



## NOTICE OF EFFECTIVE FILING

**TO:** PROGRAMS DIVISION 66  
Kathleen Ott  
**DATE:** June 14, 2021  
**FROM:** Angela Caraballo  
**PHONE:** 718 250-1732

**PROGRAM:** COMMERCIAL PROPERTY  
Form attaches to the following ISO's Coverage Forms:  
Building and Personal Property Coverage Form – CP 00 10  
Business Income (And Extra Expense) Coverage Form – CP 00 30  
Causes of Loss – Special Form – CP 10 30

**CONTENTS:** Property Program Performance<sup>SM</sup> Endorsement – 121895 (10/17)  
  
Commercial Lines Manual Division Five - Fire and Allied Lines Exception Page –  
Property Program Performance Endorsement - DIV-CP-CW-RU (10/17)

**STATE:** FLORIDA

**EFFECTIVE DATE:** June 14, 2021

**MODIFICATIONS:** **MUST USE**  
[Property Program Performance<sup>SM</sup> Endorsement - 128446 \(2/21\)](#)  
  
[Florida Rating Rule-Property Program Performance Endorsement –  
DIV-CP-FL-RU \(3/21\)](#)

**COMMENTS:** None

**COMPANY(IES) EFFECTIVE:**  
 GRANITE STATE INSURANCE COMPANY  
 ILLINOIS NATIONAL INSURANCE CO.  
 NEW HAMPSHIRE INSURANCE COMPANY

**FILING NUMBER: AIG-17-CP-11**



## OFFICE OF INSURANCE REGULATION

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AGRICULTURE

DAVID ALTMAIER  
COMMISSIONER

June 14, 2021

Mrs. Angela Caraballo  
Filing Analyst  
Granite State Insurance Company  
80 Pine Street, 13th Floor  
New York, NY 10005

RE: NEW HAMPSHIRE INSURANCE COMPANY  
ILLINOIS NATIONAL INSURANCE COMPANY  
GRANITE STATE INSURANCE COMPANY  
Property / Commercial Non-Residential (010 + 01.0001FLC)  
Company File Number: AIG-17-CP-11  
OIR File Number: FCC 21-004917

Dear Mrs. Caraballo:

The Office has completed its review of the above-referenced filing dated 3/1/2021. The form submitted in this filing is **APPROVED**.

This approval is applicable only to the stamped approved form contained herein as of the date stamped. Any corresponding rate or rule filing must be submitted as a separate filing. This approval is conditioned upon and subject to the filing and approval of the respective rates and rules.

Sincerely,

Office of Insurance Regulation

# Florida Office of Insurance Regulation

## I-File Workflow System

Filing Number: 21-004917

Request Type: Stamped Only



**FOR INFORMATIONAL PURPOSES ONLY**

Date Received: 03/01/2021 Date Of Action: 06/14/2021  
FL OFFICE OF INSURANCE REGULATION

AIG Property Casualty  
State Filings Division  
80 Pine Street  
13th Floor  
New York, NY 10005  
www.aig.com

March 1, 2021

Angela Caraballo  
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Honorable David Altmaier  
Commissioner of Insurance  
Office of Insurance Regulation  
Florida Department of Financial Services  
Property and Casualty Forms and Rates  
Room 233-A, Larson Building  
200 East Gaines Street  
Tallahassee, Florida 32399-0330

**RE: GRANITE STATE INSURANCE COMPANY**  
NAIC #012-23809 FEIN #02-0140690  
**ILLINOIS NATIONAL INSURANCE CO.**  
NAIC #012-23817 FEIN # 37-0344310  
**NEW HAMPSHIRE INSURANCE COMPANY**  
NAIC #012-23841 FEIN # 25-0172170  
**Commercial Property**  
**Our Filing No.: AIG-17-CP-11 (Resubmission)**

Dear Commissioner Altmaier:

In response to our January 29, 2021 conference call with Ms. Andrews regarding issues raised under previously submitted filing OIR File Number: FCC 17-23110, the referenced Companies submit for your review and approval a revised Property Program Performance<sup>SM</sup> Endorsement - 128446 (2/21) to be used with the Building and Personal Property Coverage Form - CP 00 10, Business Income (And Extra Expense) Coverage Form - CP 00 30 and the Causes of Loss - Special Form - CP 10 30 filed on the Companies' behalf by ISO.

The following is offered in response to the concerns raised:

1. Correct some of the page numbers in the index;
2. Place quotes around the defined term "shipping document"; and
3. Revise Section F. Additional Coverage Extensions, Back up of Sewers or Drains (page 33) to clarify this is an exception to the Water Exclusion in the Causes of Loss – Special Form.

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Please refer to the attached forms listing, explanatory memorandum and timeline for information about the form included in this submission.

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Sincerely,

*Angela Caraballo*

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**ENDORSEMENT**

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

This endorsement, effective 12:01 A.M.,  
Forms a part of Policy No.:

**PROPERTY PROGRAM PERFORMANCE<sup>SM</sup> ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART  
CAUSES OF LOSS – SPECIAL FORM

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all terms, conditions, limitations and exclusions applicable to the coverage parts attached to and forming a part of this policy, unless specifically deleted, replaced, or modified by this endorsement.

Limits of Insurance shown below shall apply with respect to Additional Coverages, Coverage Extensions and Additional Coverage Extensions, as provided in the Commercial Property Forms and this endorsement, unless another limit is otherwise indicated in the Declarations or by endorsement hereto.

When coverage provided by this endorsement and another coverage form attached to this policy cover the same loss or damage, only the greater of the applicable Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.

Except as provided by the terms of this endorsement, terms and limits for Business Income or Extra Expense Coverages shall apply only if the Business Income (and Extra Expense) Coverage Part is attached to and forms a part of this policy, and a limit for Business Income and / or Extra Expense is shown in the Declarations for a covered premises.

**I. Limits and Coverages**

<b>A. Coverage Provision Amendments That Do Not Amend Limits of Insurance</b>			<b>Page</b>
Preservation of Property	90	days	5
Newly Acquired or Constructed Property – Buildings	180	days	10
Newly Acquired or Constructed Property – Your Business Personal Property	180	days	10
Newly Acquired or Constructed Property – Business Income	180	days	22
Extended Period of Indemnity	180	days	26
Outdoor Signs attached to Building	Included in the Applicable Limit of Insurance		16

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<b>B. Additional Coverages</b>	<b>Limits of Insurance</b>	<b>Page</b>
Debris Removal	\$50,000	4
Fire Department Service Charge	\$25,000	5
Pollutant Clean Up And Removal	\$50,000	5
Ordinance or Law – Increased Cost of Construction and Demolition Cost	\$500,000	5
Media, Electronic Data and Programs	\$100,000	7
Recharge of Fire Protection Equipment	\$25,000	7
Reward Payments	\$25,000	8
Money And Securities – On Your Premises	\$20,000	8
Money And Securities – Away From Your Premises	\$10,000	9
Lock Replacement	\$10,000	9
Wind Blown Debris	\$10,000	9
Inventory And Appraisal	\$25,000	9
Tenant Move – Back Costs	\$25,000	10
Unscheduled Appurtenant Structures	\$10,000	10
Interruption Of Computer Operations – Business Income	\$10,000	22

