

<i>SERFF Tracking Number:</i>	<i>AUST-128211701</i>	<i>State:</i>	<i>Oregon</i>
<i>Filing Company:</i>	<i>Austin Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>AUST-128211701</i>
<i>Company Tracking Number:</i>	<i>A-OR-BO-12-214</i>		
<i>TOI:</i>	<i>05.0 CMP Liability and Non-Liability</i>	<i>Sub-TOI:</i>	<i>05.0002 Businessowners</i>
<i>Product Name:</i>	<i>Businessowners</i>		
<i>Project Name/Number:</i>	<i>Businessowners/A-OR-BO-12-214</i>		

## Filing at a Glance

Company: Austin Mutual Insurance Company

Product Name: Businessowners

TOI: 05.0 CMP Liability and Non-Liability

Sub-TOI: 05.0002 Businessowners

Filing Type: Form/Rate/Rule

SERFF Tr Num: AUST-128211701 State: Oregon

SERFF Status: Closed-Approved

Co Tr Num: A-OR-BO-12-214

Authors: Jim Zaborowski, Ryan  
Solyntjes, Wayne Cwik

Date Submitted: 04/17/2012

State Tr Num: AUST-128211701

State Status: Review completed

Reviewer(s): David Dahl, FCAS,  
MAAA, Lorna Keyes, Rates and  
Forms Assistant/Analyst Trainee

Disposition Date: 05/18/2012

Disposition Status: Approved

Effective Date Requested (New): 08/01/2012

Effective Date Requested (Renewal): 08/01/2012

Effective Date (New): 08/01/2012

Effective Date (Renewal):  
08/01/2012

## General Information

Project Name: Businessowners

Project Number: A-OR-BO-12-214

Reference Organization: Insurance Services Offices, Inc. (ISO)

Reference Title: Businessowners

Filing Status Changed: 05/18/2012

State Status Changed: 05/18/2012

Created By: Jim Zaborowski

Corresponding Filing Tracking Number:

Filing Description:

We propose to revise our Oregon Businessowners Program for new and renewal policies effective on and after August 1, 2012. Our proposed changes are described below and outlined in the attached Deviation Filing.

Austin Mutual Insurance Company proposes to adopt the Insurance Services Offices, Inc. (ISO) Businessowners rules

Status of Filing in Domicile: Authorized

Domicile Status Comments: State of domicile -  
Minnesota

Reference Number: BP-2010-RLA1, BP-2010-  
RLC10, BP-2010-RCPR1, BP-2010-RLCF1,  
BP-2011-RLA1

Advisory Org. Circular: LI-BP-2010-205, LI-BP-  
2010-262, LI-BP-2010-156, LI-BP-2010-206, LI-  
BP-2011-249

Deemer Date:

Submitted By: Jim Zaborowski

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and loss costs revisions that have been filed on our behalf.

## Rules Filing BP-2010-RCPR1

Loss Costs Filing BP-2010-RLA1, BP-2010-RLC10, BP-2010-RLCF1 and BP-2011-RLA1

In addition, we propose to implement the following additional changes:

## Forms

We are introducing two new optional manuscript endorsements that will be used on Businessowners accounts when a request is made to modify the policy and a standard endorsement is not available;

Liability Coverage Changes, C377 06 12

Property Coverage Changes, C378 06 12

We are revising several company endorsements that are unique to Austin Mutual's Businessowners program;

Businessowners Amendatory Endorsement, C28 06 12 – This mandatory endorsement has been revised to include glass loss subject to the Optional Coverage/Glass Deductible shown in the Declarations.

BOP-XTRA, C367 06 12 – This optional endorsement will be available for all classes of business and has been revised as follows:

- Include a deductible of \$500
- Lock Replacement deductible of \$100 will apply
- Spoilage Coverage for any one occurrence has increase to \$50,000
- Fine Arts coverage for any one occurrence has increase to \$50,000
- Water Back-Up And Sump Overflow coverage has increase to \$25,000 per location
- Personal Property Off-premises coverage has increase to \$50,000
- Added Ordinance Or Law coverage
  - Undamaged Portion - Included in Building Limit
  - Demolition Cost & Increased Cost of Construction - \$100,000
- Personal Property Off-premises coverage has increase to \$50,000

Self-Storage Facilities XTRA, C368 06 12 – This optional endorsement has been revised to include a deductible of \$500.

