate Number Relativity from state Table **23.C.1.b.(RF)**;

Paragraph **C.6.a.(2)(c)(iv)** is replaced by the following:

- ~~(iv)~~ Multiply this result by the applicable Public Protection (Fire) Classification Relativity from state Table **23.C.4.(RF)** in the Florida Rating Relativities and Factors Section of the manual.

Paragraph **C.6.b.(2)(b)(i)** is replaced by the following:

b. Liability And Medical Expenses Coverage

(2) Rate Determination

(b) Calculate the liability state final rate as follows:

- (i) Based on the Class Group assigned in the Businessowners Classification Table Section of the manual, multiply the liability state base rate by the Class Group Relativity from Table **23.C.6.b.(2)(b)(i)#1(RF), #2(RF) or #3(RF)** or state Table **23.C.6.b.(2)(b)(i)#4(RF)**.

The following is added to Paragraph **C.6.c.(3)(a)**:

- ~~(i)~~ The loss costs for Protection Classes 05–08, in Table **23.C.6.c.(3)(LC)** of the state rates, also apply to Protection Class 8B.
- ~~(ii)~~ The loss costs for Protection Classes 09–10, in Table **23.C.6.c.(3)(LC)** of the state rates, also apply to Split Protection Classes designated by X, Y or W.

24. DEDUCTIBLES

Paragraph **C.1** is replaced by the following:

C. Windstorm Or Hail And Hurricane Percentage Deductibles

1. Percentage Deductibles

a. Windstorm Or Hail

For risks other than residential risks, the following deductibles may be used for the Windstorm or Hail cause of loss:

- ~~(1)~~ 1%
- ~~(2)~~ 2%
- ~~(3)~~ 5%

b. Hurricane

The minimum deductible for hurricane coverage on residential risks is \$500. In selecting a percentage deductible from among the following options, assure that the total dollar amount of the deductible is not below \$500.

- ~~(1)~~ For residential risks including condominium and cooperative associations, the following deductibles may be used for the Hurricane cause of loss:

~~(a)~~ 1%

~~(b)~~ 2%

~~(c)~~ 3%

~~(d)~~ 5% or 10%, provided that the 3% deductible is offered to the policyholder as an alternative. Refer to Paragraph **C.1.b.(2)** of this rule.

Paragraph **C.1.b.(1)** is subject to the exception provided in Paragraph **C.1.b.(4)**.

- ~~(2)~~ The offer referred to in Paragraph **C.1.b.(1)(d)** of this rule must be made in writing on a form adopted or approved by the Florida Department of Insurance. The offer must be repeated at each renewal of the policy.

- ~~(3)~~ If a residential risk was covered on August 24, 1992 under a policy having a Windstorm or Hail or Hurricane deductible in excess of 10% of the policy limits, or if a Windstorm or Hail or Hurricane deductible program in excess of 10% was lawfully in effect on June 14, 1995, then such higher deductible may be used.

- ~~(4)~~ The hurricane deductible applies only to loss or damage caused by hurricane. Loss or damage caused by a windstorm which is not declared to be a hurricane is subject to the deductible that applies to fire.

2. Endorsement

~~a. Use Windstorm Or Hail Percentage Deductibles Endorsement **BP 03 12**, unless Paragraph **C.2.b.** applies. Endorsement **BP 03 12** provides 1%, 2% or 5% deductible options.~~

~~b. Use one of the following endorsements for providing a 1%, 2%, 3%, 5%, or 10% hurricane deductible on residential properties:~~

~~(1) Florida Calendar Year Hurricane Percentage Deductible (Residential Risks) Endorsement **BP 03 14**. Refer to Paragraph **B.3.** for additional information on Endorsement **BP 03 14**.~~

~~(2) Florida Hurricane Percentage Deductible – Each Hurricane (Residential Risks) Endorsement **BP 03 20**.~~

~~c. The following provisions apply under Endorsement **BP 03 20**:~~

~~The Hurricane deductible(s) is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Hurricane deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Hurricane deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.~~

~~(1) When a hurricane results in loss or damage that exhausts the Hurricane deductible, then that deductible will not apply to loss or damage from a subsequent hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to loss or damage from each subsequent hurricane in that calendar year.~~

~~(2) When a hurricane(s) results in loss or damage that does not exhaust the Hurricane deductible, then the deductible applicable to a subsequent hurricane(s) in the same calendar year will be the deductible that applies to fire or the remaining amount of the Hurricane deductible, whichever is greater. In this situation, the remaining amount of the Hurricane deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Hurricane deductible.~~

~~(3) When the deductible that applies to fire applies in accordance with Paragraph (a) or (b), that deductible is applied to the total of all loss or damage sustained in one hurricane. It does not apply separately to each item of insurance.~~

~~(4) When Florida Calendar Year Hurricane Percentage Deductible (Residential Risks) Endorsement **BP 03 14** is used, the insurer may also attach one of the following endorsements:~~

~~(a) Florida Special Duties After Loss – Report Of Loss Below The Hurricane/Windstorm Deductible (Residential Risks) **BP 10 41**.~~

~~This endorsement requires the Named Insured to report loss or damage resulting from a hurricane that falls below the Hurricane deductible to the Company so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Hurricane deductible for a calendar year in which there is more than one hurricane; or~~

~~(b) Florida Special Duties After Loss – Maintenance Of Receipts And Other Records Of Loss Below The Hurricane/Windstorm Deductible (Residential Risks) **BP 10 42**.~~

~~This endorsement requires the Named Insured to maintain receipts and any other records of loss or damage, resulting from a hurricane, that falls below the Hurricane deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Hurricane deductible for a calendar year in which there is more than one hurricane.~~

~~(5) If an item of insurance is insured under more than one policy issued by the Company or another insurer in the Company's insurer group for the same policy period and different Hurricane deductibles apply to the same item of insurance under such policies, then the Hurricane deductible for that item of insurance shall be the highest amount stated in any one of the policies.~~

~~(6) When a renewal policy or replacement policy issued by the same Company or another insurer in the Company's insurer group takes effect on a date other than January 1 of a calendar year, the following provisions apply:~~

~~(a) If the renewal or replacement policy provides a **lower** Hurricane deductible than the prior policy and the Named Insured already incurred loss or damage from a hurricane that occurred in that calendar year, the lower Hurricane deductible will not take effect until January 1 of the following calendar year. In this event, the Company will so notify the Named Insured in writing at the time the Company offers the lower Hurricane deductible to the Named Insured.~~

~~(b) If the renewal or replacement policy provides a **higher** Hurricane deductible than the prior policy, the higher Hurricane deductible will take effect on the effective date of the renewal or replacement policy. However, if hurricane loss or damage was sustained earlier in the calendar year in which the higher Hurricane deductible applies, the difference between the higher and lower Hurricane deductible will be figured into the remainder of the Hurricane deductible for a subsequent hurricane that occurs in that calendar year.~~

3. Rules

- a. The Windstorm or Hail percentage deductibles apply whenever there is an occurrence of Windstorm or Hail.
- b. The Windstorm or Hail percentage deductible is calculated **separately** for, and applies **separately** to:
 - (1) Each building, if two or more buildings sustain loss or damage;
 - (2) The building and to business personal property in that building, if both sustain loss or damage;
 - (3) Business personal property at each building, if business personal property at two or more buildings sustains loss or damage;
 - (4) Business personal property in the open.
- c. Percentage deductibles may vary by location. At a location, all covered property must be written using the same percentage deductible.
- d. When property is covered under the Coverage Extension for Newly Acquired Property: In determining the amount, if any, that will be paid for loss or damage, an amount equal to a percentage of the value(s) of the property at time of loss will be deducted. The applicable percentage for Newly Acquired Property is the highest percentage shown in the schedule for any described premises.
- e. For policies covering residential risks, the minimum deductible for Hurricane coverage is \$500. The maximum deductible for Hurricane coverage on residential risks is 5% (residential condominium or cooperative association policies) or 10% (other residential risks), subject to the eligibility criteria, mandatory offer requirements and limitations set forth in this rule, unless one of the following exceptions applies:
 - (1) If the risk was covered on August 24, 1992, under a policy having a deductible higher than 3% of the policy limits, then a policy covering such risk may include a deductible no higher than the deductible in effect on August 24, 1992; or
 - (2) An insurer may require a higher deductible, provided such deductible is the same as or similar to a deductible program lawfully in effect on June 14, 1995.

If the \$500 minimum deductible is required for Hurricane for a particular risk, do not use the \$250 deductible for any causes of loss under that policy.

Paragraphs C.4.a. and C.4.b. are replaced by the following:

C. Optional Windstorm Or Hail Percentage Deductibles

4. Deductible Relativities

a. Fixed Dollar Deductibles Without Optional Windstorm Or Hail Or Hurricane Percentage Deductible

If an optional fixed dollar deductible of either \$1,000, or \$2,500, \$5,000, \$7,500 or \$10,000 is selected to apply to all causes of loss (including Windstorm or Hail), select the fixed dollar deductible factor shown in state Table 24.C.4.a.(RF), Optional Property Deductible Factors Including Windstorm Or Hail Percentage Deductible Factors (Per Location) (Non-Residential Only) shown in the Florida Rating Relativities And Factors pages.

b. Fixed Dollar Deductibles With Optional Windstorm Or Hail Percentage Deductible

- (1) If the basic \$500 fixed dollar deductible applies to all causes of loss other than Windstorm or Hail and an optional Windstorm or Hail percentage deductible is selected; or
- (2) If an optional fixed dollar deductible amount of either \$1,000, or \$2,500, \$5,000, \$7,500 or \$10,000 is selected to apply to all causes of loss other than Windstorm or Hail and an optional Windstorm or Hail percentage deductible is selected;

Select the Windstorm or Hail percentage deductible factor shown in state Table 24.C.4.a.(RF), Optional Property Deductible Factors Including Windstorm Or Hail Percentage Deductible Factors (Per Location) (Non-Residential Only) shown in the Florida Rating Relativities And Factors pages.

c. Fixed Dollar Deductibles With Hurricane Percentage Deductible

- (1) If the basic \$500 fixed dollar deductible applies to all causes of loss other than Hurricane and an optional Hurricane percentage deductible is selected; or
- (2) If an optional fixed dollar deductible amount of either \$1,000 or \$2,500 is selected to apply to all causes of loss other than Hurricane and an optional Hurricane percentage deductible is selected;

Select the Hurricane percentage deductible factor shown in Table 24.C.4.b.(RF) Optional Property Deductible Factors Including Each Hurricane Deductible Factors (Per Location) (Residential Only) or Table 24.C.4.c.(RF) Optional Property Deductible Factors Including Calendar Year Hurricane Deductible Factors (Per Location) (Residential Only) shown in the Florida Rating Relativities And Factors pages.

d. \$250 Fixed Dollar Deductible Option

If a fixed dollar deductible of \$250 is selected, refer to Table 24.C.4.d.(RF) to obtain the applicable deductible factor.

