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Questions: Leslie
Cooper 433
Metairie Rd.
Suite 400
Metairie, LA
70005
504-836-7997
lcooper@pial.org

CHANGES

This filing revises various Commercial Lines endorsements in Louisiana in response to 2023 La. Acts _____ (former H.B. 183).

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 Louisiana Department of Insurance.
- 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 Louisiana Department of Insurance.

In all correspondence with the Louisiana Department of Insurance regarding this revision, include the PIAL and/or State Filing Designation Number.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT**

A. Section I – Property is amended as follows:

1. Paragraph **A.5.r. Additional Coverages** is replaced by the following:

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

- (1) The coverage described in Paragraphs **r.(2)** and **r.(6)** applies when the "fungi", wet rot or dry rot is the result of one or more Covered Causes of Loss other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

- (3) The coverage described under Paragraph **r.(2)** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverages:

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

2. Paragraph **B.1.i. Exclusions** is replaced by the following:

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning;

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning; or

(3) With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Limited Coverage For "Fungi" Wet Rot Or Dry Rot Additional Coverage.

3. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

a. We will not pay for loss or damage arising out of any act committed:

(1) By, or at the direction of, the insured; and

(2) With the intent to cause a loss.

b. This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

c. If we pay a claim pursuant to Paragraph **b.** above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

d. We may apply reasonable standards of proof to claims for such loss.

4. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

5. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

6. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

7. Paragraph **E.5.d.(1)(a)(ii)** of the **Loss Payment** Property Loss Condition is replaced by the following:

(ii) The cost to replace, on the same premises, the lost or damaged property with other property of like kind and quality; or

8. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

9. Paragraphs **F.2.f.** and **g.** of the **Mortgageholders** Property General Conditions are replaced by the following:

- f. If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation, if we cancel for any other reason.

If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

g. Nonrenewal

- (1) If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- (2) We need not mail or deliver this notice if:
 - (a) We or another company within our insurance group have offered to issue a renewal policy; or
 - (b) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- (3) Any notice of nonrenewal will be mailed or delivered to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and

- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

2. With respect to Paragraph C. Who Is An Insured:

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph E.3. Legal Action Against Us Liability And Medical Expenses General Condition is replaced by the following:

A person or organization may bring a "suit" against us, including but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. of the Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2. of this endorsement** applies:

2. Notice Of Cancellation

a. Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

- (1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;
- (3) Activities or omissions by you which change or increase any hazard insured against;
- (4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation, or court decision;
- (5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;
- (6) The insured's violation or breach of any policy terms or conditions; or
- (7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2)** through **(7)** above.

2. Paragraph **A.2. Cancellation** is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.
- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.
 - d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.
4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

- 1. Applicable to Section **I – Property**:
 - a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.
 - b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.

2. Applicable to Section **II – Liability**:

We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- a. This Policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Policy.

5. Paragraph **I.1. Premiums** is replaced by the following:

- 1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.

6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

- 1. Applicable to Section **I – Property Coverage**:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - a. Prior to a loss to your Covered Property or Covered Income.
 - b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;

- (3) Your "employee" or employer;
- (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss or damage occurred;
 - including their "employees", partners and stockholders; or
- (5) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

2. Applicable to Section II – Liability Coverage:

In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.

7. The following is added and supersedes any other provision to the contrary:

Nonrenewal

- 1. If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- 2. We need not mail or deliver this notice if:
 - a. We or another company within our insurance group have offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

- 4. Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

8. The following is added and supersedes any other provision to the contrary:

Assignment

- 1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.
- 2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
 - b. Liability coverage under this Policy.

- D. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **E.1. Defense And Settlement** is replaced by the following:

- 1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent.

2. The first sentence under Paragraph **I. Exclusions** is replaced by the following:

We will not be liable for "loss":



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES – MICRO-BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

MICRO-BUSINESSOWNERS COVERAGE FORM
MICRO-BUSINESSOWNERS PROFESSIONAL LIABILITY ENDORSEMENT

A. Section I – Property is amended as follows:

1. Paragraph **B.1.h. Exclusions** is replaced by the following:

h. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
- (2) With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss.

2. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

- a.** We will not pay for loss or damage arising out of any act committed:

- (1) By, or at the direction of, the insured; and
- (2) With the intent to cause a loss.

- b.** This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

- c.** If we pay a claim pursuant to Paragraph **b.** above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

- d.** We may apply reasonable standards of proof to claims for such loss.

3. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

4. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

5. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

6. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g.** We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

2. With respect to Paragraph **C. Who Is An Insured:**

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph **3. Legal Action Against Us** of **E. Liability And Medical Expenses General Conditions** is replaced by the following:

3. Legal Action Against Us

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2.** of the **Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2.** of this endorsement applies:

2. Notice Of Cancellation

a. Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

(1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;

(3) Activities or omissions by you which change or increase any hazard insured against;

(4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation or court decision;

(5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;

(6) The insured's violation or breach of any policy terms or conditions; or

(7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2) through **(7)** above.**

2. Paragraph **A.2. Cancellation** is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.

We will send the refund to the first Named Insured.

- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.

- d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. Applicable to **Section I – Property**:

- a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or
- (4) A claim under this Policy.

- b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or

- (4) A claim under this Policy.
- 2. Applicable to **Section II – Liability**:

We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

 - a. This Policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this Policy.
- 5. Paragraph **I.1. Premiums** is replaced by the following:
 - 1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.
- 6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:
 - 1. Applicable to **Section I – Property** Coverage:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - a. Prior to a loss to your Covered Property.
 - b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;

- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;
 - (3) Your "employee" or employer; or
 - (4) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.
- 2. Applicable to **Section II – Liability** Coverage:

In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.
- 7. The following is added and supersedes any other provision to the contrary:

Nonrenewal

 - 1. If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date.
 - 2. We need not mail or deliver this notice if:
 - a. We or another company within our insurance group have offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
 - 3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - 4. Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

8. The following is added and supersedes any other provision to the contrary:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.
2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
 - b. Liability coverage under this Policy.

- D. The following changes apply only to Micro-businessowners Professional Liability **BP 22 02** if it is attached to this Policy:

1. Paragraph **B.1.j. Fungi Or Bacteria** is replaced by the following:

j. Fungi Or Bacteria

Based upon, attributable to or arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or "bacteria" on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

2. Paragraph **D.6. Merger Or Acquisition Of Named Insured** is replaced by the following:

6. Merger Or Acquisition Of Named Insured

If during the policy period:

- a. The Named Insured merges into or consolidates with another entity such that the Named Insured is not the surviving entity; or
- b. Another entity or person or group of entities and/or persons acting in concert, acquires securities or voting rights which result in ownership or voting control by the other entities or persons of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Named Insured;

then coverage under this Policy will continue until the end of the policy period, but only with respect to "claims" arising out of "wrongful acts" which occurred on or after the retroactive date and prior to such merger, consolidation or acquisition.

The Named Insured must give written notice of such merger, consolidation or acquisition to us within 30 days of such merger, consolidation or acquisition.

3. The following definition is added to Paragraph **F.:**

"Bacteria" means any type, kind or form of bacterium.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following is added when a Coinsurance percentage is shown in the Declarations:

The rate of premium for your policy is based on the use of a Coinsurance percentage that is shown in the Declarations.

C. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you;
 - c. Your employee or employer;
 - d. The owner, lessor or tenant of the:
 - (1) Described premises; or
 - (2) Premises where loss or damage occurred;including their employees, partners and stockholders; or

e. Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

D. The following provision is added to the **Duties In The Event Of Loss Or Damage** Loss Condition and to any similar condition, and supersedes any provision to the contrary in this Coverage Part or in an endorsement attached to this Coverage Part with respect to the time period for submission of proof of loss:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

E. When coverage applies on a replacement cost basis (under the Replacement Cost Optional Coverage in this Coverage Part and/or in an endorsement attached to this Coverage Part), the following is added and supersedes any provision to the contrary with respect to the time period for completion of repair or replacement of loss or damage:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

F. The following exclusion and related provisions are added to this Coverage Part:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. With respect to loss or damage to Covered Property caused by fire, this exclusion does not apply to an insured(s) who did not set the fire or otherwise participate in the cause of the loss, provided the loss is otherwise covered under this Coverage Part.
3. If we pay a claim pursuant to Paragraph F.2., our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than that insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of the loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.
4. We may apply reasonable standards of proof to claims for such loss.

G. The **Appraisal** Loss Condition is replaced by the following unless Paragraph H. applies:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

H. The **Appraisal** Loss Condition is replaced by the following in the Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. Loss Payment

1. In the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Builders Risk Coverage Form, Tobacco Sales Warehouses Coverage Form and Standard Property Policy, Paragraph g. of the **Loss Payment** Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

2. In the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form, Leasehold Interest Coverage Form, and Mortgageholders Errors And Omissions Coverage Form, the **Loss Payment** Loss Condition is replaced by the following:

Loss Payment

We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

- J. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

1. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.
2. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.

- K. The following Loss Condition is added:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this policy will not be valid unless we give our written consent.
2. Under this policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of an assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss.

- L. Paragraph **e.(2)** of the **Replacement Cost Optional** Coverage is replaced by the following:

- (2) The cost to replace the lost or damaged property with other property of like kind and quality.

- M. With respect to coverage provided under the Legal Liability Coverage Form and under Coverage **C** – Mortgageholder's Liability in the Mortgageholders Errors And Omissions Coverage Form, the following applies and supersedes any provision to the contrary:

We have no duty to defend you against any "suit" seeking damages if all of the allegations of the "suit" are explicitly excluded by such insurance.