<b>C. Coverage Extensions</b>	<b>Limits of Insurance</b>	<b>Page</b>
Newly Acquired or Constructed Property – Buildings	\$1,000,000	10
Newly Acquired or Constructed Property – Your Business Personal Property	\$1,000,000	10
Personal Effects Coverage	\$25,000	11
Valuable Papers And Records (Other Than Electronic Data)	\$100,000	11
Property Off-Premises	\$100,000	11
Your Outdoor Property - (Other Than Sod, Trees, Shrubs and Plants)	\$100,000	12
Sod, Trees, Shrubs and Plants		12
Any one Tree, Shrub or Plant	\$1,000	12
Any one occurrence	\$10,000	12
Non-Owned Detached Trailers	\$50,000	12
Fine Arts	\$25,000	13
Salesperson's Samples	\$10,000	13
Accounts Receivable Records	\$100,000	13
Off Premises Utility Failure – Damage to Covered Property	\$100,000	13
Retaining Walls	\$25,000	14
Undamaged Leasehold Improvements	\$50,000	14
Non-owned Building Damage	\$25,000	15
Worldwide Laptop Coverage	\$25,000	15
Extra Expense	\$50,000	15
Expediting Expenses	\$25,000	16
Tools Coverage (any one tool)	\$500	16
Tools Coverage (any one occurrence)	\$5,000	16
Newly Acquired Locations – Business Income	\$500,000	22
Dependent Property – Business Income subject to 072 hours waiting period in the definition of “period of restoration”	\$100,000	23
Off Premises Utility Failure – Business Income subject to 024 hours waiting period	\$100,000	24
Lease Cancellation Moving Expenses – Business Income	\$5,000	25
Contract Penalty – Business Income	\$25,000	25
Increased Real Estate Tax Assessment Expense – Business Income	\$50,000	25

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<b>D. Limitation</b>	<b>Limits of Insurance</b>		<b>Page</b>
Furs, Fur Garments and Garments Trimmed with Fur	\$2,500	Any one item	29
	\$10,000	Maximum any one occurrence	29
Jewelry, Watches, Watch Movements and Other Specified Items	\$2,500	Any one item	30
	\$10,000	Maximum any one occurrence	29
Patterns, Dies, Molds and Forms	Business Personal Property Limit		29
Stamps, Tickets and Other Specified Items	\$2,500	Any one item	29
	\$10,000	Maximum any one occurrence	29

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<b>E. Additional Coverage Extensions</b>	<b>Limits of Insurance</b>	<b>Page</b>
Property In Transit	\$50,000	32
Back-up of Sewers or Drains	\$50,000	33
Water Seepage	\$10,000	33
Additional Spoilage	\$25,000	33
Virus and Hacking – any one occurrence	\$25,000	34
Virus and Hacking – per policy period	\$25,000	34

<b>When this field is checked, the following coverage is included:</b>	<b>Limits of Insurance</b>	<b>Page</b>
<b>F. Additional Coverage – Equipment Breakdown</b>		
Expediting Expenses	\$25,000	29
Hazardous Substances	\$25,000	30
Spoilage	\$25,000	30
Computer Equipment	\$25,000	30
Data Restoration	\$25,000	30
Service Interruption	\$25,000	31
Business Income and Extra Expense	Included	31
- Extra Expense	Included	
- Dependent Property	Included	
- Ordinance or Law	Included	
- Expediting Expenses	Included	

II. The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:

A. **Section A. Coverage** is amended as follows:

1. Subparagraph **(5)(b)** of Subparagraph **a. Building** of Paragraph **1. Covered Property** is deleted in its entirety and replaced with the following:
  - (b)** Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
2. The first Paragraph of Subparagraph **b. Your Business Personal Property** of Paragraph **1. Covered Property** is deleted in its entirety and replaced with the following:
  - b. Your Business Personal Property** consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises:

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3. Subparagraph **c. Personal Property Of Others** of Paragraph 1. **Covered Property** is deleted in its entirety and replaced with the following:

**c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises;

But this shall not include any property which you have accepted under a “shipping document” or “storage document”, unless such property is reported to us and coverage specifically shown in the Declarations.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

4. Subparagraphs **l., n. and o.** of Paragraph 2. **Property Not Covered** are deleted in their entirety and replaced with the following:

- l.** Retaining walls that are not part of a building, except as provided in the Coverage Extensions;
- n.** “Electronic data”, except as provided under the Media, Electronic Data, And Programs Additional Coverage and Additional Coverage – Equipment Breakdown in the Causes of Loss – Special Form. This subparagraph n., does not apply to your “stock” of prepackaged software, or to “electronic data” which is integrated in and operates or controls the building’s elevator, lighting, heating, ventilation, air conditioning or security system;
- o.** The cost to replace or restore the information on valuable papers and records, including those which exist as “electronic data”. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as “electronic data”;

5. Subparagraph **(4)** of Subparagraph **a. Debris Removal** of Paragraph 4. **Additional Coverages** is deleted in its entirety and replaced with the following:

- (4)** We will pay up to the Debris Removal limit shown in **Section I.B.** for debris removal expense, for each location in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the Debris Removal limit shown in **Section I.B.**

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6. Subparagraph **(2)** of Subparagraph **b. Preservation Of Property** of Paragraph **4. Additional Coverages** is deleted in its entirety and replaced with the following:

**(2)** Only if the loss or damage occurs within the number of days (shown in **Section I.A.** for Preservation of Property) after the property is first moved.

7. Subparagraph **c. Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted in its entirety and replaced with the following:

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the Fire Department Service Charge limit shown in **Section I.B.** for service at each premises described in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1)** Assumed by contract or agreement prior to loss; or
- (2)** Required by local ordinance.

No Deductible applies to this Additional Coverage.

8. Subparagraph **d. Pollutant Clean-up And Removal** of Paragraph **4. Additional Coverages** is deleted in its entirety and replaced with the following:

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is the Pollutant Clean-Up And Removal limit shown in **Section I.B.** for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

9. Subparagraph **e. Increased Cost Of Construction** of Paragraph **4. Additional Coverages** is deleted in its entirety and replaced with the following:

**e. Ordinance or Law**

**Increased Cost of Construction and Demolition Cost**

- (1)** This Additional Coverage applies only to buildings to which the Replacement Cost Coverage applies.
- (2)** In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law that requires you to demolish and clear the site of undamaged parts of the building, subject to the limitations stated in **e.(4)** through **e.(10)** of this Additional Coverage.

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- (3) In the event of damage by a Covered Cause of Loss to a building that is a Covered Property, we will pay the increased costs incurred to comply with the increased standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(4)** through **e.(10)** of this Additional Coverage.
- (4) The ordinance or law referred to in **e.(2)** and **e.(3)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (5) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
- (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (6) Under this Additional Coverage, we will not pay for:
- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (7) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is the Ordinance or Law – Increased Cost of Construction and Demolition Cost limit shown in **Section I.B.** The amount payable under this Additional Coverage is additional insurance.
- (8) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(7)** of this Additional Coverage, is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(7)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (9) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

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(10) The costs addressed in the Loss Payment and Valuation Conditions, the Replacement Cost Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(7) of this Additional Coverage, is not subject to such limitation.

**Coverage for Loss to Portion of Undamaged Building**

This Additional Coverage applies only to buildings to which the Replacement Cost Coverage applies.

In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for the loss in value of the undamaged portion of the damaged building as a consequence of enforcement of or compliance with an ordinance or law that requires demolition of undamaged parts of the same building.

10. Subparagraph f. **Electronic Data** of Paragraph 4. **Additional Coverages** is deleted in its entirety and replaced with the following:

**f. Media, Electronic Data, And Programs**

The insurance provided by this coverage form is extended to cover “media”, “electronic data”, and “programs” which you own, lease, or rent from others, or for which you are legally responsible including the replacement cost to reproduce “programs” that are lost or accidentally erased, including documentation and source materials, if you actually replace or reproduce them. This Additional Coverage does not apply to “stock” of prepackaged software, or to “electronic data” which is integrated in and operates or controls the building’s elevator, lighting, heating, ventilation, air conditioning or security system.

Computer “programs” and “electronic data” are covered solely as respects direct physical loss or damage by a “specified cause of loss”, as defined in the Causes of Loss – Special Form.