29. ENDORSEMENTS

The following is added to Paragraph ~~A.2118.d.(2)~~:

A. Property Endorsements

~~1821.~~ Spoilage Coverage

d. Premium Determination

(2) Rates

- (c) If Power Outage is a covered cause of loss, multiply the Power Outage rate by the applicable factor shown in state Table ~~29.A.18.d.(2)(c)~~ of the Florida Rating Relativities And Factors Section of the Manual.
- (d) If both Power Outage and Breakdown or Contamination are covered causes of loss, multiply the combination rate by the applicable factor shown in state Table ~~29.A.18.d.(2)(d)~~ of the Florida Rating Relativities And Factors Section of the Manual.

The following is added to Paragraph ~~A.~~:

~~24. Off-premises Interruption Of Business – Vehicles And Mobile Equipment~~

~~RESTRICTION CONCERNING APPLICABILITY: IN FLORIDA, THIS COVERAGE OPTION WAS FILED ONLY FOR USE ON POLICIES COVERING NON-RESIDENTIAL RISKS IN ACCORDANCE WITH THE CRITERIA SET FORTH IN PARAGRAPH c. OF THIS RULE.~~

~~a. Description Of Coverage~~

~~The Business Income and Extra Expense coverage applicable to the described premises may be extended to designated business activities that are dependent on scheduled vehicles and mobile equipment, including permanently attached machinery and equipment. Coverage pertains to Business Income loss and Extra Expense arising from direct physical loss or damage to such scheduled property while that property is away from the described premises. The direct physical loss or damage must be caused by or result from a covered cause of loss. There is **no** coverage for the expense to repair or replace vehicles, mobile equipment or any other property.~~

~~b. Endorsement~~

~~Use Off-premises Interruption Of Business – Vehicles And Mobile Equipment Endorsement **BP 10 80**.~~

~~c. Eligibility~~

- ~~(1) Endorsement **BP 10 80** is designed to be used only when the described premises meet the eligibility criteria for non-residential occupancy as set forth in Paragraph (2); and~~
- ~~(2) Endorsement **BP 10 80** may **not** be attached to a policy covering a residential risk as defined by Section 627.4025(1), Florida Statutes.~~
 - ~~(a) The following classifications identify **residential** occupancies:
GSP Class Codes
65132 65133 65141 65142 69145~~
 - ~~(b) With respect to Sole Occupancy buildings, all classifications **other than** those listed in Paragraph (2)(a) are eligible for Endorsement **BP 10 80**.~~
 - ~~(c) With respect to Multiple Occupancy buildings:
 - ~~(i) If the building is classified under one of the classes listed in Paragraph (2)(a), then the building is considered to be Residential, and in such case the building and all occupancies in the building are **not** eligible for Endorsement **BP 10 80**;~~
 - ~~(ii) If the building is classified under a class **other than** one of those listed in Paragraph (2)(a), then the building is considered to be Non-residential and in such case non-residential occupancies in the building are eligible for Endorsement **BP 10 80**. **However**, residential occupancies in that building, meaning those classified by any of the codes listed in Paragraph (2)(a), are **not** eligible for Endorsement **BP 10 80**.~~~~

d. Coverage Features

(1) Extended Business Income

Endorsement **BP 10 80** provides Extended Business Income Coverage for a maximum of 60 consecutive days, unless a different number of days is entered in the Schedule. If the Declarations show a different number of days as being applicable to the described premises, that number does not apply to the coverage provided under this endorsement.

(2) Beginning Of The Period Of Restoration

For Business Income Coverage, the period of restoration means the period of time that begins 72 hours after the time of direct loss or damage to scheduled property, unless the no waiting period option is selected in the Schedule of Endorsement **BP 10 80**. For Extra Expense Coverage, the period of restoration begins immediately after the direct physical loss or damage to scheduled property. For both coverages, the period of restoration ends on the earlier of the date when scheduled property should be repaired or replaced with reasonable speed and similar quality, or the date when operations are resumed.

(3) Covered Causes Of Loss

(a) The covered causes of loss are the same as those applicable to the described premises, including any endorsements modifying the covered causes of loss, with respect to the described premises, as well as exclusions and limitations conveyed in Endorsement **BP 10 80**.

(b) Unless Collision is indicated as a covered cause of loss in the Schedule, coverage does not apply to loss or damage caused by collision or overturn.

(4) Off-premises Limit Of Insurance

The Off-premises Limit of Insurance shown in the Schedule of Endorsement **BP 10 80** is the most that will be paid in any one occurrence for the total of all loss and expense attributable to all items of scheduled property which are subject to that Limit. If multiple items of property are scheduled, all such items may be written under a single Limit, or separate Limits may be written for individual items. For instance, if each item of scheduled property supports a separate income stream, then separate Limits could be written; if several items of scheduled property support the same income stream, a single Limit could be written. Each Off-premises Limit of Insurance is separate from the Limit of Insurance for covered property Under Section I – Property of Businessowners Coverage Form **BP 00 03** and is not subject to the 12-month limitation that applies to the Business Income and Extra Expense Additional Coverages. If Business Income, Extra Expense And Related Coverages Limit Of Insurance Endorsement **BP 14 06** is attached to the policy, the Limit(s) of Insurance in Endorsement **BP 10 80** are separate from the Limit(s) of Insurance in Endorsement **BP 14 06**.

(5) Insurance To Exposure

The following steps provide a means of estimating the business interruption exposure, which may be used as information when determining the appropriate Off-premises Limit of Insurance:

(a) Estimate the maximum period of restoration. This is the longest amount of time it would take for the insured to repair or replace scheduled property and resume operations (business activities that are dependent on such property).

(b) Estimate the amount of business income loss during the maximum period of restoration. (Business income means net income and continuing normal operating expenses including payroll).

(c) Estimate the maximum amount of extra expense that would be incurred during the maximum period of restoration.

(d) Estimate the maximum amount of business income loss (if any) that would continue for the duration of Extended Business Income Coverage.

(e) Add the results of Paragraphs (b), (c) and (d) to determine the estimated business interruption exposure.

If more than one Off-premises Limit of Insurance is written, repeat the above steps for each such Limit.

(6) Newly Acquired Property Extension

A coverage extension applies with respect to similar additional property the insured acquires, other than temporary substitute property. Coverage under this extension is limited to the lesser of \$25,000 or 10% of the highest Off-premises Limit of Insurance.

(7) Temporary Substitutes For Scheduled Property

The definition of scheduled property includes property used as a temporary substitute for scheduled property, but only while such scheduled property is out of service.

e. Schedule

In the Schedule:

- ~~(1) Indicate the described premises with which Endorsement **BP 10 80** is associated.~~
- ~~(2) Provide a description of the insured's operations (business activities that are dependent on scheduled property);~~
- ~~(3) Describe the vehicles and mobile equipment used in the insured's operations and enter the Off-premises Limit(s) of Insurance which is associated with such property. Multiple items of scheduled property may be written under a single Limit, or separate Limits may be written for individual items. The Schedule provides separate options for these two approaches, as follows:~~
 - ~~(a) Use Option A if there is only one item of scheduled property or to show a separate Off-premises Limit of Insurance for each item of scheduled property. The Off-premises Limit of Insurance can be the same amount for each item or a different amount for each item.~~
 - ~~(b) Use Option B if multiple items of scheduled property are written under a single Off-premises Limit of Insurance.~~

~~Both options may be used for a particular policy, provided that a particular item of scheduled property is described under only one option;~~
- ~~(4) Indicate whether or not Collision is a covered cause of loss;~~
- ~~(5) If Extended Business Income Coverage is to apply for fewer or more than 60 days, enter the total number of days; and~~
- ~~(6) Indicate whether or not the Business Income No-Waiting-Period option applies.~~
- ~~(7) Enter the premium.~~

f. Premium Determination

Apply the following procedures to determine the premium for each Off-premises Limit of Insurance. For each Limit, determine the premium separately for Collision (if Collision is a covered cause of loss) and Other Than Collision. Limit of Insurance Relativity factors do not apply.

- ~~(1) **Step 1 – Calculation Of The Base Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium**~~
 - ~~(a) Determine the base rate(s) from state Table **29.A.24.f.(1)(a)(LC)** based on the applicable covered causes of loss.~~
 - ~~(b) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, evaluate the Limit to determine the proportion that the Limit bears to the estimated business interruption exposure. Calculate that proportion by dividing the Limit by the amount determined in Paragraph **c.(5)**, and then multiplying the result by 100 to convert to a percentage. Select the applicable factor shown in state Table **29.A.24.f.(1)(b)(RF)** that corresponds to that percentage. Multiply the Collision (if applicable) and Other Than Collision rates by the selected factor.~~
 - ~~(c) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the base premium.~~
- ~~(2) **Step 2 – Calculation Of The Additional Premium Or Credit For Endorsements Modifying Covered Causes Of Loss – Other Than Collision Only (If Applicable)**~~
 - ~~(a) Determine the base Other Than Collision rate from state Table **29.A.24.f.(1)(a)(LC)**.~~
 - ~~(b) Multiply the Other Than Collision rate by all applicable factors shown in state Table **29.A.24.f.(2)(b)(RF)**, if the policy contains the related endorsement.~~
 - ~~(c) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, multiply the rate determined in Paragraph (b) by the factor selected in Paragraph **(1)(b)**.~~
 - ~~(d) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the additional premium or credit.~~
- ~~(3) **Step 3 – Calculation Of The Additional Premium Or Credit For Extended Business Income Coverage (If Applicable)**~~
 - ~~(a) Determine the base rate(s) from state Table **29.A.24.f.(1)(a)(LC)** based on the applicable covered causes of loss.~~
 - ~~(b) Multiply the Collision (if applicable) and Other Than Collision rates by the applicable factor shown in state Table **29.A.24.f.(3)(b)(RF)**, corresponding to the number of days' coverage for Extended Business Income Coverage if different than 60 days.~~
 - ~~(c) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, multiply the rate determined in Paragraph (b) by the factor selected in Paragraph **(1)(b)**.~~
 - ~~(d) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the additional premium or credit.~~

~~(4) Step 4 – Calculation Of The Additional Premium For Business Income Coverage No Waiting Period (If Applicable)~~