- N. The following replaces:

1. The **Legal Action Against Us** Condition in the Legal Liability Coverage Form; and
2. The **Legal Action Against Us** Condition that applies to Coverages **C** and **D** in the Mortgageholders Errors And Omissions Coverage Form:

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

- O. The following is added to the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy:

Under the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria**, and under the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**, any reference to bacteria means any type, kind or form of bacterium. This meaning also applies under any endorsement that modifies the aforementioned Exclusion or Limited Coverage; and to use of the word bacteria in the exclusionary provisions under the Additional Coverage – Increased Cost Of Construction.

- P. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following exclusion:

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria result from fire or lightning;
2. To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning; or
3. With respect to "fungus", wet or dry rot or bacteria that are located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungus", wet or dry rot or bacteria beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.

Q. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following:

1. The coverage described in **Q.2.** and **Q.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
 - a. A Covered Cause of Loss other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **Q.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under:
- a. Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) in the Causes Of Loss – Special Form; or
 - b. The Additional Coverage, Collapse in the Causes of Loss – Broad Form, Causes of Loss – Special Form or Mortgageholders Errors And Omissions Coverage Form.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

- A. Paragraph B.1.b.(1) under Section I – Coverages, Coverage A – Dwellings, Coverage A – Conditions, Loss Condition – Valuation** in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:

- (1) The cost to replace the damaged part of the structure with material of like kind and quality;

- B. Paragraph B.4.a. relating to Defense in the Credit Cards And Electronic Fund Transfer Cards Or Other Access Devices; Forgery; Counterfeit Currency** Additional Coverage under Section III in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend any suit or settle any claim ends when our limit of insurance for the loss has been exhausted by payment of a judgment or settlement.

- C. Paragraph B.3.b.(2)(a) under Section I – Coverages, Coverage G – Barns, Outbuildings And Other Farm Structures, Coverage G – Conditions, Loss Conditions – Valuation – Property Other Than Improvements And Betterments** in the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form is replaced by the following:

- (a) The cost to replace the damaged part of the building or structure with material of like kind and quality;

- D. The Intentional Loss Exclusion in the Causes Of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form** is replaced by the following:

Intentional Loss

1. We will not pay for loss ("loss") or damage arising out of any act committed:
- a. By or at the direction of any "insured"; and

- b. With the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss"). However, with respect to loss ("loss") or damage to Covered Property caused by fire, this exclusion does not apply to an "insured" who did not set the fire or otherwise participate in the cause of the loss ("loss"), provided the loss ("loss") is otherwise covered under this coverage form.

2. If we pay a claim pursuant to Paragraph 1., our payment to any "insured" is limited to that "insured's" proportionate share of the policy proceeds, but not more than that "insured's" legal interest in the Covered Property that sustained the fire loss ("loss"). Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the "insured(s)" who set the fire or otherwise participated in the cause of the loss ("loss"). In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss ("loss").
3. We may apply reasonable standards of proof to claims for such loss ("loss").

- E. The **Appraisal** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

- F. The following is added to Paragraph a.(7) in the **Duties In The Event Of Loss (Or Damage)** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form, and supersedes any provision to the contrary in the coverage form to which this condition applies or in any endorsement attached to the Policy:

However, if loss ("loss") or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss ("loss") to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

- G. Paragraph e. of the **Loss Payment** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Paragraph f. of the **Loss Payment** Loss Condition in the Mobile Agricultural Machinery And Equipment Coverage Form and the Livestock Coverage Form are replaced by the following:

We will pay for the undisputed portion of the loss ("loss") or damage within 30 days after we receive the satisfactory sworn proof of loss.

- H. The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss ("loss") to impair them. But you may waive your rights against another party in writing:

- a. Prior to loss ("loss").
- b. After a loss ("loss"), only if at the time of loss ("loss"), that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;
 - (3) Your employee or employer;
 - (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss ("loss") or damage occurred;
including their employees, partners and stockholders; or
 - (5) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss ("loss"), we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss ("loss").

- I. The **Concealment, Misrepresentation Or Fraud** General Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Concealment, Misrepresentation Or Fraud

- a. With respect to loss ("loss") or damage caused by fire, we do not provide coverage to the "insured" who, whether before or after the loss ("loss"), has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.
- b. With respect to loss ("loss") or damage caused by a cause of loss other than fire and with respect to all "insureds" covered under this insurance, we provide no coverage for loss ("loss") or damage if, whether before or after a loss ("loss"), one or more "insureds" have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.

- J. The following is added to the **General Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and the **Additional Conditions** in the Farm Liability Coverage Form if **FL 00 20** is attached to your policy:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

- a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
- b. Liability coverage under this Policy.

- K. Paragraph 1.a. under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form is replaced by the following:

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
 - (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

L. Paragraph 1.a. under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form is replaced by the following:

a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
- (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

M. Paragraph 2.a., the **Expected Or Intended Injury** Exclusion, and the introductory statement under Paragraph 2. **Exclusions** "This insurance does not apply to" under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form are replaced by the following:

a. **Expected Or Intended Injury**

With respect to loss:

- (1) Caused by fire, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured", even if the "bodily injury" or "property damage" is:
 - (a) Of a different kind, quality or degree than initially expected or intended; or

- (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(1) does not apply to "bodily injury" resulting from the use of reasonable force by the "insured" to protect persons or property.

- (2) Caused by a cause of loss other than fire and with respect to all "insureds" covered under this coverage form, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of one or more "insureds", even if the "bodily injury" or "property damage" is:

- (a) Of a different kind, quality or degree than initially expected or intended; or
 - (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(2) does not apply to "bodily injury" resulting from the use of reasonable force by one or more "insureds" to protect persons or property.

N. In Exclusion 2.e. **Aircraft, Motor Vehicle, Motorized Bicycle Or Tricycle** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving any aircraft, "motor vehicle", motorized bicycle or tricycle.

O. In Exclusion 2.f. **Watercraft** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving an excluded watercraft described below.

P. Exclusion 2.q. **Bodily Injury To An Insured** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form does not apply.

Q. Exclusion 2.b.(3) Personal Injury To An Insured under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form does not apply.

R. Paragraph 3. under Section II – Limits Of Insurance in the Farm Liability Coverage Form is replaced by the following:

3. Subject to Paragraph **2.** above, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage **H**; and

b. Medical expenses under Coverage **J**;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

S. The Legal Action Against Us Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Legal Action Against Us

A person or organization may bring a "suit" against us including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an "insured"; but we will not be liable for damages that are not payable under the terms of this coverage form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured" and the claimant or the claimant's legal representative.

T. The Transfer Of Rights Of Recovery Against Others To Us Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

In the event of any payment under this coverage form, we will be entitled to the "insured's" rights of recovery against any person or organization, and the "insured" will do whatever is necessary to secure such rights. Our right to recover is subordinate to the "insured's" right to be fully compensated.



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Louisiana Commercial Lines Endorsements Revised

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Agricultural Capital Assets (Output Policy)
- ◆ Businessowners
- ◆ Capital Assets Program (Output Policy)
- ◆ Commercial Fire and Allied Lines
- ◆ Commercial Inland Marine
- ◆ Equipment Breakdown
- ◆ Farm

About This Filing

This filing revises various Commercial Lines endorsements in Louisiana in response to 2023 La. Acts ____ (former H.B. 183).

Revised Forms

We are revising the following forms:

- ◆ AG 01 20 10 20 – Louisiana Changes
- ◆ BP 01 30 10 20 – Louisiana Changes
- ◆ BP 43 01 04 20 – Louisiana Changes – Micro-Businessowners
- ◆ CM 01 26 08 08 – Louisiana Changes
- ◆ CP 01 16 10 12 – Louisiana Changes
- ◆ EB 01 44 09 07 – Louisiana Changes
- ◆ FP 01 80 04 16 – Louisiana Changes
- ◆ OP 01 12 04 13 – Louisiana Changes

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

referenced editions to the 02 24 editions. Concurrent with implementation, the 02 24 editions will supersede the prior editions.

Background

2023 La. Acts ____ (former H.B. 183), adds, in part, LA. REV. STAT. ANN. § 1274, effective August 1, 2023, as follows:

A. For the purposes of this Section, "assignment agreement" means any instrument by which post-loss benefits under a residential or commercial property insurance policy, including but not limited to any right of action against the insurer or any proceeds acquired from the insurer, are assigned, transferred, or acquired in any other manner, in whole or in part, to or from a person providing services, including but not limited to inspecting, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property.

B. (1) A person shall not solicit or accept an assignment, in whole or in part, of any post-loss insurance benefit under a residential or commercial property insurance policy. An assignment agreement is against public policy and is null and void.

(2) The provisions of Paragraph (1) of this Subsection do not apply to any of the following:

(a) An assignment, transfer, pledge, or conveyance granted to a federally insured financial institution, mortgagee, or a subsequent purchaser of the property.

(b) Liability coverage under a residential or commercial property insurance policy.

Explanation of Changes

In response to 2023 La. Acts ____ (former H.B. 183), LA. REV. STAT. ANN. § 1274, we are revising various Louisiana specific endorsements to add an Assignment Loss Condition paragraph.

We are also taking this opportunity to make minor editorial revisions to the endorsements.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT**

A. Section I – Property is amended as follows:

1. Paragraph A.5.r. Additional Coverages is replaced by the following:

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

- (1) The coverage described in Paragraphs **r.(2)** and **r.(6)** applies when the "fungi", wet rot or dry rot is the result of one or more Covered Causes of Loss other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

- (3) The coverage described under Paragraph **r.(2)** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

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(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverages:

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

2. Paragraph **B.1.i. Exclusions** is replaced by the following:

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning;

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning; or

(3) With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Limited Coverage For "Fungi" Wet Rot Or Dry Rot Additional Coverage.

3. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

a. We will not pay for loss or damage arising out of any act committed:

(1) By, or at the direction of, the insured; and

(2) With the intent to cause a loss.

b. This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

c. If we pay a claim pursuant to Paragraph **b.** above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

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d. We may apply reasonable standards of proof to claims for such loss.

4. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

5. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

6. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

7. Paragraph **E.5.d.(1)(a)(ii)** of the **Loss Payment** Property Loss Condition is replaced by the following:

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property of like kind and quality; or

8. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

9. Paragraphs **F.2.f.** and **g.** of the **Mortgageholders** Property General Conditions are replaced by the following:

- f. If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation, if we cancel for any other reason.

If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

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g. Nonrenewal

- (1) If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- (2) We need not mail or deliver this notice if:
 - (a) We or another company within our insurance group have offered to issue a renewal policy; or
 - (b) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- (3) Any notice of nonrenewal will be mailed or delivered to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and

- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

2. With respect to Paragraph **C. Who Is An Insured**:

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph **E.3. Legal Action Against Us** Liability And Medical Expenses General Condition is replaced by the following:

A person or organization may bring a "suit" against us, including but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

- C. Section III – Common Policy Conditions** is amended as follows:

1. Paragraph **A.2. of the Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2. of this endorsement** applies:

2. Notice Of Cancellation

- a. **Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals**

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

- (1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

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(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;
- (3) Activities or omissions by you which change or increase any hazard insured against;
- (4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation, or court decision;
- (5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;
- (6) The insured's violation or breach of any policy terms or conditions; or
- (7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

- a.(1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b.(2)** 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2)** through **(7)** above.

2. Paragraph A.2. Cancellation is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph A.5. Cancellation is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.
- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

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- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.
 - d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.
4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. Applicable to Section **I – Property**:
 - a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.
 - b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.

2. Applicable to Section **II – Liability**:

We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- a. This Policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Policy.

5. Paragraph **I.1. Premiums** is replaced by the following:

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.

6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

1. Applicable to Section **I – Property Coverage**:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - a. Prior to a loss to your Covered Property or Covered Income.
 - b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;

- (3) Your "employee" or employer;
- (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss or damage occurred;
including their "employees", partners and stockholders; or
- (5) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

2. Applicable to Section II – Liability Coverage:

In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.

7. The following is added and supersedes any other provision to the contrary:

Nonrenewal

- 1. If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- 2. We need not mail or deliver this notice if:
 - a. We or another company within our insurance group have offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

- 4. Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

8. The following is added and supersedes any other provision to the contrary:

Assignment

- 1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

- 2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

- a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or

- b. Liability coverage under this Policy.

D. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

- 1. Paragraph **E.1. Defense And Settlement** is replaced by the following:

- 1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent.

- 2. The first sentence under Paragraph **I. Exclusions** is replaced by the following:

We will not be liable for "loss":

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES – MICRO-BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

MICRO-BUSINESSOWNERS COVERAGE FORM
MICRO-BUSINESSOWNERS PROFESSIONAL LIABILITY ENDORSEMENT

A. Section I – Property is amended as follows:

1. Paragraph B.1.h. Exclusions is replaced by the following:

h. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1)** When "fungi", wet rot or dry rot results from fire or lightning; or
- (2)** With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss.

2. The following exclusion and related provisions are added to Paragraph B.2. Exclusions:

a. We will not pay for loss or damage arising out of any act committed:

- (1)** By, or at the direction of, the insured; and
- (2)** With the intent to cause a loss.

b. This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

c. If we pay a claim pursuant to Paragraph b. above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

d. We may apply reasonable standards of proof to claims for such loss.

3. Paragraph E.2. Appraisal Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a. Pay its chosen appraiser; and**
- b. Bear the other expenses of the appraisal and umpire equally.**

If there is an appraisal, we will still retain our right to deny the claim.

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4. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

5. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

6. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g.** We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and

- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

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2. With respect to Paragraph **C. Who Is An Insured:**

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph **3. Legal Action Against Us** of **E. Liability And Medical Expenses General Conditions** is replaced by the following:

3. Legal Action Against Us

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2.** of the **Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2.** of this endorsement applies:

2. Notice Of Cancellation

a. Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

(1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;

(3) Activities or omissions by you which change or increase any hazard insured against;

(4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation or court decision;

(5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;

(6) The insured's violation or breach of any policy terms or conditions; or

(7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

a.(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b.(2) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2) through **(7)** above.**

2. Paragraph **A.2. Cancellation** is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.

We will send the refund to the first Named Insured.
- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.

d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. Applicable to **Section I – Property**:

a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or
- (4) A claim under this Policy.

b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or

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- (4) A claim under this Policy.
2. Applicable to **Section II – Liability**:
- We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- This Policy;
 - The Covered Property;
 - Your interest in the Covered Property; or
 - A claim under this Policy.
5. Paragraph **I.1. Premiums** is replaced by the following:
- The first Named Insured shown in the Declarations:
 - Is responsible for the payment of all premiums; and
 - Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.
6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:
- Applicable to **Section I – Property Coverage**:
- If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
- Prior to a loss to your Covered Property.
 - After a loss to your Covered Property only if, at time of loss, that party is one of the following:
- (1) Someone insured by this insurance;

- (2) A business firm:
- Owned or controlled by you; or
 - That owns or controls you;
- (3) Your "employee" or employer; or
- (4) Your relative by blood or marriage.
- If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.
2. Applicable to **Section II – Liability Coverage**:
- In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.
7. The following is added and supersedes any other provision to the contrary:
- Nonrenewal**
- If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date.
 - We need not mail or deliver this notice if:
 - We or another company within our insurance group have offered to issue a renewal policy; or
 - You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
 - Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

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8. The following is added and supersedes any other provision to the contrary:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or

b. Liability coverage under this Policy.

D. The following changes apply only to Micro-businessowners Professional Liability BP 22 02 if it is attached to this Policy:

1. Paragraph B.1.j. Fungi Or Bacteria is replaced by the following:

j. Fungi Or Bacteria

Based upon, attributable to or arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or "bacteria" on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

2. Paragraph D.6. Merger Or Acquisition Of Named Insured is replaced by the following:

6. Merger Or Acquisition Of Named Insured

If during the policy period:

a. The Named Insured merges into or consolidates with another entity such that the Named Insured is not the surviving entity; or

b. Another entity or person or group of entities and/or persons acting in concert, acquires securities or voting rights which result in ownership or voting control by the other entities or persons of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Named Insured;

then coverage under this Policy will continue until the end of the policy period, but only with respect to "claims" arising out of "wrongful acts" which occurred on or after the retroactive date and prior to such merger, consolidation or acquisition.

The Named Insured must give written notice of such merger, consolidation or acquisition to us within 30 days of such merger, consolidation or acquisition.

3. The following definition is added to Paragraph F.:

"Bacteria" means any type, kind or form of bacterium.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following is added when a Coinsurance percentage is shown in the Declarations:

The rate of premium for your policy is based on the use of a Coinsurance percentage that is shown in the Declarations.

C. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you;
 - c. Your employee or employer;
 - d. The owner, lessor or tenant of the:
 - (1) Described premises; or
 - (2) Premises where loss or damage occurred;including their employees, partners and stockholders; or

e. Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

D. The following provision is added to the **Duties In The Event Of Loss Or Damage** Loss Condition and to any similar condition, and supersedes any provision to the contrary in this Coverage Part or in an endorsement attached to this Coverage Part with respect to the time period for submission of proof of loss:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

E. When coverage applies on a replacement cost basis (under the Replacement Cost Optional Coverage in this Coverage Part and/or in an endorsement attached to this Coverage Part), the following is added and supersedes any provision to the contrary with respect to the time period for completion of repair or replacement of loss or damage:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

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F. The following exclusion and related provisions are added to this Coverage Part:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. With respect to loss or damage to Covered Property caused by fire, this exclusion does not apply to an insured(s) who did not set the fire or otherwise participate in the cause of the loss, provided the loss is otherwise covered under this Coverage Part.
3. If we pay a claim pursuant to Paragraph F.2., our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than that insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of the loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.
4. We may apply reasonable standards of proof to claims for such loss.

G. The **Appraisal** Loss Condition is replaced by the following unless Paragraph H. applies:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

H. The **Appraisal** Loss Condition is replaced by the following in the Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. Loss Payment

1. In the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Builders Risk Coverage Form, Tobacco Sales Warehouses Coverage Form and Standard Property Policy, Paragraph g. of the **Loss Payment** Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

2. In the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form, Leasehold Interest Coverage Form, and Mortgageholders Errors And Omissions Coverage Form, the **Loss Payment** Loss Condition is replaced by the following:

Loss Payment

We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

J. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

1. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.
2. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.

K. The following Loss Condition is added:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this policy will not be valid unless we give our written consent.
2. Under this policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of an assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss.

KL. Paragraph e.(2) of the Replacement Cost Optional Coverage is replaced by the following:

- (2) The cost to replace the lost or damaged property with other property of like kind and quality.

LM.With respect to coverage provided under the Legal Liability Coverage Form and under Coverage C – Mortgageholder's Liability in the Mortgageholders Errors And Omissions Coverage Form, the following applies and supersedes any provision to the contrary:

We have no duty to defend you against any "suit" seeking damages if all of the allegations of the "suit" are explicitly excluded by such insurance.

MN.The following replaces:

1. The **Legal Action Against Us** Condition in the Legal Liability Coverage Form; and
2. The **Legal Action Against Us** Condition that applies to Coverages C and D in the Mortgageholders Errors And Omissions Coverage Form:

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

NO.The following is added to the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy:

Under the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria**, and under the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**, any reference to bacteria means any type, kind or form of bacterium. This meaning also applies under any endorsement that modifies the aforementioned Exclusion or Limited Coverage; and to use of the word bacteria in the exclusionary provisions under the Additional Coverage – Increased Cost Of Construction.