The most we will pay under this Additional Coverage is the Media, Electronic Data And Programs limits shown in **Section I.B.**

11. Paragraph 4. **Additional Coverages** is amended to include the following additional Subparagraphs:

**Recharge of Fire Protection Equipment**

We will pay your expense to recharge your fire protection equipment:

- (1) If you use your equipment, or the equipment automatically discharges, to protect your Covered Property as a result of a covered cause of loss; or
- (2) Due to accidental discharge.

However, we will not pay for:

- (1) Any costs resulting from the enforcement of or compliance with any ordinance or law that regulates the recharging, repair or replacement of such fire extinguishing device, or fire fighting suppressing or controlling substance;
- (2) Halon;
- (3) Recharge of any device used for demonstration or testing purposes; or

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- (4) Recharge due to maintenance of any device or system.

No deductible applies to this Additional Coverage.

The most we will pay under this Additional Coverage is the Recharge of Fire Protection Equipment limit shown in **Section I.B.**

### Reward Payments

In the event of covered loss or damage to Covered Property as a result of arson, theft or vandalism, we will pay for amounts you offer, and subsequently pay, as a reward to anyone other than you, your officers, partners, directors, or any family member(s) of such individuals, or any employee of a law enforcement agency or any employee of a business engaged in property protection, or any person(s) involved in the crime, as a reward for information leading to:

- (1) the arrest and conviction of any person(s) responsible for the arson, theft or vandalism loss; or
- (2) the recovery of the stolen property.

No deductible applies to this Additional Coverage.

The most we will pay under this Additional Coverage is the Reward Payments limit shown in **Section I.B.**

### Money and Securities

- (1) We will pay for the loss of "money" and "securities" belonging to your business if at the time of the loss, the "money" and "securities" is at the described premises, at a bank or savings institution prior to deposit with that institution, within your living quarters, or in the possession of your partner(s), officer(s) or director(s), or employee(s) authorized to have use and custody of such property, or in transit between any of these places and results directly from:

- (a) Theft, meaning the unlawful taking of property to your deprivation;
- (b) Disappearance; or
- (c) Destruction.

- (2) With respect to this Additional Coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- (3) A loss caused by one or more persons, or involving a single act or series of related acts, is considered one occurrence.

- (4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

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- (5) In the event of loss or damage we will determine the value as follows:
- (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.

The insurance provided by this coverage form is extended to cover "money" and "securities" used in your business that are lost, damaged, or destroyed as a result of a covered cause of loss if:

- (1) On your premises described in the Declarations or in a federally or state regulated savings or banking institution; or
- (2) Away from your premises described in the Declarations while in transit by a person authorized by you, or within the living quarters of someone to whom you have entrusted the Covered Property.

The most we will pay under this Additional Coverage is the limit shown in **Section I.B.** for Money and Securities - On Your Premises and the limit shown in **Section I.B.** for Money and Securities - Away From Your Premises.

### **Lock Replacement**

If a key, key card or master key to a building or structure covered by this Coverage Part is lost, stolen, or damaged, we will pay the lesser of your necessary expense incurred to:

- (1) Replace locks or lock cylinders; or
- (2) Adjust locks to accept new keys.

Under this Additional Coverage, we will not pay for lock replacement as respects locks or lock cylinders of any motor vehicle, motorized land vehicle, or any other similar equipment.

The most we will pay under this Additional Coverage is the Lock Replacement limit shown in **Section I.B.**

### **Wind Blown Debris**

We will pay your expense to remove debris (including trees) blown onto your premises, as shown on the Declarations, from the premises of others.

The most we will pay under this Additional Coverage is the Wind Blown Debris limit shown in **Section I.B.**

### **Inventory and Appraisal**

We will pay for your costs related to inventory and appraisal, which we require when loss or damage occurs to Covered Property.

However, we shall not be liable under this Additional Coverage for expenses incurred by you in utilizing the services of a public adjuster.

The most we will pay under this Additional Coverage is the Inventory and Appraisal limit shown in **Section I.B.**

**Tenant Move-Back Costs**

We shall pay your expense incurred for the move-back costs of your tenants who temporarily vacate a portion of Covered Property due to a covered cause of loss. Move-back costs are reasonable expenses incurred for the purpose of the packing, insuring and moving of business personal property, reestablishing utility services, assembling and set up charges, unpacking charges and re-shelving or stocking charges.

The most we will pay for loss or damage under this Additional Coverage is the Tenant Move-Back Costs limit shown in **Section I.B.**

**Unscheduled Appurtenant Structures**

You may extend the insurance that applies to Building, to apply to your storage buildings or other similar appurtenant structures at the premises described in the Declarations.

This Additional Coverage does not apply to outdoor fixtures, your outdoor property, machinery and equipment or any personal property.

The most we will pay for loss or damage under the Additional Coverage is the Unscheduled Appurtenant Structures limit shown in **Section I.B.**

- 12. The first paragraph in Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

- 13. Subparagraph (1) **Buildings** of Subparagraph a. **Newly Acquired Or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is the Newly Acquired Or Constructed Property – Buildings limit shown in **Section I.C.** at each building.

- 14. Subparagraph (a) of Subparagraph (2) **Your Business Personal Property** of Subparagraph a. **Newly Acquired Or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

- (a) If this policy covers your business personal property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or

(ii) Business personal property, including such property that you newly acquired and at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is the Newly Acquired Or Constructed Property – Your Business Personal Property limit shown in **Section I.C.** at each building.

15. Subparagraph (b) of Subparagraph (3) **Period of Coverage** of Subparagraph a. **Newly Acquired Or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

(b) The number of days (shown in **Section I.A.** for Newly Acquired Or Constructed Property – Buildings and Newly Acquired Or Constructed Property - Your Business Personal Property) expires after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

16. Subparagraph b. **Personal Effects And Property Of Others** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

**b. Personal Effects And Property Of Others**

The insurance that applies to Your Business Personal Property is extended to apply to personal effects owned by you, your officers, your partners or members, your managers or your employees.

The most we will pay for loss or damage under this Extension is the Personal Effects And Property Of Others limit shown in **Section I.C.** at each described premises. Our payment for loss of or damage to personal effects will only be for the account of the owner of the property.

17. Subparagraph c. **Valuable Papers And Records (Other Than Electronic Data)** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

**c. Valuable Papers And Records (Other Than Electronic Data)**

(1) The insurance that applies to Your Business Personal Property is extended to apply to the cost to research, replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this extension does not apply to valuable papers and records that exist as "electronic data", for which coverage is provided separately in this coverage part.

(2) Under this Coverage Extension, the most we will pay to research, replace or restore the lost information is the Valuable Papers And Records (Other Than Electronic Data) limit shown in **Section I.C.** at each described premises. Such amount is additional insurance.

We will pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records.

18. Subparagraph (3) of Subparagraph d. **Property Off-Premises** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

(3) The most we will pay for loss or damage under this Extension is the Property Off-Premises limit shown in **Section I.C.**

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19. Subparagraph **e. Outdoor Property** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

**e. Your Outdoor Property**

**(1) Your Outdoor Property (Other Than Sod, Trees, Shrubs and Plants)**

You may extend the insurance provided by this Coverage Form to apply to your outdoor property within 1,000 feet of the premises described in the Declarations, including outdoor fences, radio and television antennas (including satellite dishes), and signs (other than signs attached to buildings), if direct physical loss or damage, including debris removal expense, is caused by a covered cause of loss.

Your outdoor property does not include sod, trees, shrubs or plants.

The most we will pay for loss or damage under this Extension is the Your Outdoor Property (Other Than Sod, Trees, Shrubs and Plants) limit shown in **Section I.C.** This limit applies to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**(2) Sod, Trees, Shrubs and Plants**

Your sod, trees, shrubs, and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof) within 1,000 feet of the premises described in the Declarations, if direct physical loss or damage, including debris removal expense, is caused by or results from any of the following Covered Causes of Loss:

- (a)** Fire;
- (b)** Lightning;
- (c)** Explosion;
- (d)** Riot or civil commotion; or
- (e)** Aircraft.