- ~~(a) Determine the base rate(s) from state Table **29.A.24.f.(1)(a)(LC)** based on the applicable covered causes of loss.~~
- ~~(b) Multiply the Collision (if applicable) and Other Than Collision rates by the factor shown in state Table **29.A.24.f.(4)(b)(RF)** if the Business Income Coverage no waiting period option is selected.~~
- ~~(c) When multiple items of scheduled property are written under a single Off-premises Limit of Insurance, multiply the rate determined in Paragraph **(b)** by the factor selected in Paragraph **(1)(b)**.~~
- ~~(d) Multiply the final rates by the Off-premises Limit of Insurance (per \$100) to determine the additional premium.~~

~~(5) Step 5 – Calculation Of The Final Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium~~

~~Add or subtract the results of Paragraphs **(1)**, **(2)**, **(3)** and **(4)** to determine the final premium.~~

~~g. Examples Of Coverage Selection And Related Rating~~

~~The following examples illustrate how the coverage options available in Endorsement **BP 10 80** might be selected and rated for two hypothetical insureds.~~

~~(1) Example 1~~

~~The insured is XYZ Construction, which insures its premises-based business activities with Businessowners Coverage Form **BP 00 03** and no endorsements are attached to modify the covered causes of loss. The insured uses a wide range of vehicles and mobile equipment in support of various off-premises construction activities. It is determined that loss or damage to the insured's customized concrete pumper (which can pump concrete to great heights for skyscraper construction) might result in a business interruption.~~

~~(a) Determination Of Estimated Business Interruption Exposure~~

~~The business income dependent on the concrete pumper is approximately \$10,000 per month (business income means net income and continuing normal operating expenses including payroll). If the pumper were destroyed, a replacement would need to be custom ordered and it would take the manufacturer five months to build and deliver it. In the meantime, no temporary substitutes are available at any price. As such, the insured does not anticipate incurring any extra expense during the period of restoration while the replacement is being built. The insured would not be able to complete any work which is reliant on the concrete pumper during the period of restoration and expects to incur a business income loss of \$10,000 per month. Additionally, the insured believes that the business income dependent on the concrete pumper will not return to normal until four months after the pumper is replaced, since it is typically reserved several months in advance of the beginning of work. The estimated loss of business income over this four month period after the pumper is replaced is \$25,000. The estimated business interruption exposure for the concrete pumper is \$75,000, which is the total estimated loss of business income (\$50,000 during the period of restoration plus \$25,000 after the pumper is replaced) and estimated extra expense (\$0).~~

~~(b) Determination Of Coverage Options~~

- ~~(i) The concrete pumper, along with the business activities that are dependent on such property, would be described in the Schedule of Endorsement **BP 10 80**.~~
- ~~(ii) Since the Business Income No Waiting Period option is not selected, the standard 72-hour waiting period for Business Income Coverage applies to the coverage provided in Endorsement **BP 10 80**.~~
- ~~(iii) Collision is selected as a covered cause of loss.~~
- ~~(iv) Since the loss of business income would likely continue for four months after the concrete pumper is replaced, 120 days' coverage for Extended Business Income Coverage is selected.~~
- ~~(v) A \$75,000 Off-premises Limit of Insurance is selected (Option A in the Schedule of Endorsement **BP 10 80**), which matches the estimated business interruption exposure.~~

~~(c) Rating Example~~

~~The following is an example of how to determine the premium for the coverage options in Endorsement **BP 10 80** selected for XYZ Construction, a hypothetical insured. The rates and factors used in this example are for illustrative purposes only. You should determine the actual rates and factors from your individual companies.~~

- ~~(i) Determine the base Other Than Collision premium:
 - ~~i. The Other Than Collision rate is: \$0.19.~~
 - ~~ii. The factors in state Table **29.A.24.f.(1)(b)(RF)** do not apply because only one item of scheduled property is subject to the Off-premises Limit of Insurance.~~~~

iii. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.19 \times (\$75,000 \div 100) = \$142.50$.

(ii) Determine the Other Than Collision additional premium(s) (if applicable):

i. The factors in state Table **29.A.24.f.(2)(b)(RF)** do not apply because the covered causes of loss applicable to the described premises are not modified by endorsement.

ii. The factor in state Table **29.A.24.f.(4)(b)(RF)** does not apply because the standard 72-hour waiting period applies.

iii. Multiply the Other Than Collision rate by the Extended Business Income Coverage factor for 120 days' coverage: $\$0.19 \times 0.10 = \0.019 .

iv. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.019 \times (\$75,000 \div 100) = \$14.25$.

(iii) Determine the final Other Than Collision premium:

Add or subtract the base premium and the applicable additional premium(s) or credits: $\$142.50 + \$14.25 = \$156.75$, which is the Other Than Collision premium.

(iv) Since Collision is a covered cause of loss, the above steps are repeated using the Collision rate of \$0.55. The result is a Collision premium of \$453.75: $(\$0.55 \times (\$75,000 \div 100) = \$412.50) + ((\$0.55 \times 0.10) \times (\$75,000 \div 100) = \$41.25) = \453.75 .

(v) Determine the final premium Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium:

Add the Other Than Collision premium and the Collision premium: $\$156.75 + \$453.75 = \$610.50$, which is the final Off-premises Interruption Of Business – Vehicles And Mobile Equipment premium.

(2) Example 2

The insured is ABC Document Management, which insures its premises-based business activities with Businessowners Coverage Form **BP 00 03**. ABC owns eight mobile shredding trucks which are used to shred documents at each client's place of business. It is determined that loss or damage to any of these mobile shredders might result in a business interruption.

(a) Determination Of Estimated Business Interruption Exposure

The business income dependent on the mobile shredders is approximately \$60,000 per month (\$7,500 per shredder); business income means net income and continuing normal operating expenses including payroll. In the event of a total loss, it would take approximately one month for replacement(s) to be delivered. However, incurring certain extra expense would enable the insured to continue shredding operations during the period of restoration, though less efficiently. Similar mobile shredders are not available for rental, but ABC can shred certain documents at its premises. To do so, the insured would need to rent trucks to transport the documents to its premises for destruction and hire temporary employees to help load and unload the trucks. If the insured incurs \$3,000 per month in such extra expense for each mobile shredder, the loss of business income would only be \$2,000 per month, per shredder. Because operations could continue during the period of restoration, the insured does not believe that any business income loss would continue after the shredder(s) are replaced. Thus, the total estimated business interruption exposure for all the shredders is \$40,000 (the per shredder amounts of \$2,000 in business income loss plus \$3,000 in extra expense, multiplied by eight shredders).

(b) Determination Of Coverage Options

(i) All eight mobile shredders, along with the business activities that are dependent on such property, would be described in the Schedule of Endorsement **BP 10 80**.

(ii) Since the Business Income No Waiting Period option is not selected, the standard 72-hour waiting period for Business Income Coverage applies to the coverage provided in Endorsement **BP 10 80**.

(iii) Collision is selected as a covered cause of loss.

(iv) Since the loss of business income is not expected to continue after the mobile shredder(s) are replaced, 30 days' coverage for Extended Business Income Coverage is selected.

(v) A single \$10,000 Off-premises Limit of Insurance is selected to apply in total to all of the mobile shredders (Option B in the Schedule of Endorsement **BP 10 80**). Although this Limit is less than the total estimated business interruption exposure of \$40,000 for all eight mobile shredders, the Limit was selected because ABC believes it would be unlikely that more than two mobile shredders would be damaged in the same occurrence. ABC is unwilling to purchase Limit(s) corresponding to the total estimated exposure of \$40,000.

(c) Rating Example

The following is an example of how to determine the premium for the coverage options in Endorsement **BP 10 80** selected for ABC Document Management, a hypothetical insured. The rates and factors used in this example are for illustrative purposes only. You should determine the actual rates and factors from your individual companies.

(i) Determine the base Other Than Collision premium:

i. The Other Than Collision rate is: \$0.19.

ii. Since the Off-premises Limit of Insurance applies in total to multiple items of scheduled property and the Limit is not adequate to cover the estimated business interruption exposure, multiply the Other Than Collision rate by the appropriate factor in state Table **29.A.24.f.(1)(b)(RF)**. To determine the appropriate factor, divide the Limit by the estimated business interruption exposure determined in Paragraph **c.(5)** and then convert the result to a percentage: $\$10,000 \div \$40,000 = 0.25 \times 100 = 25\%$. Based on state Table **29.A.24.f.(1)(b)(RF)**, the Insurance To Exposure factor is 2.50. Thus, the result is \$0.475: $\$0.19 \times 2.50 = \0.475 .

iii. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.475 \times (\$10,000 \div 100) = \$47.50$.

(ii) Determine the Other Than Collision additional premium(s) (if applicable):

i. The factors in state Table **29.A.24.f.(2)(b)(RF)** do not apply because the covered causes of loss applicable to the described premises are not modified by endorsement.

ii. The factor in state Table **29.A.24.f.(4)(b)(RF)** does not apply because the standard 72-hour waiting period applies.

iii. Multiply the Other Than Collision rate by the Extended Business Income Coverage factor for 30 days' coverage: $\$0.19 \times 0.10 = \0.019 .

iv. Since the Off-premises Limit of Insurance applies in total to multiple items of scheduled property and the Limit is not adequate to cover the estimated business interruption exposure, multiply the Other Than Collision rate by the appropriate factor in state Table **29.A.24.f.(1)(b)(RF)**: $\$0.019 \times 2.50 = \0.0475 .

v. Multiply the rate by the Off-premises Limit of Insurance (per \$100): $\$0.0475 \times (\$10,000 \div 100) = \$4.75$.

(iii) Determine the final Other Than Collision premium:

Add or subtract the base premium and the applicable additional premium(s) or credits: $\$47.50 - \$4.75 = \$42.75$, which is the Other Than Collision premium.

(iv) Since Collision is a covered cause of loss, the above steps are repeated using the Collision rate of \$0.55. The result is a Collision premium of \$123.75: $(\$0.55 \times 2.50) \times (\$10,000 \div 100) = \$137.50$ - $(\$0.55 \times 2.50 \times 0.10) \times (\$10,000 \div 100) = \$13.75 = \123.75 .

(v) Determine the final premium Off-premises Interruption Of Business – Vehicles And Mobile Equipment Premium.

Add the Other Than Collision premium and the Collision premium: $\$42.75 + \$123.75 = \$166.50$, which is the final Off-premises Interruption Of Business – Vehicles And Mobile Equipment premium.