OP.In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following exclusion:

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria result from fire or lightning;
2. To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning; or
3. With respect to "fungus", wet or dry rot or bacteria that are located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungus", wet or dry rot or bacteria beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.

PQ. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following:

1. The coverage described in **PQ.2.** and **PQ.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
 - a. A Covered Cause of Loss other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **PQ.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

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5. The terms of this Limited Coverage do not increase or reduce the coverage provided under:

- a. Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) in the Causes Of Loss – Special Form; or
- b. The Additional Coverage, Collapse in the Causes of Loss – Broad Form, Causes of Loss – Special Form or Mortgageholders Errors And Omissions Coverage Form.

6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form:

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

A. Paragraph B.1.b.(1) under Section I – Coverages, Coverage A – Dwellings, Coverage A – Conditions, Loss Condition – Valuation in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:

- (1)** The cost to replace the damaged part of the structure with material of like kind and quality;

B. Paragraph B.4.a. relating to Defense in the Credit Cards And Electronic Fund Transfer Cards Or Other Access Devices; Forgery; Counterfeit Currency Additional Coverage under Section III in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:

- a.** We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend any suit or settle any claim ends when our limit of insurance for the loss has been exhausted by payment of a judgment or settlement.

C. Paragraph B.3.b.(2)(a) under Section I – Coverages, Coverage G – Barns, Outbuildings And Other Farm Structures, Coverage G – Conditions, Loss Conditions – Valuation – Property Other Than Improvements And Betterments in the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form is replaced by the following:

- (a)** The cost to replace the damaged part of the building or structure with material of like kind and quality;

D. The Intentional Loss Exclusion in the Causes Of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Intentional Loss

- 1.** We will not pay for loss ("loss") or damage arising out of any act committed:
 - a.** By or at the direction of any "insured"; and

- b.** With the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss"). However, with respect to loss ("loss") or damage to Covered Property caused by fire, this exclusion does not apply to an "insured" who did not set the fire or otherwise participate in the cause of the loss ("loss"), provided the loss ("loss") is otherwise covered under this coverage form.

- 2.** If we pay a claim pursuant to Paragraph 1., our payment to any "insured" is limited to that "insured's" proportionate share of the policy proceeds, but not more than that "insured's" legal interest in the Covered Property that sustained the fire loss ("loss"). Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the "insured(s)" who set the fire or otherwise participated in the cause of the loss ("loss"). In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss ("loss").
- 3.** We may apply reasonable standards of proof to claims for such loss ("loss").

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E. The **Appraisal** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

F. The following is added to Paragraph a.(7) in the **Duties In The Event Of Loss (Or Damage)** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form, and supersedes any provision to the contrary in the coverage form to which this condition applies or in any endorsement attached to the Policy:

However, if loss ("loss") or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss ("loss") to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

G. Paragraph e. of the **Loss Payment** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Paragraph f. of the **Loss Payment** Loss Condition in the Mobile Agricultural Machinery And Equipment Coverage Form and the Livestock Coverage Form are replaced by the following:

We will pay for the undisputed portion of the loss ("loss") or damage within 30 days after we receive the satisfactory sworn proof of loss.

H. The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss ("loss") to impair them. But you may waive your rights against another party in writing:

- a. Prior to loss ("loss").
- b. After a loss ("loss"), only if at the time of loss ("loss"), that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;
 - (3) Your employee or employer;
 - (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss ("loss") or damage occurred;including their employees, partners and stockholders; or
 - (5) Your relative by blood or marriage.

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If you waive your rights against another party in writing after a loss ("loss"), we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss ("loss").

- I. The **Concealment, Misrepresentation Or Fraud** General Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Concealment, Misrepresentation Or Fraud

- a. With respect to loss ("loss") or damage caused by fire, we do not provide coverage to the "insured" who, whether before or after the loss ("loss"), has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.
- b. With respect to loss ("loss") or damage caused by a cause of loss other than fire and with respect to all "insureds" covered under this insurance, we provide no coverage for loss ("loss") or damage if, whether before or after a loss ("loss"), one or more "insureds" have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.

- J. The following is added to the **General Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and the **Additional Conditions** in the Farm Liability Coverage Form if **FL 00 20** is attached to your policy:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

- a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
- b. Liability coverage under this Policy.

- JK. Paragraph 1.a. under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form is replaced by the following:

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
 - (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

KL. Paragraph 1.a. under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form is replaced by the following:

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:
- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
 - (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

LM. Paragraph 2.a., the **Expected Or Intended Injury** Exclusion, and the introductory statement under Paragraph 2. **Exclusions** "This insurance does not apply to" under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form are replaced by the following:

a. Expected Or Intended Injury

With respect to loss:

- (1) Caused by fire, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured", even if the "bodily injury" or "property damage" is:
- (a) Of a different kind, quality or degree than initially expected or intended; or

- (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(1) does not apply to "bodily injury" resulting from the use of reasonable force by the "insured" to protect persons or property.

- (2) Caused by a cause of loss other than fire and with respect to all "insureds" covered under this coverage form, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of one or more "insureds", even if the "bodily injury" or "property damage" is:

- (a) Of a different kind, quality or degree than initially expected or intended; or
- (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(2) does not apply to "bodily injury" resulting from the use of reasonable force by one or more "insureds" to protect persons or property.

MN. In Exclusion 2.e. **Aircraft, Motor Vehicle, Motorized Bicycle Or Tricycle** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving any aircraft, "motor vehicle", motorized bicycle or tricycle.

NO. In Exclusion 2.f. **Watercraft** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving an excluded watercraft described below.

OP. Exclusion 2.q. **Bodily Injury To An Insured** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form does not apply.

PQ.Exclusion 2.b.(3) **Personal Injury To An Insured** under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form does not apply.

QR.Paragraph 3. under **Section II – Limits Of Insurance** in the Farm Liability Coverage Form is replaced by the following:

3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage H; and

b. Medical expenses under Coverage J;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

RS.The **Legal Action Against Us** Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Legal Action Against Us

A person or organization may bring a "suit" against us including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an "insured"; but we will not be liable for damages that are not payable under the terms of this coverage form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured" and the claimant or the claimant's legal representative.

ST.The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

In the event of any payment under this coverage form, we will be entitled to the "insured's" rights of recovery against any person or organization, and the "insured" will do whatever is necessary to secure such rights. Our right to recover is subordinate to the "insured's" right to be fully compensated.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT**

A. Section I – Property is amended as follows:

1. Paragraph A.5.r. Additional Coverages is replaced by the following:

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

- (1) The coverage described in Paragraphs **r.(2)** and **r.(6)** applies when the "fungi", wet rot or dry rot is the result of one or more Covered Causes of Loss other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

- (3) The coverage described under Paragraph **r.(2)** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverages:

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

2. Paragraph **B.1.i. Exclusions** is replaced by the following:

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning;

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning; or

(3) With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Limited Coverage For "Fungi" Wet Rot Or Dry Rot Additional Coverage.

3. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

a. We will not pay for loss or damage arising out of any act committed:

(1) By, or at the direction of, the insured; and

(2) With the intent to cause a loss.

b. This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

c. If we pay a claim pursuant to Paragraph **b.** above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

d. We may apply reasonable standards of proof to claims for such loss.

4. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

5. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

6. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

7. Paragraph **E.5.d.(1)(a)(ii)** of the **Loss Payment** Property Loss Condition is replaced by the following:

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property of like kind and quality; or

8. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

9. Paragraphs **F.2.f.** and **g.** of the **Mortgageholders** Property General Conditions are replaced by the following:

f. If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation, if we cancel for any other reason.

If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

g. Nonrenewal

- (1) If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- (2) We need not mail or deliver this notice if:
 - (a) We or another company within our insurance group have offered to issue a renewal policy; or
 - (b) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- (3) Any notice of nonrenewal will be mailed or delivered to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and

- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

2. With respect to Paragraph C. Who Is An Insured:

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph E.3. Legal Action Against Us Liability And Medical Expenses General Condition is replaced by the following:

A person or organization may bring a "suit" against us, including but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2. of the Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2. of this endorsement** applies:

2. Notice Of Cancellation

a. Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

- (1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;
- (3) Activities or omissions by you which change or increase any hazard insured against;
- (4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation, or court decision;
- (5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;
- (6) The insured's violation or breach of any policy terms or conditions; or
- (7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2)** through **(7)** above.

2. Paragraph **A.2. Cancellation** is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.
- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.
 - d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.
4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

- 1. Applicable to Section **I – Property**:
 - a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.
 - b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.

2. Applicable to Section **II – Liability**:

We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- a. This Policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Policy.

5. Paragraph **I.1. Premiums** is replaced by the following:

- 1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.

6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

- 1. Applicable to Section **I – Property Coverage**:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - a. Prior to a loss to your Covered Property or Covered Income.
 - b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;

- (3) Your "employee" or employer;
- (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss or damage occurred;
 - including their "employees", partners and stockholders; or
- (5) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

2. Applicable to Section II – Liability Coverage:

In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.

7. The following is added and supersedes any other provision to the contrary:

Nonrenewal

- 1. If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- 2. We need not mail or deliver this notice if:
 - a. We or another company within our insurance group have offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

- 4. Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

8. The following is added and supersedes any other provision to the contrary:

Assignment

- 1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.
- 2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
 - b. Liability coverage under this Policy.

- D. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **E.1. Defense And Settlement** is replaced by the following:

- 1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent.