The most we will pay for loss or damage under this Extension is the Sod, Trees, Shrubs and Plants limit shown in **Section I.C.** for any one occurrence, but not more than the Sod, Trees, Shrubs and Plants limit shown in **Section I.C.** for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

20. Subparagraph **(3)** of Subparagraph **f. Non-Owned Detached Trailers** of Paragraph 5. **Coverage Extensions** is deleted in its entirety and replaced with the following:

- (3)** The most we will pay for loss or damage under this Extension is the Non-Owned Detached Trailers limit shown in **Section I.C.**

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21. Paragraph 5. **Coverage Extensions** is amended to include the following Subparagraphs:

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#### **Fine Arts**

The insurance provided by this Coverage Form is extended to cover your fine arts at a premises described in the Declarations. Fine Arts mean paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles, and other bona fide works of art; or items of rarity or historical value that you own or are in your care, custody or control.

The most we will pay for loss or damage under this Extension is the Fine Arts limit shown in **Section I.C.**

#### **Salespersons Samples**

The insurance provided by this coverage form is extended to cover property used only for sample purposes that is in the care, custody, and control of your salesperson, located anywhere within the coverage territory.

The most we will pay for loss or damage under this Extension is the Salespersons Samples limit shown in **Section I.C.**

#### **Accounts Receivable Records**

(1) The insurance provided by this Coverage Form is extended to cover your accounts receivable records. Accounts receivable records shall be limited to:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loans required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Reasonable collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

The most we will pay for loss or damage under this Extension is the Accounts Receivable Records limit shown in **Section I.C.**

(2) This Coverage Extension does not apply to:

- (a) Bookkeeping, accounting or billing errors or omissions; or
- (b) Loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

#### **Off Premises Utility Failure**

We will pay for loss of or damage to your Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following services not on the described premises:

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(1) Water Supply Services, meaning the following types of property supplying water to the described premises:

- (a) Pumping stations; and
- (b) Water mains.

(2) Communication Supply Services, meaning property supplying communications services, including telephone, radio, microwave or television services to the described premises, such as:

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

This shall not include above ground transmission lines.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam, or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

This shall not include above ground transmission lines.

As used in this Coverage Extension, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

The most we will pay for loss or damage under this Extension is the Off Premises Utility Failure – Damage to Covered Property limit shown in **Section I.C.**

### **Retaining Walls**

Coverage for your building is extended to include retaining walls that are not a part of a building, located at the premises described in the Declarations.

The most we will pay for loss or damage under this Extension is the Retaining Walls limit shown in **Section I.C.**

### **Undamaged Leasehold Improvements**

If your lease is canceled in accordance with a valid lease provision as the result of direct physical loss or damage, by a Covered Cause of Loss, to property at the location in which you are a tenant, and you cannot legally remove your “tenants Improvements and betterments”, we will extend Your Business Personal Property coverage to apply to the unamortized value of such “tenants improvements and betterments”.

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The most we will pay for loss or damage under this Extension is the Undamaged Leasehold Improvements limit shown in **Section I.C.**

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### **Non-Owned Building Damage**

If you are a tenant, you may extend the coverage that applies to your Business Personal Property to loss or damage that occurs to the building, at a premises that you occupy but do not own.

This Coverage Extension applies only if your lease makes you legally responsible for that part of the building which sustains loss or damage.

The most we will pay for loss or damage under this Extension is the Non-Owned Building Damage limit shown in **Section I.C.**

### **Worldwide Laptop Coverage**

You may extend the coverage that applies to your Business Personal Property to cover laptops, notebooks and similar portable personal computers, including their peripherals and accessories, while such property is:

- (1) In the care, custody and control of you or one of your employees; and
- (2) Not located in the coverage territory as provided in this policy.

This Coverage Extension does not apply when such property is:

- (1) At a location that is under a United States Department of State travel or trade restriction at the time of loss or damage; or
- (2) In transit as checked luggage.

The most we will pay for loss or damage under this Extension is the Worldwide Laptop Coverage limit shown in **Section I.C.**

### **Extra Expense**

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

The most we will pay for loss or damage under this Extension is the Extra Expense limit shown in **Section I.C.**

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### **Expediting Expenses**

We will pay with respect to your damaged Covered Property the reasonable additional expense to:

- (1) make temporary repairs; and
- (2) expedite permanent repairs or permanent replacement.

The most we will pay for loss or damage under this Extension is the Expediting Expenses limit shown in **Section I.C.**

### **Tools Coverage**

You may extend the coverage that applies to your Business Personal Property to cover your tools, your employee's tools or tools leased from others.

A deductible of \$500 will apply to covered loss or damage to tools.

The most we will pay for loss or damage to tools is the Tools Coverage limit shown in **Section I.C.** for any one occurrence, but limited by the Tools Coverage limit shown in **Section I.C.** for any one tool.

### **B. Section C. Limits of Insurance** is amended as follows:

The second paragraph in **Section C. Limits of Insurance** is deleted in its entirety and replaced with the following:

We will pay for loss or damage to outdoor signs attached to buildings provided that the value of any covered outdoor sign attached to buildings is included in, and is not in addition to, the Limit of Insurance for Buildings. The deductible applicable to outdoor signs attached to buildings is the building deductible shown on the Declarations.

If there is no building coverage at a location where coverage for outdoor signs attached to buildings is required, the value of any covered outdoor sign attached to buildings shall be included in, and is not in addition to, the Limit of Insurance for your business personal property. The deductible applicable to outdoor signs attached to such buildings is the business personal property deductible shown on the Declarations.

### **C. Section D. Deductible** is amended as follows:

The following Subparagraphs are added to **Section D. Deductible**:

1. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Declarations, will apply. This does not apply to any Earthquake Deductible or Flood Deductible.
2. As respects Equipment Breakdown coverage:

The deductible(s) for Buildings and Business Personal Property shown in the Declarations apply(ies) unless a separate deductible for Equipment Breakdown is shown in the Declarations, or by endorsement hereto.

If such deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage, or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**D. Section E. Loss Conditions** is amended as follows:

1. Paragraph 7. **Valuation** is deleted in its entirety and replaced with the following:

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage, at the time of loss, as follows:

- a. Replacement cost, except as otherwise provided in this Paragraph 7., Replacement cost shall not exceed the least of the following amounts:

- (1) The Limit of Insurance applicable to the lost or damaged Covered Property;
- (2) The cost to repair or replace the Covered Property, or any part thereof, with property of comparable material and quality, on the same premises and used for the same purpose;
- (3) The amount actually and necessarily expended in repairing or replacing the lost or damaged Covered Property;
- (4) We shall not pay on a replacement cost basis for any loss or damage:
  - (a) Until the lost or damaged Covered Property is actually repaired or replaced; and
  - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If you do not repair or replace the Covered Property, it shall be valued at its actual cash value on the date of loss.

With respect to “tenant’s improvements and betterments”, the following also apply:

- (a) If the conditions in (4)(a) and (4)(b) above are not met, the value of “tenants’ improvements and betterments” will be determined as a proportion of your original cost, as set forth in Subparagraph i. below; and
  - (b) We will not pay for loss or damage to “tenants’ improvements and betterments” if others pay for repairs or replacement.
- b. “Stock” you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
  - c. Labor, materials, and services that you furnish or arrange on property of others are valued based on the actual cost of the labor, materials, and services.
  - d. Fine arts are valued at the appraised value at the time of loss, or if there is no appraisal at the greater of:
    - (1) the original acquisition cost, or
    - (2) the market value at the time of loss.