Paragraph **A.39.a.** is replaced by the following:

39. Windstorm Or Hail Exclusion

a. Description Of Coverage

The Windstorm or Hail cause of loss may be excluded:

(1) Provided the covered property is eligible for coverage of such causes of loss from an underwriting association (wind-pool) or carrier of last resort established under Florida law; or

(2) At the option of the policyholder.

Florida law requires that an insurer issuing a property insurance policy must make available, at the option of the policyholder, an exclusion of windstorm coverage. Such exclusion pertains to any windstorm, including hurricane, and to hail. Coverage may be excluded only if the policyholder provides a statement (wording prescribed in Section 627.712 of the Florida statutes) to the insurer **on the policyholder's letterhead**. In addition, if the affected structure is subject to a mortgage or lien, the policyholder must also provide the insurer with a statement of consent from the mortgage holder or lien holder. The exclusion of coverage applies for the term of the policy and for each renewal thereafter; changes to the exclusion may be implemented only as of the date of renewal.

The insurer must keep the original copy of the signed statement, electronically or otherwise, and provide a copy to the policyholder.

Policywriting Support Form IL N 154 Your Option To Exclude Windstorm Coverage may be used to inform the policyholder of these requirements.

Paragraph **B.12.** is replaced by the following:

B. Liability Endorsements

12. Limitation Of Coverage To Designated Premises, Project Or Operation

a. Description Of Coverage

~~This endorsement limits liability coverage to only those premises, operations and/or projects specifically designated.~~

b. Endorsement

~~Use Limitation Of Coverage To Designated Premises, Project Or Operation Endorsement **BP 04 12.**~~

Paragraph **B.13.b.(4)** is replaced by the following:

B. Liability Endorsements

13. Liquor Liability Coverage

b. Liquor Liability Grades

(4) The Liquor Liability Numerical Grade is 3.

Citation of Statute: FLA. STAT. Section 768.125

Comments:

The statute states:

A person who sells or furnishes alcoholic beverages to a person of lawful drinking age shall not thereby become liable for injury or damage caused by or resulting from the intoxication of such person, except that a person who willfully and unlawfully sells or furnishes alcoholic beverages to a person who is not of lawful drinking age or who knowingly serves a person habitually addicted to the use of any or all alcoholic beverages may become liable for injury or damage caused by or resulting from the intoxication of such minor or person.

The Supreme Court of Florida ruled in *Ellis v. N.G.N. of Tampa, Inc.*, 586 So.2d 1042 (Fla. 1991) that the written notice required to establish the criminal offense of sale of alcohol to an habitual drunkard was not a requisite to proving a claim against an alcoholic beverage vendor for the alleged negligent sale (that is, "knowingly" serving) of alcohol to an habitual drunkard.

Paragraph **C.1.c.** is replaced by the following:

C. Additional Insured Endorsements (Liability And Medical Expenses Coverage)

1. Additional Insured – Managers Or Lessors Of Premises

c. Premium Determination

Refer to state Table **29.C.1.c.(LC)** to determine the additional premium.

Paragraph **C.4.** does not apply.

Paragraph **C.9.c.** is replaced by the following:

9. Additional Insured – Lessor Of Leased Equipment

c. Premium Determination

Refer to state Table **29.C.9.c.(LC)** to determine the additional premium.

The following is added to Paragraph **D.5.a.:**

D. Endorsements Applicable To Specific Classes

5. Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement

a. Description Of Coverage

Per Florida Additional Rule **A1**. Non-residential Risks, this endorsement can only be used to provide coverage for non-residential risks.

Paragraph **E.1.a.(1)(d)** is replaced by the following:

E. Other Endorsements

1. Information Security Protection Endorsement

a. Description Of Coverage

(1) Insuring Agreements

(d) Insuring Agreement d. Security Breach Liability

This insuring agreement provides coverage for both loss that the insured becomes legally obligated to pay and defense expenses as a result of a claim first made against the insured during the policy period or Extended Reporting Period for a wrongful act or series of interrelated wrongful acts taking place on or after the Retroactive Date. Wrongful act, as it pertains to this insuring agreement, is defined to mean any actual or alleged neglect, breach of duty or omission by an insured that results in a security breach, as that term is defined in the endorsement, or transmission of a computer virus to another person or organization.

Loss, as it pertains to this insuring agreement, does not include civil or criminal fines or penalties imposed by law, or punitive or exemplary damages.

Coverage may also be provided for defense expenses in connection with a regulatory proceeding as a result of a wrongful act covered under the insuring agreement.

Paragraphs **E.1.g.(1)**, **E.1.g.(2)** and **E.1.g.(3)** are replaced by the following:

g. Premium Determination

- (1)** For Tier 1 coverages, based on the limit of insurance and deductible selected, refer to the state rates Table **29.E.1.g.(1)(LC)** to determine the additional premium.
- (2)** For Tier 1 and Tier 2 coverages, based on the limit of insurance and deductible selected, refer to the state rates Table **29.E.1.g.(2)(LC)** to determine the additional premium.
- (3)** For Tier 1, Tier 2 and Tier 3 coverages, based on the limit of insurance and deductible selected, refer to the state rates Table **29.E.1.g.(3)(LC)** to determine the additional premium.

Paragraph **E.1.i.** is replaced by the following:

i. Payment Card Industry Coverage

(1) Description Of Coverage

This endorsement provides coverage for defense expenses as a result of a claim in the form of an action taken by a card company for noncompliance with Payment Card Industry Data Security Standards first made against the insured during the policy period or during the Extended Reporting Period in response to a wrongful act or series of interrelated wrongful acts covered under Insuring Agreement **d. Security Breach Liability**.

(2) Endorsement

Use Payment Card Industry (PCI) – Provide Coverage For Defense Expenses Endorsement **BP 15 09**.

(3) Premium Determination

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

The following is added to Rule **29**::

E. Other Endorsements

1. 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.

SECTION V – CLASS-SPECIFIC ENDORSEMENTS RULES

41. APARTMENT BUILDINGS CLASS-SPECIFIC ENDORSEMENTS

Rule 41. does not apply.

ADDITIONAL RULE(S)

A1. WINDSTORM LOSS MITIGATION FACTORS

Roof Cover	Roof Deck Attachment	Roof-Wall Connection	Opening Protection	TERRAIN B					
				ROOF SHAPE					
				FLAT		BRACED/ UNBRACED GABLE		HIP	
				No-SWR	SWR	No-SWR	SWR	No-SWR	SWR
Non-FBC Equiv.	A	Toe-Nails	None	0.00	0.22	0.37	0.41	0.45	0.49
			Hurricane	0.22	0.46	0.64	0.69	0.70	0.75
		Clips	None	0.09	0.32	0.51	0.55	0.60	0.64
			Hurricane	0.24	0.48	0.70	0.75	0.76	0.81
		Single Wraps	None	0.11	0.34	0.55	0.59	0.64	0.67
			Hurricane	0.24	0.49	0.70	0.75	0.76	0.82
Double Wraps	None	0.11	0.35	0.57	0.61	0.64	0.68		
	Hurricane	0.24	0.49	0.71	0.76	0.76	0.82		
Non-FBC Equiv.	B	Toe-Nails	None	0.22	0.48	0.44	0.48	0.47	0.51
			Hurricane	0.49	0.77	0.72	0.76	0.73	0.78
		Clips	None	0.37	0.64	0.61	0.65	0.66	0.70
			Hurricane	0.55	0.85	0.81	0.86	0.82	0.87
		Single Wraps	None	0.43	0.71	0.67	0.72	0.72	0.77
			Hurricane	0.56	0.85	0.82	0.87	0.82	0.88
Double	None	0.49	0.77	0.74	0.79	0.76	0.81		

		Wraps	Hurricane	0.57	0.86	0.83	0.88	0.83	0.89
Non-FBC Equiv.	C And D Dimensional Lumber Deck	Toe-Nails	None	0.22	0.48	0.44	0.48	0.47	0.51
			Hurricane	0.49	0.78	0.72	0.76	0.73	0.78
		Clips	None	0.37	0.65	0.61	0.65	0.65	0.70
			Hurricane	0.56	0.86	0.81	0.87	0.82	0.87
		Single Wraps	None	0.44	0.72	0.67	0.72	0.72	0.77
			Hurricane	0.57	0.87	0.82	0.87	0.83	0.88
Double Wraps	None	0.50	0.79	0.75	0.80	0.76	0.81		
	Hurricane	0.58	0.88	0.83	0.89	0.83	0.89		
Reinforced Concrete Roof Deck		None		0.82	0.82	0.82	0.82	0.82	0.82
		Hurricane		0.86	0.86	0.86	0.86	0.86	0.86

Equiv. = Equivalent
 FBC = Florida Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#1(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group I Buildings – Terrain B – Non-FBC Equivalent

Roof Cover	Roof Deck Attachment	Roof-Wall Connection	Opening Protection	TERRAIN B					
				ROOF SHAPE					
				FLAT		BRACED/ UNBRACED GABLE		HIP	
				No SWR	SWR	No SWR	SWR	No SWR	SWR
FBC Equiv.	A	Toe-Nails	None	0.33	0.34	0.42	0.42	0.49	0.50
			Hurricane	0.56	0.57	0.69	0.70	0.75	0.75
		Clips	None	0.43	0.44	0.56	0.56	0.64	0.65
			Hurricane	0.59	0.60	0.75	0.76	0.81	0.82
		Single Wraps	None	0.46	0.47	0.60	0.61	0.68	0.69
			Hurricane	0.59	0.60	0.76	0.77	0.81	0.82
Double Wraps	None	0.47	0.48	0.62	0.63	0.69	0.69		
	Hurricane	0.60	0.60	0.76	0.77	0.82	0.83		
FBC Equiv.	B	Toe-Nails	None	0.51	0.51	0.49	0.49	0.52	0.53
			Hurricane	0.78	0.79	0.76	0.77	0.77	0.78
		Clips	None	0.66	0.67	0.65	0.66	0.70	0.71
			Hurricane	0.85	0.86	0.85	0.87	0.86	0.87
		Single Wraps	None	0.72	0.73	0.71	0.73	0.76	0.77
			Hurricane	0.85	0.87	0.86	0.87	0.87	0.88
Double Wraps	None	0.78	0.79	0.78	0.80	0.80	0.82		
	Hurricane	0.86	0.87	0.87	0.88	0.87	0.89		
FBC Equiv.	C And D Dimensional Lumber Deck	Toe-Nails	None	0.51	0.52	0.49	0.49	0.52	0.53
			Hurricane	0.78	0.79	0.76	0.77	0.77	0.78
		Clips	None	0.67	0.68	0.65	0.67	0.70	0.71
			Hurricane	0.86	0.87	0.85	0.87	0.86	0.88
		Single Wraps	None	0.73	0.74	0.72	0.73	0.76	0.77
			Hurricane	0.87	0.88	0.87	0.88	0.87	0.88
Double Wraps	None	0.80	0.81	0.79	0.80	0.81	0.82		
	Hurricane	0.87	0.89	0.87	0.89	0.87	0.89		
Reinforced Concrete Roof Deck		None		0.82	0.82	0.82	0.82	0.82	0.82
		Hurricane		0.86	0.86	0.86	0.86	0.86	0.86