2. The first sentence under Paragraph **I. Exclusions** is replaced by the following:

We will not be liable for "loss":



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES – MICRO-BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

MICRO-BUSINESSOWNERS COVERAGE FORM
MICRO-BUSINESSOWNERS PROFESSIONAL LIABILITY ENDORSEMENT

A. Section I – Property is amended as follows:

1. Paragraph **B.1.h. Exclusions** is replaced by the following:

h. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
- (2) With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss.

2. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

- a.** We will not pay for loss or damage arising out of any act committed:

- (1) By, or at the direction of, the insured; and
- (2) With the intent to cause a loss.

- b.** This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

- c.** If we pay a claim pursuant to Paragraph **b.** above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

- d.** We may apply reasonable standards of proof to claims for such loss.

3. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

4. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

5. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

6. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g.** We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

2. With respect to Paragraph **C. Who Is An Insured:**

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph **3. Legal Action Against Us** of **E. Liability And Medical Expenses General Conditions** is replaced by the following:

3. Legal Action Against Us

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2.** of the **Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2.** of this endorsement applies:

2. Notice Of Cancellation

a. Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

(1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;**
- (2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;**
- (3) Activities or omissions by you which change or increase any hazard insured against;**
- (4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation or court decision;**
- (5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;**
- (6) The insured's violation or breach of any policy terms or conditions; or**
- (7) Any other reasons that are approved by the Commissioner of Insurance.**

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or**
- (2) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2)** through **(7)** above.**

2. Paragraph **A.2. Cancellation** is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.

We will send the refund to the first Named Insured.

- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.

- d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. Applicable to **Section I – Property**:

- a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or
- (4) A claim under this Policy.

- b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or

- (4) A claim under this Policy.
2. Applicable to **Section II – Liability**:
- We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- This Policy;
 - The Covered Property;
 - Your interest in the Covered Property; or
 - A claim under this Policy.
5. Paragraph **I.1. Premiums** is replaced by the following:
- The first Named Insured shown in the Declarations:
 - Is responsible for the payment of all premiums; and
 - Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.
6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:
- Applicable to **Section I – Property** Coverage:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - Prior to a loss to your Covered Property.
 - After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;

- A business firm:
 - Owned or controlled by you; or
 - That owns or controls you;
 - Your "employee" or employer; or
 - Your relative by blood or marriage.
- If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.
2. Applicable to **Section II – Liability** Coverage:
- In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.
7. The following is added and supersedes any other provision to the contrary:
- Nonrenewal**
- If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date.
 - We need not mail or deliver this notice if:
 - We or another company within our insurance group have offered to issue a renewal policy; or
 - You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
 - Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

8. The following is added and supersedes any other provision to the contrary:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.
2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
 - b. Liability coverage under this Policy.

- D. The following changes apply only to Micro-businessowners Professional Liability **BP 22 02** if it is attached to this Policy:

1. Paragraph **B.1.j. Fungi Or Bacteria** is replaced by the following:

j. Fungi Or Bacteria

Based upon, attributable to or arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or "bacteria" on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

2. Paragraph **D.6. Merger Or Acquisition Of Named Insured** is replaced by the following:

6. Merger Or Acquisition Of Named Insured

If during the policy period:

- a. The Named Insured merges into or consolidates with another entity such that the Named Insured is not the surviving entity; or
- b. Another entity or person or group of entities and/or persons acting in concert, acquires securities or voting rights which result in ownership or voting control by the other entities or persons of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Named Insured;

then coverage under this Policy will continue until the end of the policy period, but only with respect to "claims" arising out of "wrongful acts" which occurred on or after the retroactive date and prior to such merger, consolidation or acquisition.

The Named Insured must give written notice of such merger, consolidation or acquisition to us within 30 days of such merger, consolidation or acquisition.

3. The following definition is added to Paragraph **F.:**

"Bacteria" means any type, kind or form of bacterium.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following is added when a Coinsurance percentage is shown in the Declarations:

The rate of premium for your policy is based on the use of a Coinsurance percentage that is shown in the Declarations.

C. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you;
 - c. Your employee or employer;
 - d. The owner, lessor or tenant of the:
 - (1) Described premises; or
 - (2) Premises where loss or damage occurred;including their employees, partners and stockholders; or

e. Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

D. The following provision is added to the **Duties In The Event Of Loss Or Damage** Loss Condition and to any similar condition, and supersedes any provision to the contrary in this Coverage Part or in an endorsement attached to this Coverage Part with respect to the time period for submission of proof of loss:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

E. When coverage applies on a replacement cost basis (under the Replacement Cost Optional Coverage in this Coverage Part and/or in an endorsement attached to this Coverage Part), the following is added and supersedes any provision to the contrary with respect to the time period for completion of repair or replacement of loss or damage:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

F. The following exclusion and related provisions are added to this Coverage Part:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. With respect to loss or damage to Covered Property caused by fire, this exclusion does not apply to an insured(s) who did not set the fire or otherwise participate in the cause of the loss, provided the loss is otherwise covered under this Coverage Part.
3. If we pay a claim pursuant to Paragraph F.2., our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than that insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of the loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.
4. We may apply reasonable standards of proof to claims for such loss.

G. The **Appraisal** Loss Condition is replaced by the following unless Paragraph H. applies:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

H. The **Appraisal** Loss Condition is replaced by the following in the Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. Loss Payment

1. In the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Builders Risk Coverage Form, Tobacco Sales Warehouses Coverage Form and Standard Property Policy, Paragraph g. of the **Loss Payment** Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

2. In the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form, Leasehold Interest Coverage Form, and Mortgageholders Errors And Omissions Coverage Form, the **Loss Payment** Loss Condition is replaced by the following:

Loss Payment

We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

- J. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

1. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.
2. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.

- K. The following Loss Condition is added:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this policy will not be valid unless we give our written consent.
2. Under this policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of an assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss.

- L. Paragraph **e.(2)** of the **Replacement Cost Optional** Coverage is replaced by the following:

- (2) The cost to replace the lost or damaged property with other property of like kind and quality.

- M. With respect to coverage provided under the Legal Liability Coverage Form and under Coverage **C** – Mortgageholder's Liability in the Mortgageholders Errors And Omissions Coverage Form, the following applies and supersedes any provision to the contrary:

We have no duty to defend you against any "suit" seeking damages if all of the allegations of the "suit" are explicitly excluded by such insurance.

- N. The following replaces:

1. The **Legal Action Against Us** Condition in the Legal Liability Coverage Form; and
2. The **Legal Action Against Us** Condition that applies to Coverages **C** and **D** in the Mortgageholders Errors And Omissions Coverage Form:

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

- O. The following is added to the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy:

Under the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria**, and under the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**, any reference to bacteria means any type, kind or form of bacterium. This meaning also applies under any endorsement that modifies the aforementioned Exclusion or Limited Coverage; and to use of the word bacteria in the exclusionary provisions under the Additional Coverage – Increased Cost Of Construction.

- P. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following exclusion:

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria result from fire or lightning;
2. To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning; or
3. With respect to "fungus", wet or dry rot or bacteria that are located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungus", wet or dry rot or bacteria beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.

Q. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following:

1. The coverage described in **Q.2.** and **Q.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
 - a. A Covered Cause of Loss other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **Q.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under:
- a. Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) in the Causes Of Loss – Special Form; or
 - b. The Additional Coverage, Collapse in the Causes of Loss – Broad Form, Causes of Loss – Special Form or Mortgageholders Errors And Omissions Coverage Form.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

- A. Paragraph B.1.b.(1) under Section I – Coverages, Coverage A – Dwellings, Coverage A – Conditions, Loss Condition – Valuation** in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:
- (1) The cost to replace the damaged part of the structure with material of like kind and quality;
- B. Paragraph B.4.a. relating to Defense in the Credit Cards And Electronic Fund Transfer Cards Or Other Access Devices; Forgery; Counterfeit Currency** Additional Coverage under Section III in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:
- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend any suit or settle any claim ends when our limit of insurance for the loss has been exhausted by payment of a judgment or settlement.
- C. Paragraph B.3.b.(2)(a) under Section I – Coverages, Coverage G – Barns, Outbuildings And Other Farm Structures, Coverage G – Conditions, Loss Conditions – Valuation – Property Other Than Improvements And Betterments** in the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form is replaced by the following:
- (a) The cost to replace the damaged part of the building or structure with material of like kind and quality;
- D. The Intentional Loss Exclusion in the Causes Of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form** is replaced by the following:
- Intentional Loss**
1. We will not pay for loss ("loss") or damage arising out of any act committed:
- a. By or at the direction of any "insured"; and
- b. With the intent to cause a loss ("loss").
- In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss"). However, with respect to loss ("loss") or damage to Covered Property caused by fire, this exclusion does not apply to an "insured" who did not set the fire or otherwise participate in the cause of the loss ("loss"), provided the loss ("loss") is otherwise covered under this coverage form.
2. If we pay a claim pursuant to Paragraph 1., our payment to any "insured" is limited to that "insured's" proportionate share of the policy proceeds, but not more than that "insured's" legal interest in the Covered Property that sustained the fire loss ("loss"). Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the "insured(s)" who set the fire or otherwise participated in the cause of the loss ("loss"). In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss ("loss").
3. We may apply reasonable standards of proof to claims for such loss ("loss").

- E. The **Appraisal** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

- F. The following is added to Paragraph a.(7) in the **Duties In The Event Of Loss (Or Damage)** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form, and supersedes any provision to the contrary in the coverage form to which this condition applies or in any endorsement attached to the Policy:

However, if loss ("loss") or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss ("loss") to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

- G. Paragraph e. of the **Loss Payment** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Paragraph f. of the **Loss Payment** Loss Condition in the Mobile Agricultural Machinery And Equipment Coverage Form and the Livestock Coverage Form are replaced by the following:

We will pay for the undisputed portion of the loss ("loss") or damage within 30 days after we receive the satisfactory sworn proof of loss.