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e. Accounts receivable loss payment shall be determined as follows:

(1) When there is proof that a loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding at the time of the loss, the amount of the loss shall be based on your latest monthly statements and shall be computed as follows:

(a) Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

(b) Calculate the percentage of increase or decrease in your gross sales of goods and services for the twelve (12) fiscal months immediately preceding the month in which the loss occurred against the twelve (12) months prior to the period determined in step (a);

(c) The total amount of accounts receivable as of the last day of the fiscal month in which the loss occurs shall be the amount determined in step (a) increased or decreased by the percentage determined in step (b); and

(d) The established monthly amount of accounts receivable shall be adjusted for the normal fluctuation in the amount of accounts receivable in the fiscal month in which the loss occurs;

(2) We shall deduct from the established total amount of accounts receivable:

(a) The amount of any accounts evidenced by records not lost or damaged;

(b) Any other amounts you are able to establish or collect; and

(c) An amount to allow for probable bad debts which you normally would have been unable to collect;

(3) If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you shall return the recovered amount to us, up to the total amount of the paid loss. You shall keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

f. "Computer equipment", "media", "electronic data", and "programs" loss payments shall be determined as follows:

(1) "Computer equipment" is valued at the total cost to repair or replace the damaged property without deduction for depreciation. However, we will not pay more than the actual cost to repair or replace the lost or damaged property with new property of the same kind, quality and capability on the same site and used for the same purpose.

(2) "Electronic data" and "programs" are valued at the actual cost to reproduce the data and programs, if you actually reproduce the data and programs. We will also pay any reasonable additional expense that you may incur in reproducing the data and programs to continue your normal computer operations. The most we will pay for this coverage is the Limit of Insurance shown in the Media, Electronic Data, And Programs Additional Coverage above.

We will not pay for data and programs that cannot be reproduced due to lack of backup, support documentation or records unless specified articles are described

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If shown, we will pay for each article lost at the agreed value.  
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(3) "Media" items are valued at actual cost to repair or replace with similar like, kind and quality, up to the limit shown in the Media, Electronic Data, And Programs Additional Coverage above.

g. At the actual cash value as of the time of loss or damage, if actual cash value is shown in the Declarations.

h. Glass at the cost of replacement with safety-glazing material if required by law.

i. "Tenants' Improvements and Betterments" at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

2. **Section E. Loss Conditions** is amended to include the following additional Subparagraphs:

**Branded or Labeled Merchandise**

If Branded or Labeled merchandise is damaged by a Covered Cause of Loss, you may at your own expense:

1. Stamp "salvage" on the merchandise or its containers, if the stamp shall not physically damage the merchandise, or

2. Remove the brands or labels; if doing so shall not physically damage the merchandise. You shall re-label the merchandise or its containers to comply with the law.

If you elect one of these options in Subparagraphs a.1. or a.2.. above, we shall pay the difference between the salvage value of damaged merchandise with the brand or label attached and the salvage value of damaged merchandise with the brand or label removed.

**Consequential Damages**

We will pay for consequential damages resulting from a partial loss by a Covered Cause of Loss to your Covered Property.

Consequential damages means the loss of value of a part or parts of your product that are not physically damaged and are unmarketable as a complete product.

**Pair or Sets**

We shall pay for loss or damage to a Pair or Set.

In case of loss to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before and after the loss.

**E. Section G. Optional Coverages** is amended as follows:

- 1. Paragraph **3. Replacement Cost** is deleted in its entirety.
- 2. Paragraph **4. Extension Of Replacement Cost To Personal Property Of Others** is deleted in its entirety.

**F. Section H. Definitions** is amended as follows:

**H. Definitions** is amended to include the following additional definitions:

“Computer equipment” means electronic data processing systems including keyboards, display screens, terminals, printers, and related peripheral equipment used solely for data processing operations. “Computer equipment” shall not include such equipment held for sale, distribution, or which is manufactured in the course of your business.

“Electronic data” means information, instruction, or “programs” that are recorded on your “media”, including original source material used to enter data.

“Media” means magnetic tapes, compact discs, diskettes, disk packs, cards, or other standardized data recording materials which can be read by your “computer equipment”.

“Money” means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

“Programs” means software that are purchased or written specifically to be used with “computer equipment”.

“Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include “money”.

“Shipping document” means a tariff document, bill of lading, shipping receipt, freight bill or contract for services.

“Storage document” means a warehouse receipt, storage receipt, inventory control document or master storage agreement.

“Tenants Improvements and Betterments” means fixtures, alterations, installations or additions:

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- a. made a part of a building you occupy, but do not own; and  
b. you acquired or made at your expense but cannot legally remove.
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III. The **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** is amended as follows:

A. **Section A. Coverage** is amended as follows:

1. Paragraph **1. Business Income** is deleted in its entirety replaced with the following:

**1. Business Income**

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and  
b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".  
(2) Business Income Other Than "Rental Value".  
(3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;  
(b) The area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and  
(c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Paragraph 4. **Additional Limitation – Interruption Of Computer Operations** is deleted in its entirety and replaced with the following:

4. **Additional Limitation – Interruption Of Computer Operations**

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. This Additional Limitation does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

3. Subparagraph (3) of Subparagraph b. **Alterations And New Buildings** of Paragraph 5. **Additional Coverages** is deleted in its entirety and replaced with the following:

- (3) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

4. Subparagraph (4) of Subparagraph d. **Interruption of Computer Operations** of Paragraph 5. **Additional Coverages** is deleted in its entirety and replaced with the following:

- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is the Interruption Of Computer Operations – Business Income limit shown in **Section I.B.**, for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

5. Subparagraph b. of Paragraph 6. **Coverage Extension (Newly Acquired Locations)** is deleted in its entirety and replaced with the following:

- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is the Newly Acquired Locations – Business Income limit shown in **Section I.C.** at each location.

6. Subparagraph c.(2) of Paragraph 6. **Coverage Extension (Newly Acquired Locations)** is deleted in its entirety and replaced with the following:

- (2) The number of days (shown in **Section I.A.** for Newly Acquired or Constructed Property – Business Income) expires after you acquire or begin to construct the property; or

7. Paragraph 6. Coverage Extension is amended to include the following Subparagraphs:

**Dependent Property**

(1) We will pay for the actual loss of business income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to dependent property caused by or resulting from a Covered Cause of Loss.

However, coverage under this Coverage Extension does not apply when the only loss to dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains loss or damage to "electronic data" and other property, coverage under this Coverage Extension will not continue once the other property is repaired, rebuilt or replaced.

(2) Dependent Property means property operated by others which you depend on to:

(a) Deliver materials or services to you, or to others for your account (Contributing Locations). These services shall not include water supply, wastewater removal, communication supply (including internet access or access to any electronic network), or power supply services;

(b) Accept your products or services (Recipient Locations);

(c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(d) Attract customers to your business (Leader Locations).

(3) For the purposes of this Dependent Property Coverage Extension only, the definition of "period of restoration" is deleted in its entirety and replaced with the following:

"Period of Restoration" means the period of time that:

(a) Begins the number of hours (shown in Section I.C. for Dependent Property after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and

(b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(a) Regulates the construction, use or repair, or requires the tearing down, of any property; or

(b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

The most we will pay for loss or damage under this Coverage Extension is the Dependent Property – Business Income limit shown in Section I. C. The Dependent Property –

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Business Income limit is separate from any Business Income Limit of Insurance in this Policy applicable when direct physical loss or damage occurs at your premises. FL OFFICE OF INSURANCE REGULATION

**Off Premises Utility Failure**

(1) Your coverage for Business Income and/or Extra Expense is extended to apply to a “suspension” of “operations” at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on your premises but used to supply you with utility services:

(a) Water Supply Property, meaning the following types of property supplying water to the described premises:

(i) Pumping stations; and

(ii) Water mains.