Equiv. = Equivalent
 FBC = Florida Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#2(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group I Buildings – Terrain B – FBC Equivalent

Roof Cover	Roof Deck Attachment	Roof-Wall Connection	Opening Protection	TERRAIN C					
				ROOF SHAPE					
				FLAT		BRACED/ UNBRACED GABLE		HIP	
				No SWR	SWR	No SWR	SWR	No SWR	SWR

Non-FBC Equiv.	A	Toe-Nails	None	0.00	0.12	0.19	0.21	0.24	0.27
			Hurricane	0.29	0.44	0.57	0.61	0.61	0.66
		Clips	None	0.06	0.18	0.28	0.31	0.34	0.37
			Hurricane	0.32	0.46	0.65	0.69	0.70	0.75
		Single Wraps	None	0.08	0.20	0.31	0.34	0.38	0.41
			Hurricane	0.32	0.47	0.65	0.70	0.70	0.76
Double Wraps	None	0.09	0.21	0.34	0.37	0.39	0.42		
	Hurricane	0.32	0.47	0.65	0.70	0.71	0.76		
Non-FBC Equiv.	B	Toe-Nails	None	0.13	0.27	0.24	0.27	0.26	0.29
			Hurricane	0.51	0.70	0.64	0.68	0.65	0.70
		Clips	None	0.23	0.39	0.37	0.40	0.40	0.43
			Hurricane	0.59	0.81	0.77	0.82	0.77	0.84
		Single Wraps	None	0.27	0.43	0.41	0.44	0.46	0.49
			Hurricane	0.61	0.82	0.78	0.84	0.78	0.85
Double Wraps	None	0.37	0.53	0.51	0.54	0.54	0.58		
	Hurricane	0.61	0.82	0.78	0.85	0.79	0.86		
Non-FBC Equiv.	C And D Dimensional Lumber Deck	Toe-Nails	None	0.13	0.27	0.23	0.26	0.26	0.29
			Hurricane	0.52	0.71	0.64	0.68	0.65	0.70
		Clips	None	0.24	0.40	0.37	0.40	0.40	0.43
			Hurricane	0.61	0.84	0.77	0.83	0.78	0.84
		Single Wraps	None	0.28	0.44	0.41	0.44	0.46	0.49
			Hurricane	0.63	0.85	0.78	0.85	0.78	0.85
Double Wraps	None	0.38	0.55	0.51	0.54	0.54	0.58		
	Hurricane	0.63	0.85	0.80	0.86	0.80	0.86		
Reinforced Concrete Roof Deck			None	0.80	0.80	0.80	0.80	0.80	0.80
			Hurricane	0.88	0.88	0.88	0.88	0.88	0.88

Equiv. = Equivalent
 FBC = Florida Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#3(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group I Buildings – Terrain C – Non-FBC Equivalent

Roof Cover	Roof Deck Attachment	Roof-Wall Connection	Opening Protection	TERRAIN C					
				ROOF SHAPE					
				FLAT		BRACED/ UNBRACED GABLE		HIP	
				No SWR	SWR	No SWR	SWR	No SWR	SWR
FBC Equiv.	A	Toe-Nails	None	0.18	0.18	0.22	0.22	0.27	0.27
			Hurricane	0.51	0.51	0.61	0.62	0.66	0.67
		Clips	None	0.25	0.25	0.32	0.32	0.37	0.39
			Hurricane	0.54	0.54	0.69	0.70	0.75	0.77
		Single Wraps	None	0.27	0.27	0.34	0.35	0.41	0.42
			Hurricane	0.54	0.54	0.70	0.71	0.75	0.77
Double Wraps	None	0.28	0.29	0.37	0.38	0.43	0.44		
	Hurricane	0.54	0.54	0.70	0.71	0.75	0.77		
FBC Equiv.	B	Toe-Nails	None	0.28	0.29	0.27	0.27	0.29	0.30
			Hurricane	0.70	0.72	0.68	0.69	0.68	0.70
		Clips	None	0.41	0.42	0.40	0.41	0.43	0.44
			Hurricane	0.80	0.82	0.81	0.83	0.82	0.84
		Single Wraps	None	0.45	0.46	0.44	0.45	0.49	0.50
			Hurricane	0.81	0.83	0.82	0.84	0.84	0.85
Double Wraps	None	0.54	0.55	0.54	0.55	0.58	0.59		
	Hurricane	0.82	0.84	0.83	0.85	0.84	0.86		
FBC Equiv.	C And D Dimensional Lumber	Toe-Nails	None	0.29	0.29	0.27	0.27	0.29	0.30
			Hurricane	0.72	0.73	0.68	0.69	0.69	0.70
		Clips	None	0.41	0.42	0.40	0.41	0.43	0.44
			Hurricane	0.82	0.84	0.82	0.84	0.82	0.84
		Single Wraps	None	0.46	0.46	0.44	0.45	0.49	0.51
			Hurricane	0.84	0.85	0.83	0.85	0.84	0.85
Double Wraps	None	0.56	0.57	0.54	0.56	0.58	0.59		
	Hurricane								

	Deck	Wraps	Hurricane	0.84	0.86	0.84	0.86	0.84	0.87
Reinforced Concrete Roof Deck	None			0.80	0.80	0.80	0.80	0.80	0.80
	Hurricane			0.88	0.88	0.88	0.88	0.88	0.88

Equiv. = Equivalent
 FBC = Florida Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#4(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group I Buildings – Terrain C – FBC Equivalent

Design Code	Design Speed (MPH)	Roof Cover	Opening Protection	TERRAIN B				
				ROOF DECK				
				WOOD		METAL		REINFORCED CONCRETE
				No-SWR	SWR	No-SWR	SWR	
1982-Or Earlier (SBC 1976)	90	Non-FBC	No	0.12	0.32	0.43	0.64	0.71
		Equivalent	Yes	0.21	0.42	0.60	0.81	0.87
		FBC	No	0.40	0.41	0.63	0.65	0.71
		Equivalent	Yes	0.49	0.50	0.79	0.81	0.87
	100	Non-FBC	No	0.05	0.27	0.43	0.66	0.70
		Equivalent	Yes	0.14	0.36	0.59	0.82	0.85
		FBC	No	0.36	0.36	0.64	0.66	0.70
		Equivalent	Yes	0.44	0.45	0.80	0.82	0.85
	110	Non-FBC	No	0.08	0.24	0.43	0.62	0.65
		Equivalent	Yes	0.18	0.34	0.61	0.81	0.85
		FBC	No	0.30	0.31	0.60	0.62	0.65
		Equivalent	Yes	0.40	0.41	0.78	0.81	0.85
≥120	Non-FBC	No	0.06	0.19	0.43	0.60	0.63	
	Equivalent	Yes	0.16	0.29	0.60	0.78	0.83	
	FBC	No	0.25	0.26	0.58	0.60	0.63	
	Equivalent	Yes	0.35	0.36	0.75	0.79	0.83	
1983 To 2001 (SBC 1988)	90	Non-FBC	No	0.00	0.24	0.43	0.68	0.75
		Equivalent	Yes	0.06	0.30	0.55	0.80	0.85
		FBC	No	0.33	0.34	0.66	0.68	0.75
		Equivalent	Yes	0.39	0.40	0.78	0.80	0.85
	100	Non-FBC	No	0.27	0.66	0.43	0.72	0.81
		Equivalent	Yes	0.39	0.78	0.55	0.84	0.91
		FBC	No	0.62	0.67	0.69	0.72	0.81
		Equivalent	Yes	0.73	0.78	0.81	0.84	0.91
	110	Non-FBC	No	0.24	0.61	0.43	0.71	0.81
		Equivalent	Yes	0.35	0.73	0.55	0.83	0.90
		FBC	No	0.56	0.62	0.67	0.71	0.81
		Equivalent	Yes	0.67	0.74	0.79	0.84	0.90

FBC = Florida Building Code
 SBC = Standard Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#5(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group II Buildings – Terrain B

Design Code	Design Speed (MPH)	Roof Cover	Opening Protection	TERRAIN C				
				ROOF DECK				
				WOOD		METAL		REINFORCED CONCRETE
				No-SWR	SWR	No-SWR	SWR	
1982-Or	≤100	Non-FBC	No	0.01	0.19	0.33	0.54	0.60
		Equivalent	Yes	0.13	0.31	0.57	0.78	0.84
		FBC	No	0.27	0.28	0.53	0.55	0.60
		Equivalent	Yes	0.38	0.39	0.76	0.78	0.84
	110	Non-FBC	No	0.03	0.17	0.33	0.50	0.55
		Equivalent	Yes	0.15	0.29	0.59	0.77	0.84
		FBC	No	0.22	0.23	0.49	0.51	0.55

Earlier (SBC 1976)	120	Equivalent	Yes	0.35	0.36	0.74	0.78	0.84
		Non-FBC	No	0.00	0.12	0.33	0.49	0.54
		Equivalent	Yes	0.11	0.23	0.58	0.76	0.82
		FBC	No	0.17	0.18	0.47	0.50	0.55
	130	Equivalent	Yes	0.29	0.29	0.72	0.76	0.82
		Non-FBC	No	0.13	0.35	0.33	0.51	0.57
		Equivalent	Yes	0.40	0.63	0.59	0.78	0.86
		FBC	No	0.31	0.35	0.48	0.51	0.57
1983 To 2001 (SBC 1988)	90	Equivalent	Yes	0.58	0.64	0.73	0.78	0.86
		Non-FBC	No	0.04	0.20	0.33	0.51	0.62
		Equivalent	Yes	0.15	0.31	0.57	0.76	0.85
		FBC	No	0.26	0.27	0.50	0.52	0.62
	100	Equivalent	Yes	0.38	0.39	0.74	0.76	0.85
		Non-FBC	No	0.17	0.52	0.33	0.60	0.71
		Equivalent	Yes	0.37	0.72	0.53	0.80	0.90
		FBC	No	0.48	0.53	0.57	0.60	0.71
	110	Equivalent	Yes	0.67	0.73	0.76	0.80	0.90
		Non-FBC	No	0.15	0.45	0.33	0.56	0.70
		Equivalent	Yes	0.34	0.65	0.53	0.78	0.89
		FBC	No	0.40	0.46	0.53	0.57	0.70
		Equivalent	Yes	0.59	0.65	0.73	0.78	0.89