- H. The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss ("loss") to impair them. But you may waive your rights against another party in writing:

- a. Prior to loss ("loss").
- b. After a loss ("loss"), only if at the time of loss ("loss"), that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;
 - (3) Your employee or employer;
 - (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss ("loss") or damage occurred;including their employees, partners and stockholders; or
 - (5) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss ("loss"), we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss ("loss").

- I. The **Concealment, Misrepresentation Or Fraud** General Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Concealment, Misrepresentation Or Fraud

- a. With respect to loss ("loss") or damage caused by fire, we do not provide coverage to the "insured" who, whether before or after the loss ("loss"), has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.
- b. With respect to loss ("loss") or damage caused by a cause of loss other than fire and with respect to all "insureds" covered under this insurance, we provide no coverage for loss ("loss") or damage if, whether before or after a loss ("loss"), one or more "insureds" have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.

- J. The following is added to the **General Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and the **Additional Conditions** in the Farm Liability Coverage Form if **FL 00 20** is attached to your policy:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

- a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
- b. Liability coverage under this Policy.

- K. Paragraph 1.a. under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form is replaced by the following:

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
 - (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

L. Paragraph 1.a. under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form is replaced by the following:

a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
- (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

M. Paragraph 2.a., the **Expected Or Intended Injury** Exclusion, and the introductory statement under Paragraph 2. **Exclusions** "This insurance does not apply to" under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form are replaced by the following:

a. **Expected Or Intended Injury**

With respect to loss:

- (1) Caused by fire, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured", even if the "bodily injury" or "property damage" is:
 - (a) Of a different kind, quality or degree than initially expected or intended; or

- (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(1) does not apply to "bodily injury" resulting from the use of reasonable force by the "insured" to protect persons or property.

- (2) Caused by a cause of loss other than fire and with respect to all "insureds" covered under this coverage form, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of one or more "insureds", even if the "bodily injury" or "property damage" is:

- (a) Of a different kind, quality or degree than initially expected or intended; or
 - (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(2) does not apply to "bodily injury" resulting from the use of reasonable force by one or more "insureds" to protect persons or property.

N. In Exclusion 2.e. **Aircraft, Motor Vehicle, Motorized Bicycle Or Tricycle** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving any aircraft, "motor vehicle", motorized bicycle or tricycle.

O. In Exclusion 2.f. **Watercraft** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving an excluded watercraft described below.

P. Exclusion 2.q. **Bodily Injury To An Insured** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form does not apply.

Q. Exclusion 2.b.(3) Personal Injury To An Insured under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form does not apply.

R. Paragraph 3. under Section II – Limits Of Insurance in the Farm Liability Coverage Form is replaced by the following:

3. Subject to Paragraph **2.** above, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage **H**; and

b. Medical expenses under Coverage **J**;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

S. The Legal Action Against Us Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Legal Action Against Us

A person or organization may bring a "suit" against us including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an "insured"; but we will not be liable for damages that are not payable under the terms of this coverage form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured" and the claimant or the claimant's legal representative.

T. The Transfer Of Rights Of Recovery Against Others To Us Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

In the event of any payment under this coverage form, we will be entitled to the "insured's" rights of recovery against any person or organization, and the "insured" will do whatever is necessary to secure such rights. Our right to recover is subordinate to the "insured's" right to be fully compensated.



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Louisiana Commercial Lines Endorsements Revised

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Agricultural Capital Assets (Output Policy)
- ◆ Businessowners
- ◆ Capital Assets Program (Output Policy)
- ◆ Commercial Fire and Allied Lines
- ◆ Commercial Inland Marine
- ◆ Equipment Breakdown
- ◆ Farm

About This Filing

This filing revises various Commercial Lines endorsements in Louisiana in response to 2023 La. Acts ____ (former H.B. 183).

Revised Forms

We are revising the following forms:

- ◆ AG 01 20 10 20 – Louisiana Changes
- ◆ BP 01 30 10 20 – Louisiana Changes
- ◆ BP 43 01 04 20 – Louisiana Changes – Micro-Businessowners
- ◆ CM 01 26 08 08 – Louisiana Changes
- ◆ CP 01 16 10 12 – Louisiana Changes
- ◆ EB 01 44 09 07 – Louisiana Changes
- ◆ FP 01 80 04 16 – Louisiana Changes
- ◆ OP 01 12 04 13 – Louisiana Changes

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

referenced editions to the 02 24 editions. Concurrent with implementation, the 02 24 editions will supersede the prior editions.

Background

2023 La. Acts ____ (former H.B. 183), adds, in part, LA. REV. STAT. ANN. § 1274, effective August 1, 2023, as follows:

A. For the purposes of this Section, "assignment agreement" means any instrument by which post-loss benefits under a residential or commercial property insurance policy, including but not limited to any right of action against the insurer or any proceeds acquired from the insurer, are assigned, transferred, or acquired in any other manner, in whole or in part, to or from a person providing services, including but not limited to inspecting, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property.

B. (1) A person shall not solicit or accept an assignment, in whole or in part, of any post-loss insurance benefit under a residential or commercial property insurance policy. An assignment agreement is against public policy and is null and void.

(2) The provisions of Paragraph (1) of this Subsection do not apply to any of the following:

(a) An assignment, transfer, pledge, or conveyance granted to a federally insured financial institution, mortgagee, or a subsequent purchaser of the property.

(b) Liability coverage under a residential or commercial property insurance policy.

Explanation of Changes

In response to 2023 La. Acts ____ (former H.B. 183), LA. REV. STAT. ANN. § 1274, we are revising various Louisiana specific endorsements to add an Assignment Loss Condition paragraph.

We are also taking this opportunity to make minor editorial revisions to the endorsements.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT**

A. Section I – Property is amended as follows:

1. Paragraph A.5.r. Additional Coverages is replaced by the following:

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

- (1) The coverage described in Paragraphs **r.(2)** and **r.(6)** applies when the "fungi", wet rot or dry rot is the result of one or more Covered Causes of Loss other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

- (3) The coverage described under Paragraph **r.(2)** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

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(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverages:

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

2. Paragraph **B.1.i. Exclusions** is replaced by the following:

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", wet rot or dry rot results from fire or lightning;

(2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning; or

(3) With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Limited Coverage For "Fungi" Wet Rot Or Dry Rot Additional Coverage.

3. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

a. We will not pay for loss or damage arising out of any act committed:

(1) By, or at the direction of, the insured; and

(2) With the intent to cause a loss.

b. This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

c. If we pay a claim pursuant to Paragraph **b.** above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

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d. We may apply reasonable standards of proof to claims for such loss.

4. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

5. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

6. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

7. Paragraph **E.5.d.(1)(a)(ii)** of the **Loss Payment** Property Loss Condition is replaced by the following:

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property of like kind and quality; or

8. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

9. Paragraphs **F.2.f.** and **g.** of the **Mortgageholders** Property General Conditions are replaced by the following:

- f. If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation, if we cancel for any other reason.

If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

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g. Nonrenewal

- (1) If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- (2) We need not mail or deliver this notice if:
 - (a) We or another company within our insurance group have offered to issue a renewal policy; or
 - (b) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- (3) Any notice of nonrenewal will be mailed or delivered to the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and

- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

2. With respect to Paragraph **C. Who Is An Insured**:

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph **E.3. Legal Action Against Us** Liability And Medical Expenses General Condition is replaced by the following:

A person or organization may bring a "suit" against us, including but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

- C. Section III – Common Policy Conditions** is amended as follows:

1. Paragraph **A.2. of the Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2. of this endorsement** applies:

2. Notice Of Cancellation

- a. **Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals**

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

- (1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

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(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;
- (3) Activities or omissions by you which change or increase any hazard insured against;
- (4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation, or court decision;
- (5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;
- (6) The insured's violation or breach of any policy terms or conditions; or
- (7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

- a.(1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b.(2)** 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2)** through **(7)** above.

2. Paragraph A.2. Cancellation is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the mortgageholder, pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph A.5. Cancellation is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.
- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

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- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.
 - d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.
4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. Applicable to Section **I – Property**:
 - a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.
 - b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - (1) This Policy;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this Policy.

2. Applicable to Section **II – Liability**:

We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- a. This Policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Policy.

5. Paragraph **I.1. Premiums** is replaced by the following:

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.

6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

1. Applicable to Section **I – Property Coverage**:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - a. Prior to a loss to your Covered Property or Covered Income.
 - b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;

- (3) Your "employee" or employer;
- (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss or damage occurred;
including their "employees", partners and stockholders; or
- (5) Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

2. Applicable to Section II – Liability Coverage:

In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.

7. The following is added and supersedes any other provision to the contrary:

Nonrenewal

- 1. If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- 2. We need not mail or deliver this notice if:
 - a. We or another company within our insurance group have offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

- 4. Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

8. The following is added and supersedes any other provision to the contrary:

Assignment

- 1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

- 2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

- a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or

- b. Liability coverage under this Policy.

D. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

- 1. Paragraph **E.1. Defense And Settlement** is replaced by the following:

- 1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent.

- 2. The first sentence under Paragraph **I. Exclusions** is replaced by the following:

We will not be liable for "loss":

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES – MICRO-BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

MICRO-BUSINESSOWNERS COVERAGE FORM
MICRO-BUSINESSOWNERS PROFESSIONAL LIABILITY ENDORSEMENT

A. Section I – Property is amended as follows:

1. Paragraph B.1.h. Exclusions is replaced by the following:

h. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1)** When "fungi", wet rot or dry rot results from fire or lightning; or
- (2)** With respect to "fungi", wet rot or dry rot that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungi", wet rot or dry rot beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss.