(b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage under this Coverage Extension does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

(c) Communication Supply Property, meaning property supplying communications services, including telephone, radio, microwave or television services, to the described premises, such as:

(i) Communication transmission lines, including optic fiber transmission lines;

(ii) Coaxial cables; and

(iii) Microwave radio relays, except satellites.

This shall not include above-ground transmission lines.

(d) Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the described premises:

(i) Utility generating plants;

(ii) Switching stations;

(iii) Substations;

(iv) Transformers; and

(v) Transmission lines.

This shall not include above-ground transmission lines.

(2) As used in this Coverage Extension, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

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(3) Coverage under this Coverage Extension does not apply to Business Income or Extra Expense related to interruption in utility service which causes damage to "electronic data", including destruction or corruption of "electronic data".

(4) The most we will pay is the Off Premises Utility Failure – Business Income limit shown in **Section I.C.** for loss you incur after the number of hours (also shown in **Section I.C.**) following direct physical loss or damage by a Covered Cause of Loss that disrupted the services provided by the utility services described above.

#### **Lease Cancellation Moving Expense**

Extra Expense coverage is extended to include any moving expenses incurred by you, that result from the cancellation of a lease at your premises described in the Declarations, provided that such lease cancellation occurs as a result of direct physical loss or damage to such premises by a Covered Cause of Loss.

The most we will pay for loss or damage under this Coverage Extension is the Lease Cancellation Moving Expense – Business Income limit shown in **Section I. C.**

#### **Contract Penalty**

We will pay for the actual loss that you are assessed, or are required to pay, as a result of failure to provide your product, or service, in accordance with contract terms or conditions. Your inability to provide your product or service must be the direct result of physical loss or damage to Covered Property by a Covered Cause of Loss.

The most we will pay for loss or damage under this Coverage Extension is the Contract Penalty limit shown in **Section I.C.**

#### **Increased Real Estate Tax Assessment Expense**

We will pay for the first increase in Real Estate Tax after a covered loss if such increase is directly attributable to an increased real estate tax assessed to the premises described

in the Declarations due to the repair or reconstruction of Covered Property at such premises following a covered loss. This Coverage Extension will apply only if:

- (1) The tax increase is charged to you during the policy period; and
- (2) The real estate tax increase is assessed within 2 years of the covered loss; and
- (3) The repair or reconstruction of Covered Property at the premises can be shown to be the cause of such real estate tax increase.

The most we will pay under this Coverage Extension is the lesser of:

- (1) The first increased real estate tax assessment; or
- (2) The Increased Real Estate Tax Assessment Expense limit shown in **Section I.C.**

**B. Section E. Optional Coverages** is amended as follows:

Paragraph 4. is deleted in its entirety and replaced with the following:

**4. Extended Period Of Indemnity**

Under Subparagraph **A.5.c. Extended Business Income**, the number 60 in Subparagraphs **(1)(b)(ii)** and **(2)(b)(ii)** is replaced with the number of days (shown in **Section I.A.** for Extended Period of Indemnity).

**C.** Subparagraph **a.** of Paragraph **3.** "Period of restoration" of **Section F. Definitions** is amended to include the following:

**(3)** For equipment breakdown:

**(a)** **(1)** and **(2)** above shall apply, except;

**(b)** If a time deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident". If a time deductible is expressed in days, each day shall mean twenty-four (24) consecutive hours; or

**(c)** If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of the policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the

ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

The number indicated in the Declarations will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible; or

**(d)** If a deductible for Equipment Breakdown is shown in the Equipment Breakdown – Other Conditions Endorsement, then as respects Equipment Breakdown Coverage, the "period of restoration" will begin immediately after the "accident", and the deductible shown in the Equipment Breakdown – Other Conditions Endorsement will apply.

**C.** **Section F. Definitions** is amended to include the following additional definitions:

"Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- a.** mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b.** artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- c.** explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;

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- d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment;
- e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents", all will be considered one "accident". All "accidents" that are the result of the same event will be considered one "accident".

"Computer Equipment" means electronic data processing systems including keyboards, display screens, terminals, printers, and related peripheral equipment used solely for data processing operations. "Computer equipment" shall not include such equipment held for sale, distribution, or which is manufactured in the course of your business.

"Covered equipment"

- a. "Covered equipment" means Covered Property, unless otherwise specified the Equipment Breakdown – Other Conditions Endorsement:

- (1) that generates, transmits or utilizes energy; or
- (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is "covered equipment":

- (1) structure, foundation, cabinet or compartment;
- (2) insulating or refractory material;
- (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "vehicle" or any equipment mounted on a "vehicle". For purposes of this limitation "vehicle" means any machine or apparatus that is used for transportation or moves under its own power including, but not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a vehicle;
- (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) dragline, excavation or construction equipment; or
- (8) equipment manufactured by you for sale.

"Electronic data" means information, instruction, or "programs" that are recorded on your "media", including original source material used to enter data.

"Media" means magnetic tapes, compact discs, diskettes, disk packs, cards, or other standardized data recording materials which can be read by your "computer equipment".

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"Programs" means software that are purchased or written specifically to be used with computer equipment".

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**IV. The CAUSES OF LOSS – SPECIAL FORM is amended as follows:**

**A. Section B. Exclusions is amended as follows:**

1. Subparagraphs **1.b. Earth Movement, 1.g. Water, 2.a. and 2.d.(6)** are amended to include the following:

This exclusion does not apply to loss or damage to "computer equipment".

2. The following is added to subparagraph **1.e. Utility Services:**

This exclusion does not apply to coverage provided under **Off Premises Utility Failure Coverage Extension of the Building Personal Property Coverage Form** (as added by the endorsement) and **Off Premises Utility Failure Coverage Extension of the Business and Extra Expense Coverage Form** (as added by this endorsement).

3. Subparagraph **1.g Water** is amended to include the following:

As respects the Additional Coverage – Equipment Breakdown, if electrical "covered equipment" requires drying out because of Water, we will pay the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible indicated in the Declarations.

4. Subparagraph **2.a.** is amended to include the following:

This exclusion does not apply to the extent that coverage is provided by Additional Coverage – Equipment Breakdown.

5. Subparagraph **2.d.(6)** is amended to include the following:

This exclusion does not apply to the extent that coverage is provided by Additional Coverage – Equipment Breakdown.

6. Subparagraph **2.e.** is amended to include the following:

This exclusion does not apply to the extent that coverage is provided by Additional Coverage – Equipment Breakdown.

7. Subparagraph **2.k.** is deleted in its entirety.

**B. Paragraph 4. Special Exclusions is amended as follows:**

Subparagraph **a. Business Income (And Extra Expense) Coverage Form (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form** is amended to include the following:

We will not pay for:

Except as provided by the Additional Coverage – Equipment Breakdown, or as provided under the Off Premises Utility Failure Coverage Extension in the Business Income (and Extra Expense) Coverage Form, any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

**C. Section C. Limitations is amended as follows:**

1. Subparagraphs **1.a. and 1.b.** are both amended to include the following:

This limitation does not apply to the extent that coverage is provided by Additional Coverage – Equipment Breakdown.

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2. Subparagraph **1.d.** is deleted in its entirety.
3. Subparagraph **2.c.(1)** is deleted in its entirety and replaced with the following:
  - (1) If the property is located on or within 1,000 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
4. Subparagraphs **3.a** through **3.d.** are deleted in their entirety and replaced with the following:
  - a. The Furs, Garments and Garments Trimmed With Fur limits shown in **Section I.D.** for any one occurrence or any one item for furs, fur garments and garments trimmed with fur.
  - b. The Jewelry, Watches, Watch Movements and Other Specified Items limits shown in **Section I.D.** for any one occurrence or any one item for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. Coverage for patterns, dies, molds and forms is included within the business personal property limit.
  - d. The Stamps, Tickets and Other Specified Items limits shown in **Section I.D.** for any one occurrence or any one item for stamps, tickets, including lottery tickets held for sale, and letters of credit.