FBC = Florida Building Code
 SBC = Standard Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#6(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group II Buildings – Terrain C

Design Code	Design Speed (MPH)	Design Exposure	Roof Cover	Opening Protection	TERRAIN B		
					ROOF DECK		
					METAL		REINFORCED CONCRETE
					No SWR	SWR	
1982 Or Earlier (SBC 1976)	90	Standard	Non-FBC	No	0.00	0.31	0.47
			Equiv.	Yes	0.35	0.66	0.85
			FBC	No	0.28	0.32	0.47
			Equiv.	Yes	0.62	0.67	0.85
	100		Non-FBC	No	0.00	0.35	0.47
			Equiv.	Yes	0.37	0.72	0.84
			FBC	No	0.31	0.36	0.47
			Equiv.	Yes	0.67	0.72	0.84
	110		Non-FBC	No	0.00	0.29	0.40
			Equiv.	Yes	0.40	0.69	0.83
			FBC	No	0.24	0.29	0.40
			Equiv.	Yes	0.63	0.69	0.83
	≥120		Non-FBC	No	0.00	0.30	0.44
			Equiv.	Yes	0.34	0.64	0.83
			FBC	No	0.23	0.30	0.44
			Equiv.	Yes	0.57	0.65	0.83

Equiv. = Equivalent
 FBC = Florida Building Code
 SBC = Standard Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#7(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group III Buildings – Terrain B – Design Code 1982 Or Earlier (SBC 1976)

Design Code	Design Speed (MPH)	Design Exposure	Roof Cover	Opening Protection	TERRAIN B		
					ROOF DECK		
					METAL		REINFORCED CONCRETE
					No SWR	SWR	

1983 To 2001 (SBC 1988)	90	B	Non-FBC	No	0.00	0.26	0.37
			Equiv.	Yes	0.48	0.75	0.84
			FBC	No	0.24	0.27	0.37
			Equiv.	Yes	0.71	0.75	0.84
		C	Non-FBC	No	0.50	0.78	0.80
			Equiv.	Yes	0.58	0.84	0.85
			FBC	No	0.74	0.78	0.80
			Equiv.	Yes	0.80	0.84	0.85
		D	Non-FBC	No	0.55	0.82	0.83
			Equiv.	Yes	0.60	0.85	0.86
			FBC	No	0.79	0.82	0.83
			Equiv.	Yes	0.82	0.85	0.86
1983 To 2001 (SBC 1988)	100	B	Non-FBC	No	0.00	0.33	0.43
			Equiv.	Yes	0.40	0.73	0.84
			FBC	No	0.28	0.33	0.43
			Equiv.	Yes	0.67	0.73	0.84
		C	Non-FBC	No	0.41	0.75	0.78
			Equiv.	Yes	0.51	0.84	0.85
			FBC	No	0.69	0.75	0.78
			Equiv.	Yes	0.78	0.84	0.85
		D	Non-FBC	No	0.45	0.79	0.81
			Equiv.	Yes	0.52	0.85	0.85
			FBC	No	0.27	0.79	0.81
			Equiv.	Yes	0.79	0.85	0.85
1983 To 2001 (SBC 1988)	110	B	Non-FBC	No	0.00	0.37	0.46
			Equiv.	Yes	0.37	0.74	0.84
			FBC	No	0.28	0.37	0.46
			Equiv.	Yes	0.65	0.74	0.84
		C	Non-FBC	No	0.34	0.71	0.75
			Equiv.	Yes	0.48	0.84	0.85
			FBC	No	0.63	0.72	0.75
			Equiv.	Yes	0.75	0.84	0.85
		D	Non-FBC	No	0.39	0.76	0.77
			Equiv.	Yes	0.49	0.85	0.85
			FBC	No	0.67	0.76	0.77
			Equiv.	Yes	0.77	0.85	0.85
Equiv. = Equivalent FBC = Florida Building Code SBC = Standard Building Code SWR = Secondary Water Resistance							

Table A1.F.1.#8(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group III Buildings – Terrain B – Design Code 1983 To 2001 (SBC 1988)

Design Code	Design Speed (MPH)	Design Exposure	Roof Cover	Opening Protection	TERRAIN C			
					ROOF DECK			
					METAL		REINFORCED CONCRETE	
					No SWR	SWR		
1982-Or Earlier (SBC 1976)	≤100	Standard	Non-FBC	No	0.00	0.25	0.37	
			Equiv.	Yes	0.43	0.69	0.83	
			FBC	No	0.22	0.26	0.37	
			Equiv.	Yes	0.65	0.69	0.83	
	110		Standard	Non-FBC	No	0.00	0.21	0.30
				Equiv.	Yes	0.45	0.67	0.81
				FBC	No	0.17	0.21	0.31
				Equiv.	Yes	0.62	0.67	0.81
	120		Standard	Non-FBC	No	0.00	0.21	0.34
				Equiv.	Yes	0.42	0.64	0.82
				FBC	No	0.17	0.22	0.35
				Equiv.	Yes	0.58	0.65	0.82

	130	Non-FBC	No	0.00	0.20	0.34
		Equiv.	Yes	0.41	0.63	0.81
		FBC	No	0.15	0.20	0.34
		Equiv.	Yes	0.56	0.63	0.82

Equiv. = Equivalent
 FBC = Florida Building Code
 SBC = Standard Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#9(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group III Buildings – Terrain C – Design Code 1982 Or Earlier (SBC 1976)

Design Code	Design Speed (MPH)	Design Exposure	Roof Cover	Opening Protection	TERRAIN C		
					ROOF DECK		
					METAL		REINFORCED CONCRETE
					No SWR	SWR	
1983 To 2001 (SBC 1988)	90	B	Non-FBC	No	0.00	0.12	0.22
			Equiv.	Yes	0.58	0.72	0.84
			FBC	No	0.11	0.13	0.22
			Equiv.	Yes	0.70	0.72	0.84
		C	Non-FBC	No	0.53	0.68	0.71
			Equiv.	Yes	0.69	0.83	0.85
			FBC	No	0.65	0.68	0.71
			Equiv.	Yes	0.80	0.83	0.85
		D	Non-FBC	No	0.62	0.77	0.79
			Equiv.	Yes	0.70	0.85	0.85
			FBC	No	0.74	0.77	0.79
			Equiv.	Yes	0.82	0.85	0.85
1983 To 2001 (SBC 1988)	100	B	Non-FBC	No	0.00	0.18	0.27
			Equiv.	Yes	0.53	0.72	0.82
			FBC	No	0.15	0.18	0.27
			Equiv.	Yes	0.68	0.72	0.82
		C	Non-FBC	No	0.47	0.67	0.71
			Equiv.	Yes	0.63	0.83	0.85
			FBC	No	0.63	0.67	0.71
			Equiv.	Yes	0.79	0.83	0.85
		D	Non-FBC	No	0.54	0.74	0.76
			Equiv.	Yes	0.65	0.84	0.85
			FBC	No	0.70	0.74	0.76
			Equiv.	Yes	0.80	0.84	0.85
1983 To 2001 (SBC 1988)	110	B	Non-FBC	No	0.00	0.18	0.27
			Equiv.	Yes	0.50	0.70	0.80
			FBC	No	0.14	0.18	0.27
			Equiv.	Yes	0.64	0.70	0.80
		C	Non-FBC	No	0.40	0.60	0.64
			Equiv.	Yes	0.62	0.82	0.85
			FBC	No	0.54	0.60	0.64
			Equiv.	Yes	0.76	0.82	0.85
		D	Non-FBC	No	0.46	0.66	0.68
			Equiv.	Yes	0.64	0.84	0.85
			FBC	No	0.61	0.66	0.68
			Equiv.	Yes	0.78	0.84	0.85

Equiv. = Equivalent
 FBC = Florida Building Code
 SBC = Standard Building Code
 SWR = Secondary Water Resistance

Table A1.F.1.#10(RF) Windstorm Mitigation Factors For Existing Construction (Built Prior To 2002) – Group III Buildings – Terrain C – Design Code 1983 To 2001 (SBC 1988)

FBC 2001 CONSTRUCTION						ROOF SHAPE											
Roof Deck	Terrain	WS (MPH)	WSD (MPH)	IPD	WB DR	FLAT				GABLE				HIP			
						No Opening Protection		With Opening Protection		No Opening Protection		With Opening Protection		No Opening Protection		With Opening Protection	
						No SWR	SWR	No SWR	SWR	No SWR	SWR	No SWR	SWR	No SWR	SWR	No SWR	SWR
Other Roof Deck	B	100	100	Encl.	No	0.76	0.78	0.87	0.89	0.79	0.81	0.89	0.90	0.83	0.84	0.91	0.92
	B	100	110	Encl.	No	0.81	0.82	0.88	0.89	0.83	0.84	0.89	0.90	0.86	0.87	0.91	0.92
	B	100	≥120	Encl.	No	0.85	0.87	0.88	0.89	0.87	0.88	0.89	0.90	0.89	0.91	0.91	0.92
	B	110	110	Encl.	No	0.76	0.78	0.86	0.87	0.80	0.81	0.88	0.89	0.83	0.84	0.90	0.91
	B	110	≥120	Encl.	No	0.83	0.84	0.86	0.87	0.85	0.86	0.88	0.89	0.88	0.89	0.90	0.91
	B	≥120	≥120	Encl.	No	0.80	0.82	0.85	0.86	0.84	0.85	0.87	0.89	0.85	0.86	0.88	0.90
	B and C HVHZ	≥120	≥120	PE	Yes	0.83	0.84	0.87	0.88	0.85	0.87	0.89	0.90	0.86	0.87	0.89	0.90
RCR Deck	B	Any	Any	Encl.	No	0.87	0.87	0.89	0.89	0.87	0.87	0.89	0.89	0.87	0.87	0.89	0.89
	B	Any	Any	PE	Yes	0.88	0.88	0.89	0.89	0.88	0.88	0.89	0.89	0.88	0.88	0.89	0.89
	C	Any	Any	PE	Yes	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89
	HVHZ	Any	Any	Encl.	Yes	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90