2. The following exclusion and related provisions are added to Paragraph B.2. Exclusions:

a. We will not pay for loss or damage arising out of any act committed:

- (1)** By, or at the direction of, the insured; and
- (2)** With the intent to cause a loss.

b. This exclusion does not apply, with respect to loss to covered property caused by fire, to an insured who does not commit, or direct another to commit, any act that results in loss by fire, provided the loss is otherwise covered under this Policy.

c. If we pay a claim pursuant to Paragraph b. above, our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than the insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.

d. We may apply reasonable standards of proof to claims for such loss.

3. Paragraph E.2. Appraisal Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. Each party will:

- a. Pay its chosen appraiser; and**
- b. Bear the other expenses of the appraisal and umpire equally.**

If there is an appraisal, we will still retain our right to deny the claim.

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4. The following is added to Paragraph **E.3.a.(7)** of the **Duties In The Event Of Loss Or Damage** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

5. The following is added to the **Loss Payment** Property Loss Condition and supersedes any provision to the contrary in the Coverage Form or in any endorsement attached to the Policy:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

6. Paragraph **E.5.g.** of the **Loss Payment** Property Loss Condition is replaced by the following:

- g.** We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this Policy if the failure to comply with the terms of this Policy is prejudicial to us.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.a. Business Liability** Coverages is replaced by the following:

1. Business Liability

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance** in Section II – Liability; and

- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses. However, using up the Medical Expense Limit does not end our right and duty to defend.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f. Coverage Extension – Supplementary Payments**.

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2. With respect to Paragraph **C. Who Is An Insured:**

The term "executive officer" means only a person holding any of the officer positions created by your charter, constitution or bylaws.

3. Paragraph **3. Legal Action Against Us** of **E. Liability And Medical Expenses General Conditions** is replaced by the following:

3. Legal Action Against Us

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A.2.** of the **Cancellation** Common Policy Condition is replaced by the following, which applies unless Paragraph **C.2.** of this endorsement applies:

2. Notice Of Cancellation

a. Cancellation Of Policies In Effect For Fewer Than 60 Days Which Are Not Renewals

If this Policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this Policy for any reason, subject to the following:

(1) Cancellation for nonpayment of premium:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation:

(2) Cancellation for any other reason:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation:

b. Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the Policy, continuing the Policy, or in presenting a claim under the Policy;

(3) Activities or omissions by you which change or increase any hazard insured against;

(4) Change in the risk which increases the risk of loss after we issued or renewed this Policy, including an increase in exposure due to regulation, legislation or court decision;

(5) Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;

(6) The insured's violation or breach of any policy terms or conditions; or

(7) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under Paragraph **2.b.** to the first Named Insured at least:

a.(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b.(2) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs **2.b.(2) through **(7)** above.**

2. Paragraph **A.2. Cancellation** is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments:

2. Notice Of Cancellation

- a. If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the Policy subject to Paragraphs **2.b.** and **2.c.**
- b. We may cancel the Policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you and the pledgee or other known person shown in the Policy to have an insurable interest in any loss within 10 days of the date that we receive notice of the returned check or negotiable instrument.
- c. The cancellation notice will also advise you that the Policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation was mailed.

3. Paragraph **A.5. Cancellation** is replaced by the following:

5. Premium Refund

If this Policy is cancelled, we will return any premium refund due, subject to Paragraphs **5.a.**, **5.b.**, **5.c.** and **5.d.** The cancellation will be effective even if we have not made or offered a refund.

- a. If the first Named Insured cancels, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. The refund will be returned within 30 days after the effective date of cancellation.

We will send the refund to the first Named Insured.

- b. If we cancel, the refund will be pro rata and we will send the refund to the first Named Insured unless Paragraph **5.c.** applies.

- c. If we cancel based on Paragraph **C.2.** of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **C.2.2.c.** If the Policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.

- d. When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** Common Policy Condition is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. Applicable to **Section I – Property:**

- a. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or
- (4) A claim under this Policy.

- b. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this Policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Policy;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or

- (4) A claim under this Policy.
2. Applicable to **Section II – Liability**:
- We do not provide coverage to one or more insureds who, whether before or after a loss, have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- This Policy;
 - The Covered Property;
 - Your interest in the Covered Property; or
 - A claim under this Policy.
5. Paragraph **I.1. Premiums** is replaced by the following:
- The first Named Insured shown in the Declarations:
 - Is responsible for the payment of all premiums; and
 - Will be the payee for any return premium we pay, unless another person or entity is entitled to be the payee in accordance with Paragraph **C.3.** of this endorsement.
6. Paragraph **K.1. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:
- Applicable to **Section I – Property** Coverage:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

 - Prior to a loss to your Covered Property.
 - After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - Someone insured by this insurance;

- A business firm:
 - Owned or controlled by you; or
 - That owns or controls you;
 - Your "employee" or employer; or
 - Your relative by blood or marriage.
- If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.
2. Applicable to **Section II – Liability** Coverage:
- In the event of any payment under this Coverage, we will be entitled to the insured's rights of recovery against any person or organization, and the insured will do whatever is necessary to secure such rights. Our right to recover is subordinate to the insured's right to be fully compensated.
7. The following is added and supersedes any other provision to the contrary:
- Nonrenewal**
- If we decide not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date.
 - We need not mail or deliver this notice if:
 - We or another company within our insurance group have offered to issue a renewal policy; or
 - You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
 - Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - Such notice to the insured shall include the insured's loss run information for the period the Policy has been in force within, but not to exceed, the last three years of coverage.

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8. The following is added and supersedes any other provision to the contrary:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or

b. Liability coverage under this Policy.

D. The following changes apply only to Micro-businessowners Professional Liability BP 22 02 if it is attached to this Policy:

1. Paragraph B.1.j. Fungi Or Bacteria is replaced by the following:

j. Fungi Or Bacteria

Based upon, attributable to or arising out of any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or "bacteria" on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

2. Paragraph D.6. Merger Or Acquisition Of Named Insured is replaced by the following:

6. Merger Or Acquisition Of Named Insured

If during the policy period:

a. The Named Insured merges into or consolidates with another entity such that the Named Insured is not the surviving entity; or

b. Another entity or person or group of entities and/or persons acting in concert, acquires securities or voting rights which result in ownership or voting control by the other entities or persons of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Named Insured;

then coverage under this Policy will continue until the end of the policy period, but only with respect to "claims" arising out of "wrongful acts" which occurred on or after the retroactive date and prior to such merger, consolidation or acquisition.

The Named Insured must give written notice of such merger, consolidation or acquisition to us within 30 days of such merger, consolidation or acquisition.

3. The following definition is added to Paragraph F.:

"Bacteria" means any type, kind or form of bacterium.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following is added when a Coinsurance percentage is shown in the Declarations:

The rate of premium for your policy is based on the use of a Coinsurance percentage that is shown in the Declarations.

C. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you;
 - c. Your employee or employer;
 - d. The owner, lessor or tenant of the:
 - (1) Described premises; or
 - (2) Premises where loss or damage occurred;including their employees, partners and stockholders; or

e. Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

D. The following provision is added to the **Duties In The Event Of Loss Or Damage** Loss Condition and to any similar condition, and supersedes any provision to the contrary in this Coverage Part or in an endorsement attached to this Coverage Part with respect to the time period for submission of proof of loss:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

E. When coverage applies on a replacement cost basis (under the Replacement Cost Optional Coverage in this Coverage Part and/or in an endorsement attached to this Coverage Part), the following is added and supersedes any provision to the contrary with respect to the time period for completion of repair or replacement of loss or damage:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the covered property is located in an area within the declaration, we will pay on a replacement cost basis only if the repairs or replacement are completed within one year from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

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F. The following exclusion and related provisions are added to this Coverage Part:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. With respect to loss or damage to Covered Property caused by fire, this exclusion does not apply to an insured(s) who did not set the fire or otherwise participate in the cause of the loss, provided the loss is otherwise covered under this Coverage Part.
3. If we pay a claim pursuant to Paragraph F.2., our payment to any insured is limited to that insured's proportionate share of the policy proceeds, but not more than that insured's legal interest in the Covered Property that sustained the fire loss. Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the insured(s) who set the fire or otherwise participated in the cause of the loss. In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss.
4. We may apply reasonable standards of proof to claims for such loss.

G. The **Appraisal** Loss Condition is replaced by the following unless Paragraph H. applies:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

H. The **Appraisal** Loss Condition is replaced by the following in the Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. Loss Payment

1. In the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Builders Risk Coverage Form, Tobacco Sales Warehouses Coverage Form and Standard Property Policy, Paragraph g. of the **Loss Payment** Loss Condition is replaced by the following:

- g. We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

2. In the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form, Leasehold Interest Coverage Form, and Mortgageholders Errors And Omissions Coverage Form, the **Loss Payment** Loss Condition is replaced by the following:

Loss Payment

We will pay for the undisputed portion of the loss or damage within 30 days after we receive the satisfactory sworn proof of loss.

However, we have no duty to provide coverage under this policy if the failure to comply with the terms of this policy is prejudicial to us.

J. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

1. With respect to loss or damage caused by fire, we do not provide coverage to the insured who, whether before or after the loss, has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.
2. With respect to loss or damage caused by a peril other than fire and with respect to all insureds covered under this policy, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.

K. The following Loss Condition is added:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this policy will not be valid unless we give our written consent.
2. Under this policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of an assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss.