**D. Section D. Additional Coverage - Collapse** is deleted in its entirety.

**E.** The following section is added to the Policy:

**Additional Coverage – Equipment Breakdown**

The most we will pay for loss or damage under this Additional Coverage – Equipment Breakdown arising from any one “accident” is the Limit of Insurance shown in the Declarations, or by endorsement hereto. Limits for this Additional Coverage – Equipment Breakdown are included in, and are not in addition to, Limits of Insurance for Covered Property.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident”.
2. The following coverages also apply to the direct result of an “accident”. These coverages do not provide additional amounts of insurance.
  - a. Expediting Expenses

With respect to your damaged Covered Property, we will pay for the reasonable extra cost to:

- (1) make temporary repairs; and
- (2) expedite permanent repairs or permanent replacement.

The most we will pay for loss, damage or expense under this coverage is the Expediting Expenses limit shown in **Section I.F.**

**b. Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a “hazardous substance”. This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. As used in this Additional Coverage – Equipment Breakdown, additional costs mean those beyond what would have been payable under this coverage had no “hazardous substance” been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is the Hazardous Substances limit shown in **Section I.F.**

**c. Spoilage**

**(1)** We will pay:

- (a)** for physical damage to “perishable goods” due to spoilage;
- (b)** for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c)** any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

**(2)** If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition of the Building and Personal Property Coverage Form.

The most we will pay for loss, damage or expense under this coverage is the Spoilage limit shown in **Section I.F.**

**d. Computer Equipment**

We will pay for loss, damage or expense caused by or resulting from an “accident” to “computer equipment”.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is the Computer Equipment limit shown in **Section I.F.** Computers used primarily to control or operate “covered equipment” are not subject to this limit.

**e. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost “electronic data”.

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is the Data Restoration limit shown in **Section I.F.**

f. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility, or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2) Unless otherwise shown in the Declarations or Equipment Breakdown – Other Conditions Endorsement, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident”.
- (3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a Service Interruption limit is shown in, **Section I.F.** that limit will apply to Business Income and Extra Expense loss under this Service Interruption coverage.

g. Business Income and Extra Expense

Any insurance provided under this policy for Business Income or Extra Expense is extended to Equipment Breakdown coverage.

The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the specific Business Income and Extra Expense limit shown in **Section I.F** for that coverage.

- 3. In addition to all other exclusions and limitations, we will not pay under this coverage for loss, damage or expense caused by or resulting from:
  - a. Any defect, programming error, programming limitation, computer virus, hacking, malicious code, loss of “electronic data”, loss of access, loss of use, loss of functionality or other condition within or involving “electronic data” or “media” of any kind. But if an “accident” results, we will pay for the resulting loss, damage or expense; or
  - b. Any of the following tests:
    - (1) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
    - (2) an electrical insulation breakdown test of any type of electrical equipment.
  - c. Misalignment, miscalibration, tripping off –line, or any condition that can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident”.
- 4. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for explosion of steam boilers, steam pipes, steam engines or steam turbines); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

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5. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
6. We will not pay under this coverage for any loss or damage to animals.
7. The following conditions are added:

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) your last known address; or
- (2) the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for the "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

**F. Section F. Additional Coverage Extensions** is amended as follows:

Paragraph **1. Property In Transit** is deleted in its entirety and replaced with the following:

**1. Property In Transit**

This Extension applies only to your covered personal property to which this form applies.

- a.** You may extend the insurance provided by this Coverage Part to apply to your covered personal property in "transit" includes shipments within the Coverage Territory, including, while waterborne on inland or coastal waterways within or between the Continental United States, Alaska, or Canada. This coverage shall not apply to the property of others for which you are responsible as a carrier for hire, as a shipper, or hauler.

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We shall pay for those shipments of your covered personal property in the custody of a carrier under a "shipping document".

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b. Loss or damage must be caused by or result from:

- (1) A Covered Cause of Loss; or
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.

c. The most we will pay for loss or damage under this Extension is the Property In Transit limit shown in **Section I.E.**

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Additional Coverage Extension.

2. **Section F. Additional Coverage Extensions** is amended to include the following additional Paragraphs:

**Back-up Of Sewers Or Drains**

Notwithstanding Subparagraph (3) of the Water Exclusion, we will pay for direct physical loss or damage to Covered Property solely caused by water or other materials that back up from a sewer or drain.

We will not pay for any loss or damage caused by water or other materials that back up from a sewer or drain when such back up is caused by any flood. Flood means accumulation of surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether wind driven or not.

The most we will pay for loss or damage under this Additional Coverage Extension is the Back-up Of Sewers Or Drains limit shown in **Section I.E.**

**Water Seepage**

We will pay for loss or damage caused by water under the ground surface pressing on, or flowing or seeping through:

- (1) Foundations, walls, floors or paved surfaces; or
- (2) Basements, whether paved or not.

The most we will pay for loss or damage under this Additional Coverage Extension is the Water Seepage limit shown in **Section I. E.**

This Additional Coverage Extension is not subject to the terms of Subparagraph **1.(g)(4)** of **Section B. Exclusions**, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage Extension.

**Additional Spoilage**

Except as otherwise covered by the Additional Coverage – Equipment Breakdown, we will pay for loss of or damage to your "perishable goods", caused by a power outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

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(1) Only the following Exclusions in Paragraph B.1. of the Causes of Loss Form Special Form are applicable to this Additional Coverage Extension: **FLORIDA OFFICE OF INSURANCE REGULATION**

- (a) Earth Movement;
- (b) Governmental Action;
- (c) Nuclear Hazard;
- (d) War And Military Action; and
- (e) Water.

(2) In addition, the following Exclusions apply to this Additional Coverage Extension:

We will not pay for loss or damage caused by or resulting from:

- (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
  - (i) Lack of fuel; or
  - (ii) Governmental order.
- (d) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage under this Additional Coverage Extension is the Additional Spoilage limit shown in **Section I.E.**

#### **Virus and Hacking**

- (1) We cover direct physical loss to covered “computer equipment”, “electronic data”, “media” or “programs”, and your Web site caused by a “computer virus” or by “computer hacking”.
- (2) However, we do not cover:
  - (a) loss of exclusive use of any “electronic data” or proprietary “programs” that have been copied, scanned, or altered;
  - (b) loss of or reduction in economic or market value of any “electronic data” or proprietary “programs” that have been copied, scanned, or altered;
  - (c) theft from your “electronic data” or proprietary “programs” of confidential information through the observation of the “electronic data” or proprietary “programs” by accessing covered “computer equipment”, your computer network, or your Web site without any alteration or other physical loss or

damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets; and

- (d) denial of access to or denial of services from your "computer equipment", your computer network, or Web site.

The most we pay in any one occurrence under this Additional Coverage Extension is the Virus and Hacking (any one occurrence) limit shown in Section I.E.

The most we pay for all covered losses under this Additional Coverage Extension during each separate 12 month period of this policy is the Virus and Hacking (per policy period) limit shown in Section I.E.

F. Section G. Definitions is amended to include the following additional definitions:

"Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents", all will be considered one "accident". All "accidents" that are the result of the same event will be considered one "accident".

"Boilers and Vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear in this policy, but may appear in the Equipment Breakdown – Other Conditions Endorsement.

"Computer Equipment" means electronic data processing systems including keyboards, display screens, terminals, printers, and related peripheral equipment used solely for data processing operations. "Computer equipment" shall not include such equipment held for sale, distribution, or which is manufactured in the course of your business.

"Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "computer equipment", "electronic data", "media" or "programs", a Web site, or a computer network and that results in but is not limited to:

- a. deletion, destruction, generation, or modification of "electronic data";

- b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of “electronic data”, “media” or “programs”;
- c. observation, scanning, or copying of “electronic data” or “media” and proprietary “programs”;
- d. damage, destruction, inadequacy, malfunction, degradation, or corruption of any “computer equipment” or “media” used with “computer equipment”; or
- e. denial of access to or denial of services from your “computer equipment”, your computer network, or Web site.

“Computer virus” means the introduction into “computer equipment”, “electronic data”, “media” or “programs”, or a Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:

- a. deletion, destruction, generation, or modification of “electronic data”, “media” or “programs”;
- b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of “electronic data”, “media” or “programs”;
- c. damage, destruction, inadequacy, malfunction, degradation, or corruption of any “computer equipment” or “media” used with “computer equipment”; or
- d. denial of access to or denial of services from your “computer equipment”, your computer network, or Web site.

“Covered equipment”

- a. “Covered equipment” means Covered Property, unless otherwise specified the Equipment Breakdown – Other Conditions Endorsement:
  - (1) that generates, transmits or utilizes energy; or
  - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

“Covered equipment” may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is “covered equipment”:
  - (1) structure, foundation, cabinet or compartment;
  - (2) insulating or refractory material;
  - (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
  - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (5) “vehicle” or any equipment mounted on a “vehicle”. For purposes of this limitation “vehicle” means any machine or apparatus that is used for transportation or moves under its own power including, but not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is

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stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a vehicle;

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- (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) dragline, excavation or construction equipment; or
- (8) equipment manufactured by you for sale.

“Electronic data” means information, instruction, or “programs” that are recorded on your “media”, including original source material used to enter data.

“Hazardous Substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

“Media” means magnetic tapes, compact discs, diskettes, disk packs, cards, or other standardized data recording materials which can be read by your electronic data processing equipment.

“Perishable Goods” means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

“Production Machinery” means any machine or apparatus that processes or produces a product intended for eventual sale. However, “production machinery” does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear in this policy, but may appear in the Equipment Breakdown – Other Conditions Endorsement.

“Programs” means software that are purchased or written specifically to be used with “computer equipment”.

“Transit” means the shipment of covered personal property that:

- a. Begins at the point of shipment to a specific destination;
- b. Includes the ordinary reasonable and necessary stops, interruptions, delays, or transfers incidental to the route and method of shipment, including rest periods taken by driver(s);
- c. Includes temporary storage at a terminal location, including while situated on or in the mode of transportation used for shipment of covered personal property, for up to 30 consecutive days; and
- d. Ends upon the acceptance of the covered personal property by or on behalf of the consignee at the specified destination.

All other terms and conditions of the policy remain the same.

\_\_\_\_\_  
Authorized Representative



## OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES  
COMMISSION

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GOVERNOR

JIMMY PATRONIS  
CHIEF FINANCIAL OFFICER

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ATTORNEY GENERAL

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COMMISSIONER OF  
AGRICULTURE

DAVID ALTMAIER  
COMMISSIONER

March 4, 2021

Mrs. Angela Caraballo  
Filing Analyst  
Granite State Insurance Company  
80 Pine Street, 13th Floor  
New York, NY 10005

RE: NEW HAMPSHIRE INSURANCE COMPANY  
ILLINOIS NATIONAL INSURANCE COMPANY  
GRANITE STATE INSURANCE COMPANY  
Property / Commercial Non-Residential (010 + 01.0001FLC)  
Company File Number: AIG-17-CP-11  
OIR File Number: FCC 21-005151  
**PLEASE REFER TO THE OIR FILE NUMBER WHEN CORRESPONDING**

Dear Mrs. Caraballo:

This is to acknowledge receipt of your filing for the above-referenced line of business, filed pursuant to Section 627.062(3)(d) of Florida Statutes. Attached for your records is a copy of the revised cover letter and a set of manual pages stamped "ACKNOWLEDGED" for the above referenced filing.

Our records indicate that this filing is effective 4/3/2021 for new business and 4/3/2021 for renewal business.

Note the Acknowledgement of this filing is contingent on the approval of filing FCC 21-004917. If withdrawn or disapproved, this filing will also need to be withdrawn.

*It is a company's responsibility to comply with all applicable statutes and rules.*

Please verify that these pages are the final printed manual pages intended for use with this filing and that the effective dates noted above are correct. **If we do not hear from you within the next 10 days, we will assume that you have received a stamped copy of all manual pages applicable to this filing and that the effective dates are correct.**

Sincerely,

Office of Insurance Regulation

• • •  
FLORIDA OFFICE OF INSURANCE REGULATION  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0330  
website: [www.floir.com](http://www.floir.com)

Affirmative Action / Equal Opportunity Employer

# Florida Office of Insurance Regulation

## I-File Workflow System

Filing Number: 21-005151

Request Type: Stamped Only



AIG Property Casualty  
State Filings Division  
80 Pine Street  
13th Floor  
New York, NY 10005  
www.aig.com

Angela Caraballo  
Senior Filing Analyst  
718 250-1732  
332 215-6351 Cell  
angela.caraballo@aig.com

**ACKNOWLEDGED**  
Date Received: 03/03/2021 Date Of Action: 03/04/2021  
FL OFFICE OF INSURANCE REGULATION

March 4, 2021

Honorable David Altmaier  
Commissioner of Insurance  
Office of Insurance Regulation  
Florida Department of Financial Services  
Property and Casualty Forms and Rates  
Room 233-A, Larson Building  
200 East Gaines Street  
Tallahassee, Florida 32399-0330

**RE: GRANITE STATE INSURANCE COMPANY**  
NAIC #012-23809 FEIN #02-0140690  
**ILLINOIS NATIONAL INSURANCE CO.**  
NAIC #012-23817 FEIN # 37-0344310  
**NEW HAMPSHIRE INSURANCE COMPANY**  
NAIC #012-23841 FEIN # 25-0172170  
**Commercial Property Non-Residential**  
**Our Filing No.: AIG-17-CP-11**

Dear Commissioner Altmaier:

The referenced companies submit for your review the attached manual page to replace the version currently on file with your Department under OIR File Number: FCC 17-23481. The associated Property Program Performance Endorsement form filing is currently pending under OIR File no. 21-004917.

Please refer to the attached explanatory memorandum, redline and rule page for information about the rule included in this submission.

Sincerely,

*Angela Caraballo*

Granite State Insurance Company  
Illinois National Insurance Co.  
New Hampshire Insurance Company

**ACKNOWLEDGED**  
Date Received: 03/03/2021 Date Of Action: 03/04/2021  
FL OFFICE OF INSURANCE REGULATION

**Commercial Lines Manual**  
**Division Five – Fire and Allied Lines Non-Residential Only**  
**Florida Exception Page**

**PROPERTY PROGRAM PERFORMANCE<sup>sm</sup> ENDORSEMENT**

**RATING RULE**

Property Program Performance<sup>sm</sup> Endorsement - Florida, Form No. 128446

The premium determined shall in all instances be increased by three percent (3%) of the ratable ISO exposure when the following form is utilized for policy issuance: Property Program Performance Endorsement - Florida, Form No. 128446.

The three percent (3%) premium charge for use of the form is further subject to a minimum policy premium charge of \$225, and a maximum policy premium charge of \$1,000.

The form is optional at the discretion of the insured.

All other ISO rules apply.

NOTE: Commercial residential risk, defined by Section 627.4025(1), F.S., including but not limited to condo association, apartment, assisted living facilities, residential dwellings, rooming/boarded houses, fraternity/sorority, monastery/nunnery/convent, etc., will not be eligible for Property Program Performance Endorsement - Florida, Form No. 128446.