Encl. = Enclosed
 FBC = Florida Building Code
 HVHZ = High Velocity Hurricane Zone (Miami-Dade and Broward counties, FBC sections 202 and 1611ff)
 IPD = Internal Pressure Design
 PE = Enclosed or Partially Enclosed
 RCR Deck = Reinforced Concrete Roof Deck
 SWR = Secondary Water Resistance
 WBDR = Wind Borne Debris Region
 WS = Gust Wind Speed of Location
 WSD = Gust Wind Speed of Design

Table A1.F.2.#1(RF) Windstorm Mitigation Factors For New Construction (Built In 2002 Or Later) – Group I Buildings

FBC 2001 CONSTRUCTION					ENCLOSED/PARTIALLY ENCLOSED			
Roof Deck	Terrain	Gust Wind Speed Of Location (MPH)	Gust Wind Speed Of Design (MPH)	WBDR	No Opening Protection		With Opening Protection	
					No-SWR	SWR	No-SWR	SWR
Wood or Metal Deck	B	100	100	No	0.68	0.70	0.85	0.87
	B	100	110	No	0.75	0.77	0.86	0.88
	B	100	≥120	No	0.84	0.87	0.87	0.89
	B	110	110	No	0.62	0.66	0.82	0.85
	B	110	≥120	No	0.78	0.82	0.83	0.87
	B	120	≥120	No	0.70	0.77	0.79	0.85
	B and C HVHZ	≥120	≥120	Yes	NA	NA	0.77	0.83
RCR Deck	B	Any	Any	No	NA	0.75	NA	0.85
	B	Any	Any	Yes	NA	0.75	NA	0.85
	C	Any	Any	Yes	NA	0.75	NA	0.83
	HVHZ	Any	Any	Yes	NA	NA	NA	0.83

FBC = Florida Building Code
 HVHZ = High Velocity Hurricane Zone (Miami-Dade and Broward counties, FBC sections 202 and 1611ff)
 NA = Not Applicable
 RCR Deck = Reinforced Concrete Roof Deck
 SWR = Secondary Water Resistance
 WBDR = Wind Borne Debris Region

Table A1.F.2.#2(RF) Windstorm Mitigation Factors For New Construction (Built In 2002 Or Later) – Group II Buildings

FBC 2001 CONSTRUCTION					ENCLOSED/PARTIALLY ENCLOSED			
Roof Deck	Terrain	Gust Wind Speed Of Location (MPH)	Gust Wind Speed Of Design (MPH)	WBDR	No Opening Protection		With Opening Protection	
					No-SWR	SWR	No-SWR	SWR
Metal Deck	B	100	100	No	0.12	0.21	0.74	0.80
	B	100	110	No	0.49	0.55	0.76	0.82
	B	100	≥120	No	0.72	0.78	0.75	0.82
	B	110	110	No	0.26	0.39	0.71	0.79
	B	110	≥120	No	0.63	0.70	0.71	0.80
	B	≥120	≥120	No	0.52	0.62	0.67	0.75
	B and C HVHZ	≥120 ≥120	≥120 ≥120	Yes Yes	NA NA	NA NA	0.66 0.66	0.74 0.74
RCR Deck	B	Any	Any	No	NA	0.54	NA	0.77
	B	Any	Any	Yes	NA	0.54	NA	0.77
	C	Any	Any	Yes	NA	0.54	NA	0.77
	HVHZ	Any	Any	Yes	NA	NA	NA	0.77

FBC = Florida Building Code
 HVHZ = High Velocity Hurricane Zone (Miami-Dade and Broward counties, FBC sections 202 and 1611ff)
 NA = Not Applicable
 RCR Deck = Reinforced Concrete Roof Deck
 SWR = Secondary Water Resistance
 WBDR = Wind Borne Debris Region

Table A1.F.2.#3(RF) Windstorm Mitigation Factors For New Construction (Built In 2002 Or Later) – Group III Buildings

A7. CATASTROPHIC GROUND COVER COLLAPSE AND SINKHOLE LOSS

County	Factor
Counties of Hernando and Pasco	.900
Counties of Alachua, Citrus, Hillsborough, Lake, Marion, Pinellas, St. Lucie, Seminole, Sumter, Taylor	.970
Remainder of State	.995

Table A7.A.2.(RF) Catastrophic Ground Cover Collapse/Sinkhole Exclusion Factors

County	Factor
Counties of Hernando and Pasco	.975
Counties of Alachua, Citrus, Hillsborough, Lake, Marion, Pinellas, St. Lucie, Seminole, Sumter, Taylor	.995

Table A7.B.(RF) Sinkhole Loss Factors – Residential Properties

A8. GREEN UPGRADES

Ratio	Rate Modification Factor
1.00	0.440
0.90	0.480
0.80	0.525
0.70	0.570
0.60	0.615
0.50	0.660
0.40	0.700
0.30	0.745

0.20	0.790
0.10	0.835

Table A8.D.1.c.(RF) Green Upgrades

Factor
0.09

Table A8.D.2.(RF) Related Expenses

Number Of Days' Extension	Factor
60	0.002
90	0.004
120	0.005
180	0.007

Table A8.D.3.(RF) Extension Of The Period Of Restoration

RATING RELATIVITIES AND FACTORS

4. POLICY TERM

<u>Term Of Policy</u>	<u>Term Factor</u>
<u>2 years</u>	<u>2.0</u>
<u>3 years</u>	<u>3.0</u>

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

23. PREMIUM DEVELOPMENT – MANDATORY COVERAGES

Property Rate Numbers	Factor
01	1.000
02	0.707
03	0.752
04	1.231
05	1.057
06	1.045
07	1.240
08	1.332
09	1.827
10	2.101
11	2.548
12	2.893
13	1.302
14	1.918
15	2.206
16	2.675
17	2.514

18	3.798
19	1.011
20	1.240
21	3.714
22	3.714
23	3.714
24	2.204
25	2.525
26	4.677

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

Public Protection (Fire) Classification	Factor
1—4	1.000
5—6	1.063
7—8	1.260
8B	1.465
9—10	1.490
1X—5X	1.392
6X—7X	1.465
8X	1.490
1Y—5Y	1.392
6Y—8Y	1.465
10W	1.465

Table 23.C.4.(RF) Public Protection (Fire) Classification Relativities

GRADE	TERRITORY											
	002	007	008	009	010	011	012	013	014	015	016	017
1	.94	.94	.94	.97	.92	.90	.90	.97	.94	.92	.94	.94
2	.94	.94	.94	.97	.92	.90	.90	.97	.94	.92	.94	.94
3	.94	.94	.94	.97	.92	.90	.90	.97	.94	.92	.94	.94
4	.97	.97	.97	.98	.95	.94	.94	.98	.97	.95	.97	.97
5	.97	.97	.97	.98	.95	.94	.94	.98	.97	.95	.97	.97
6	.97	.97	.97	.98	.95	.94	.94	.98	.97	.95	.97	.97
7	.97	.97	.97	.98	.95	.94	.94	.98	.97	.95	.97	.97
8	.99	.99	.99	.99	.98	.98	.98	.99	.99	.98	.99	.99
9	.99	.99	.99	.99	.98	.98	.98	.99	.99	.98	.99	.99
10	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ungraded	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Non-participating	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01

Table 23.C.4.b.(5)(RF) Building Code Effectiveness Grading Factors – Building And Business Personal Property

Property Rate Numbers	Building Factor	Business Personal Property Factor
01	0.800	0.900

<u>02</u>	<u>0.800</u>	<u>0.900</u>
<u>05</u>	<u>0.800</u>	<u>0.900</u>
<u>07</u>	<u>0.750</u>	<u>0.850</u>
<u>08</u>	<u>0.800</u>	<u>0.900</u>
<u>09</u>	<u>0.600</u>	<u>0.900</u>
<u>10</u>	<u>0.700</u>	<u>0.800</u>
<u>11</u>	<u>0.800</u>	<u>0.900</u>
<u>12</u>	<u>0.650</u>	<u>0.750</u>
<u>13</u>	<u>0.750</u>	<u>0.850</u>
<u>14</u>	<u>0.800</u>	<u>0.900</u>
<u>15</u>	<u>0.700</u>	<u>0.800</u>
<u>16</u>	<u>0.800</u>	<u>0.900</u>
<u>17</u>	<u>0.700</u>	<u>0.800</u>
<u>18</u>	<u>0.650</u>	<u>0.750</u>
<u>19</u>	<u>0.750</u>	<u>0.850</u>
<u>20</u>	<u>0.750</u>	<u>0.850</u>
<u>21</u>	<u>0.800</u>	<u>0.900</u>
<u>22</u>	<u>0.800</u>	<u>0.900</u>
<u>23</u>	<u>0.750</u>	<u>0.850</u>
<u>24</u>	<u>0.700</u>	<u>0.800</u>
<u>25</u>	<u>0.700</u>	<u>0.800</u>
<u>26</u>	<u>0.750</u>	<u>0.850</u>
<u>27</u>	<u>0.750</u>	<u>0.850</u>
<u>28</u>	<u>0.650</u>	<u>0.750</u>
<u>29</u>	<u>0.650</u>	<u>0.750</u>

Table 23.C.5.(RF) Sprinklered Factors

Class Group (Limit Of Insurance) Lessors Liability	Factor
01	1.000
02	1.104
03	1.104
04	1.615
05	1.615
06	1.615
07	2.406
08	2.406
09	2.406
10	2.767
11	0.662
12	0.969
13	0.969
14	1.443
15	1.443
16	1.443

17	0.667
18	1.127
19	1.145
20	1.479
21	0.364
31	1.590
32	2.979
33	0.769
34	0.851
35	0.990
36	2.202
37	2.549
38	2.473
39	2.820
51 – 59 – Office	1.139
51 – 59 – Shop/Storage	1.320

Table 23.C.6.b.(2)(b)(i)#4(RF) Liability Class Group Relativities

24. DEDUCTIBLES

Fixed Dollar Deductible	Fixed Dollar Deductible Credit Factor	Windstorm Or Hail Percentage Deductible Factors*		
		1%	2%	5%
\$ 500	1.000	0.964	0.941	0.899
1,000	0.978	0.946	0.928	0.886
2,500	0.928	0.920	0.904	0.863

* Windstorm or Hail percentage deductibles do not apply if the Limit of Insurance applicable to the property being rated is less than \$100,000 for the 1% deductible, \$50,000 for the 2% deductible or \$20,000 for the 5% deductible.