KL. Paragraph e.(2) of the Replacement Cost Optional Coverage is replaced by the following:

- (2) The cost to replace the lost or damaged property with other property of like kind and quality.

LM.With respect to coverage provided under the Legal Liability Coverage Form and under Coverage C – Mortgageholder's Liability in the Mortgageholders Errors And Omissions Coverage Form, the following applies and supersedes any provision to the contrary:

We have no duty to defend you against any "suit" seeking damages if all of the allegations of the "suit" are explicitly excluded by such insurance.

MN.The following replaces:

1. The **Legal Action Against Us** Condition in the Legal Liability Coverage Form; and
2. The **Legal Action Against Us** Condition that applies to Coverages C and D in the Mortgageholders Errors And Omissions Coverage Form:

A person or organization may bring a "suit" against us, including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

NO.The following is added to the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy:

Under the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria**, and under the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**, any reference to bacteria means any type, kind or form of bacterium. This meaning also applies under any endorsement that modifies the aforementioned Exclusion or Limited Coverage; and to use of the word bacteria in the exclusionary provisions under the Additional Coverage – Increased Cost Of Construction.

OP.In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the Exclusion of **"Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following exclusion:

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria result from fire or lightning;
2. To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning; or
3. With respect to "fungus", wet or dry rot or bacteria that are located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Covered Cause of Loss.

However, the exclusion shall continue to apply to the cost to test for, treat, contain, remove or dispose of "fungus", wet or dry rot or bacteria beyond that which is required to repair or replace the covered property physically damaged by a Covered Cause of Loss, except to the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria.

PQ. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, Mortgageholders Errors And Omissions Coverage Form and Standard Property Policy, the **Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria** is replaced by the following:

1. The coverage described in **PQ.2.** and **PQ.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
 - a. A Covered Cause of Loss other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **PQ.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

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5. The terms of this Limited Coverage do not increase or reduce the coverage provided under:

- a. Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) in the Causes Of Loss – Special Form; or
- b. The Additional Coverage, Collapse in the Causes of Loss – Broad Form, Causes of Loss – Special Form or Mortgageholders Errors And Omissions Coverage Form.

6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form:

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

A. Paragraph B.1.b.(1) under Section I – Coverages, Coverage A – Dwellings, Coverage A – Conditions, Loss Condition – Valuation in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:

- (1)** The cost to replace the damaged part of the structure with material of like kind and quality;

B. Paragraph B.4.a. relating to Defense in the Credit Cards And Electronic Fund Transfer Cards Or Other Access Devices; Forgery; Counterfeit Currency Additional Coverage under Section III in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form is replaced by the following:

- a.** We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend any suit or settle any claim ends when our limit of insurance for the loss has been exhausted by payment of a judgment or settlement.

C. Paragraph B.3.b.(2)(a) under Section I – Coverages, Coverage G – Barns, Outbuildings And Other Farm Structures, Coverage G – Conditions, Loss Conditions – Valuation – Property Other Than Improvements And Betterments in the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form is replaced by the following:

- (a)** The cost to replace the damaged part of the building or structure with material of like kind and quality;

D. The Intentional Loss Exclusion in the Causes Of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Intentional Loss

- 1.** We will not pay for loss ("loss") or damage arising out of any act committed:
 - a.** By or at the direction of any "insured"; and

- b.** With the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss"). However, with respect to loss ("loss") or damage to Covered Property caused by fire, this exclusion does not apply to an "insured" who did not set the fire or otherwise participate in the cause of the loss ("loss"), provided the loss ("loss") is otherwise covered under this coverage form.

- 2.** If we pay a claim pursuant to Paragraph 1., our payment to any "insured" is limited to that "insured's" proportionate share of the policy proceeds, but not more than that "insured's" legal interest in the Covered Property that sustained the fire loss ("loss"). Proportionate share will be determined based on the interests of all parties eligible to receive payment, including a mortgageholder or other party with a secured legal interest. The policy proceeds will not include any amount attributable to the interest of the "insured(s)" who set the fire or otherwise participated in the cause of the loss ("loss"). In no event will we pay more in total than the Limit of Insurance on the Covered Property that sustained the fire loss ("loss").
- 3.** We may apply reasonable standards of proof to claims for such loss ("loss").

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- E. The **Appraisal** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

- F. The following is added to Paragraph a.(7) in the **Duties In The Event Of Loss (Or Damage)** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form, and supersedes any provision to the contrary in the coverage form to which this condition applies or in any endorsement attached to the Policy:

However, if loss ("loss") or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss ("loss") to us within 180 days; but this 180-day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

- G. Paragraph e. of the **Loss Payment** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and Paragraph f. of the **Loss Payment** Loss Condition in the Mobile Agricultural Machinery And Equipment Coverage Form and the Livestock Coverage Form are replaced by the following:

We will pay for the undisputed portion of the loss ("loss") or damage within 30 days after we receive the satisfactory sworn proof of loss.

- H. The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss ("loss") to impair them. But you may waive your rights against another party in writing:

- a. Prior to loss ("loss").
- b. After a loss ("loss"), only if at the time of loss ("loss"), that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you;
 - (3) Your employee or employer;
 - (4) The owner, lessor or tenant of the:
 - (a) Described premises; or
 - (b) Premises where loss ("loss") or damage occurred;including their employees, partners and stockholders; or
 - (5) Your relative by blood or marriage.

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If you waive your rights against another party in writing after a loss ("loss"), we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss ("loss").

- I. The **Concealment, Misrepresentation Or Fraud** General Condition in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

Concealment, Misrepresentation Or Fraud

- a. With respect to loss ("loss") or damage caused by fire, we do not provide coverage to the "insured" who, whether before or after the loss ("loss"), has intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.
- b. With respect to loss ("loss") or damage caused by a cause of loss other than fire and with respect to all "insureds" covered under this insurance, we provide no coverage for loss ("loss") or damage if, whether before or after a loss ("loss"), one or more "insureds" have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:
- (1) This insurance;
 - (2) The Covered Property;
 - (3) Your interest in the Covered Property; or
 - (4) A claim under this insurance.

- J. The following is added to the **General Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions and the **Additional Conditions** in the Farm Liability Coverage Form if **FL 00 20** is attached to your policy:

Assignment

1. Except as otherwise provided in Paragraph 2. below, assignment of this Policy will not be valid unless we give our written consent.

2. Under this Policy, any agreement to assign post-loss property insurance benefits is null and void. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:

- a. An assignment, transfer, pledge or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss; or
- b. Liability coverage under this Policy.

- JK. Paragraph 1.a. under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form is replaced by the following:

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
 - (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

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KL. Paragraph 1.a. under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form is replaced by the following:

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the "insured" against any "suit" seeking those damages. However, we will have no duty to defend the "insured" against any "suit" seeking damages for "personal injury" or "advertising injury" if all of the allegations of the "suit" are explicitly excluded by this insurance. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:
- (1) The amount we pay for damages is limited as described in Section II – Limits Of Insurance;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage H or I; and
 - (3) Our right and duty to defend does not end when we have used up the applicable Limit of Insurance in the payment of medical expenses under Coverage J.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Additional Coverages.

LM. Paragraph 2.a., the **Expected Or Intended Injury** Exclusion, and the introductory statement under Paragraph 2. **Exclusions** "This insurance does not apply to" under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form are replaced by the following:

a. Expected Or Intended Injury

With respect to loss:

- (1) Caused by fire, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured", even if the "bodily injury" or "property damage" is:
- (a) Of a different kind, quality or degree than initially expected or intended; or

- (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(1) does not apply to "bodily injury" resulting from the use of reasonable force by the "insured" to protect persons or property.

- (2) Caused by a cause of loss other than fire and with respect to all "insureds" covered under this coverage form, this insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of one or more "insureds", even if the "bodily injury" or "property damage" is:

- (a) Of a different kind, quality or degree than initially expected or intended; or
- (b) Sustained by a different person, entity, real or personal property, than initially expected or intended.

This Exclusion a.(2) does not apply to "bodily injury" resulting from the use of reasonable force by one or more "insureds" to protect persons or property.

MN. In Exclusion 2.e. **Aircraft, Motor Vehicle, Motorized Bicycle Or Tricycle** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving any aircraft, "motor vehicle", motorized bicycle or tricycle.

NO. In Exclusion 2.f. **Watercraft** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form, the following Subparagraph (2) does not apply:

"Bodily injury" or "property damage":

- (2) Giving rise to vicarious liability, whether or not imposed by law, for the actions of a child or minor involving an excluded watercraft described below.

OP. Exclusion 2.q. **Bodily Injury To An Insured** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** in the Farm Liability Coverage Form does not apply.

PQ.Exclusion 2.b.(3) **Personal Injury To An Insured** under **Section I – Coverages, Coverage I – Personal And Advertising Injury Liability** in the Farm Liability Coverage Form does not apply.

QR.Paragraph 3. under **Section II – Limits Of Insurance** in the Farm Liability Coverage Form is replaced by the following:

3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage H; and

b. Medical expenses under Coverage J;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

RS.The **Legal Action Against Us** Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Legal Action Against Us

A person or organization may bring a "suit" against us including, but not limited to, a "suit" to recover on an agreed settlement or on a final judgment against an "insured"; but we will not be liable for damages that are not payable under the terms of this coverage form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured" and the claimant or the claimant's legal representative.

ST.The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition under **Section III – Farm Liability Conditions** in the Farm Liability Coverage Form is replaced by the following:

Transfer Of Rights Of Recovery Against Others To Us

In the event of any payment under this coverage form, we will be entitled to the "insured's" rights of recovery against any person or organization, and the "insured" will do whatever is necessary to secure such rights. Our right to recover is subordinate to the "insured's" right to be fully compensated.

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