Table 24.C.4.a.(RF) Optional Property Deductible Factors Including Windstorm Or Hail Percentage Deductible Factors (Per Location) (Non-residential Only)

Fixed Dollar Deductible	Total Building And Business Personal Property Limit Of Insurance	Fixed Dollar Deductible Factor	Windstorm Or Hail Percentage Deductible Factors*		
			1%	2%	5%
\$ 500	Up to \$50,000	1.000	N/A	0.995	0.990
	\$50,001 – 250,000	1.000	0.982	0.958	0.913
	\$250,001 – 500,000	1.000	0.959	0.928	0.877
	\$500,001 – 1,000,000	1.000	0.944	0.912	0.858
	Over \$1,000,000	1.000	0.927	0.895	0.836
1,000	Up to \$50,000	0.942	N/A	N/A	0.939
	\$50,001 – 250,000	0.963	0.958	0.935	0.890
	\$250,001 – 500,000	0.975	0.946	0.914	0.862
	\$500,001 – 1,000,000	0.980	0.934	0.902	0.849

	Over \$1,000,000	0.989	0.920	0.887	0.829
2,500	Up to \$50,000	0.811	N/A	N/A	N/A
	\$50,001 – 250,000	0.877	N/A	0.874	0.834
	\$250,001 – 500,000	0.918	0.910	0.879	0.827
	\$500,001 – 1,000,000	0.939	0.909	0.877	0.823
	Over \$1,000,000	0.962	0.905	0.871	0.813
5,000	Up to \$50,000	0.662	N/A	N/A	N/A
	\$50,001 – 250,000	0.776	N/A	N/A	0.766
	\$250,001 – 500,000	0.849	N/A	0.837	0.785
	\$500,001 – 1,000,000	0.888	0.878	0.847	0.793
	Over \$1,000,000	0.928	0.886	0.852	0.791
7,500	Up to \$50,000	0.560	N/A	N/A	N/A
	\$50,001 – 250,000	0.705	N/A	N/A	0.700
	\$250,001 – 500,000	0.798	N/A	0.795	0.754
	\$500,001 – 1,000,000	0.849	0.846	0.824	0.771
	Over \$1,000,000	0.905	0.871	0.838	0.776
10,000	Up to \$50,000	0.491	N/A	N/A	N/A
	\$50,001 – 250,000	0.652	N/A	N/A	0.649
	\$250,001 – 500,000	0.758	N/A	N/A	0.731
	\$500,001 – 1,000,000	0.818	N/A	0.806	0.753
	Over \$1,000,000	0.885	0.860	0.826	0.765

* Windstorm or Hail percentage deductibles do not apply if the product of the percentage and the Limit of Insurance applicable to the **location** being rated is less than the fixed dollar deductible.

Table 24.C.4.a.(RF) Optional Property Deductible Factors (Per Location)(Southeast)

Fixed Dollar Deductible	Hurricane Percentage Deductible Credit Factors (Inland)*					Hurricane Percentage Deductible Credit Factors (Other than Inland)*				
	1%	2%	3%	5%	10%	1%	2%	3%	5%	10%
\$ 500	0.988	0.984	0.976	0.969	0.960	0.968	0.943	0.923	0.895	0.852
1,000	0.968	0.964	0.956	0.949	0.940	0.955	0.930	0.911	0.882	0.839
2,500	0.948	0.944	0.906	0.900	0.894	0.925	0.900	0.881	0.852	0.809

* Hurricane percentage deductibles do not apply if the Limit of Insurance applicable to the **property** being rated is less than \$100,000 for the 1% deductible, \$50,000 for the 2% deductible, \$33,333 for the 3% deductible, \$20,000 for the 5% deductible or \$10,000 for the 10% deductible.

Table 24.C.4.b.(RF) Optional Property Deductible Factors Including Each Hurricane Percentage Deductible Factors (Per Location) (Residential Only)

Fixed Dollar Deductible	Hurricane Percentage Deductible Credit Factors (Inland)*					Hurricane Percentage Deductible Credit Factors (Other than Inland)*				
	1%	2%	3%	5%	10%	1%	2%	3%	5%	10%
\$ 500	0.988	0.981	0.976	0.969	0.960	0.968	0.943	0.924	0.895	0.852
1,000	0.968	0.961	0.956	0.949	0.940	0.955	0.931	0.912	0.883	0.840
2,500	0.948	0.911	0.906	0.900	0.894	0.924	0.900	0.884	0.852	0.809

* Hurricane percentage deductibles do not apply if the Limit of Insurance applicable to the **property** being rated is less than \$100,000 for the 1% deductible, \$50,000 for the 2% deductible, \$33,333 for the 3% deductible, \$20,000 for the 5% deductible or \$10,000 for the 10% deductible.

Table 24.C.4.c.(RF) Optional Property Deductible Factors Including Calendar-year Hurricane Percentage Deductible Factors (Per Location) (Residential Only)

Deductible	Factor
\$ 250	1.050

Table 24.C.4.d.(RF) \$250 Property Deductible Option Factor

29. ENDORSEMENTS

18. Spoilage Coverage

d. Premium Determination

(2) Rates

(c) If Power Outage is a covered cause of loss:

Rate Modification	Factor
Power Outage	1.25

Table 29.A.18.d.(2)(c)(RF) Spoilage Coverage – Power Outage Factor

(d) If Power Outage and Breakdown or Contamination are covered cause of loss:

Rate Modification	Factor
Power Outage and Breakdown or Contamination	1.10

Table 29.A.18.d.(2)(d)(RF) Spoilage Coverage – Power Outage And Breakdown Or Contamination Factor

Factor
0.07

Table 29.E.1.i.(3)(RF) Payment Card Industry Coverage Factor

Percentage Of Insurance To Exposure	Factor
75% or more	1.00
50% to 74.9%	1.75
25% to 49.9%	2.50
Under 25%	3.25

Table 29.A.24.f.(1)(b)(RF) Insurance To Exposure Factors

Endorsement	Factor
Flood Coverage	0.02
Earthquake And Volcanic Eruption Coverage	0.01
Windstorm Or Hail Exclusion	0.05 (credit)

Table 29.A.24.f.(2)(b)(RF) Endorsements Modifying Covered Causes Of Loss Factors

Number Of Days*	Factor
30	0.10 (credit)
90	0.05
120	0.10
150	0.20
180	0.25
270	0.30
360	0.35

* Interpolation not permitted

Table 29.A.24.f.(3)(b)(RF) Extended Business Income Coverage Factors

Factor
0.25

Table 29.A.24.f.(4)(b)(RF) Business Income Coverage No Waiting Period Factor

CLASSIFICATION TABLE (EXCEPTIONS)

-A- CLASSIFICATIONS

The following description does not apply:

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Apartment Building								
4 families or fewer, with no mercantile or office occupancy – includes 3 or 4 family lessor's risk only	65141	6513	531110	04	19	LOI	3	M
4 families or fewer, with mercantile or office occupancy – includes 3 or 4 family lessor's risk only and garden apartments	65142	6513	531110	04	19	LOI	3	M
Over 4 families with no mercantile or office occupancy	65132	6513	531110	06	20	LOI	3	M
Over 4 families with mercantile or office occupancy	65133	6513	531110	06	20	LOI	3	M

Table #1(CT) -A- Classifications

-B- CLASSIFICATIONS

The following description does not apply:

Description	Class Code	SIC Code	NAICS Code	Prop. Rate No.	Liab. Class Group	Liab. Exp. Base	EQ	EQSL
Boarding Houses/Rooms								
No mercantile or office occupancy	65132	6513	531110	06	20	LOI	3	M
Mercantile or office occupancy	65133	6513	531110	06	20	LOI	3	M

<u>Three or four family lessor's risks only – no mercantile or office occupancy</u>	<u>65141</u>	<u>6513</u>	<u>531110</u>	<u>04</u>	<u>19</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
<u>Three or four family lessor's risks only – mercantile or office occupancy</u>	<u>65142</u>	<u>6513</u>	<u>531110</u>	<u>04</u>	<u>19</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Table #2(CT) -B- Classifications

-C- CLASSIFICATIONS (OTHER THAN CONTRACTORS)

The following description does not apply:

<u>Description</u>	<u>Class Code</u>	<u>SIC Code</u>	<u>NAICS Code</u>	<u>Prop. Rate No.</u>	<u>Liab. Class Group</u>	<u>Liab. Exp. Base</u>	<u>EQ</u>	<u>EQSL</u>
<u>Condominium</u>								
<u>Residential Condominium (Association risk only)</u>	<u>69145</u>	<u>6531</u>	<u>531311</u>	<u>03</u>	<u>17</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Table #3(CT) -C- Classifications (Other Than Contractors)

-D- CLASSIFICATIONS

The following description does not apply:

<u>Description</u>	<u>Class Code</u>	<u>SIC Code</u>	<u>NAICS Code</u>	<u>Prop. Rate No.</u>	<u>Liab. Class Group</u>	<u>Liab. Exp. Base</u>	<u>EQ</u>	<u>EQSL</u>
<u>Dwellings – Three or Four Family (Lessor's Risk Only)</u>								
<u>No Mercantile Occupancy</u>	<u>65141</u>	<u>6531</u>	<u>531120</u>	<u>04</u>	<u>19</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
<u>With Mercantile Occupancy</u>	<u>65142</u>	<u>6531</u>	<u>531120</u>	<u>04</u>	<u>19</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
<u>Residential Condominiums</u>	<u>69145</u>	<u>6531</u>	<u>531120</u>	<u>03</u>	<u>17</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Table #5(CT) -D- Classifications

-T- CLASSIFICATIONS

The following description does not apply:

<u>Description</u>	<u>Class Code</u>	<u>SIC Code</u>	<u>NAICS Code</u>	<u>Prop. Rate No.</u>	<u>Liab. Class Group</u>	<u>Liab. Exp. Base</u>	<u>EQ</u>	<u>EQSL</u>
<u>Townhouses or Similar Associations</u>								
<u>4 families or fewer, with no mercantile or office occupancy – includes 3 or 4 family lessor's risk only</u>	<u>65141</u>	<u>6513</u>	<u>533110</u>	<u>04</u>	<u>19</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
<u>4 families or fewer, with mercantile or office occupancy – includes 3 or 4 family lessor's risk only and garden apartments</u>	<u>65142</u>	<u>6513</u>	<u>533110</u>	<u>04</u>	<u>19</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

<u>Over 4 families with no mercantile or office occupancy</u>	<u>65132</u>	<u>6513</u>	<u>533110</u>	<u>06</u>	<u>20</u>	<u>LOI</u>	<u>3</u>	<u>M</u>
<u>Over 4 families with mercantile or office occupancy</u>	<u>65133</u>	<u>6513</u>	<u>533110</u>	<u>06</u>	<u>20</u>	<u>LOI</u>	<u>3</u>	<u>M</u>

Table #23(CT) -T- Classifications