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Motels-XTRA C361 06 12 – This mandatory endorsement has been revised to include a deductible of \$500.

## Rules and Rates

Currently there are two Company Loss Cost Multipliers, applicable to Apartment & Contractor classes and All Other classes. The Company Loss Cost multipliers will now be expanded to twelve Loss Cost Multipliers and are described in detail in the Deviation Filing.

## SECTION III – RATING AND ELIGIBILITY RULES

### Rule 23.B.5 Lessors or Occupant Liability

The Landlords Protective Liability rating factor has been revised to 78% of the Lessors' Liability rates.

### Rule 26. Dispersion Credit Plan

The Dispersion Credit factors have been revised.

## SECTION IV – OPTIONAL COVERAGE RULES

### Rule 28.A.12 Equipment Breakdown Coverage

The Hartford Steam Boiler Inspection and Insurance Company (HSB) reinsures 100% of our Equipment Breakdown exposure and they have developed new rates and rules for our program. Rates are per \$100 of Total Insured Value and are based on class of business. In addition, we propose to introduce a minimum and maximum premium of \$20 and \$610, respectfully.

## SECTION V – CLASS SPECIFIC ENDORSEMENT RULES

### Rule 44. BOP-XTRA Endorsement

This optional endorsement has been revised and will be available for all classes of business. Refer to Deviation Filing for details on rating.

Based upon our analysis of the current commercial insurance market, the proposed changes reflect our need to provide Businessowners coverage at a competitive level.

All other rates, rules and forms on file remain unchanged.

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Product Name: Businessowners  
Project Name/Number: Businessowners/A-OR-BO-12-214

State Narrative:

## Company and Contact

### Filing Contact Information

James Zaborowski, CPD Analyst jzaborowski@austinmutual.com  
PO Box 1420 763-657-8660 [Phone]  
Maple Grove, MN 55311-6420 763-657-8653 [FAX]

### Filing Company Information

Austin Mutual Insurance Company CoCode: 13412 State of Domicile: Minnesota  
15490 101st Avenue North Group Code: Company Type: Property & Casualty  
Maple Grove, MN 55369-9725 Group Name: State ID Number: 1320  
(763) 657-8600 ext. [Phone] FEIN Number: 41-0134100

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## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Austin Mutual Insurance Company	\$0.00		

## State Specific

Have you reviewed the General Instructions attached as a separate pdf at the bottom of the General Instructions page?: Yes

Did you read the instructions regarding how to enter the form number and edition date in the Forms Schedule tab?: Yes

Did you realize Oregon does not respond to Status Requests thru SERFF?: Yes

Please confirm that you have read the Fraud Bulletin 2010-3 located at:

<http://www.cbs.state.or.us/external/ins/bulletins/bulletin2010-03.pdf>: Yes

Have you attached under the Supporting Documentation tab any state specific Amendatory Endorsements that will be used to bring the submitted forms into compliance with our statutes?: Yes

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## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved	Lorna Keyes, Rates and Forms Assistant/Analyst Trainee	05/18/2012	05/18/2012

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## Disposition

Disposition Date: 05/18/2012

Effective Date (New): 08/01/2012

Effective Date (Renewal): 08/01/2012

Status: Approved

Comment:

Department of Consumer and Business Services

Oregon Insurance Division – Rates and Forms

Invitation to Comment on

Quality of Service from the Oregon Insurance Division

We strive to provide excellent customer service at all times and invite you to provide written comment regarding your filing experience.

Instructions for submitting a filing are on our Web site at [http://www.cbs.state.or.us/ins/docs/serff/filing\\_requirements.html](http://www.cbs.state.or.us/ins/docs/serff/filing_requirements.html) or contained within SERFF under the Filing Rules tab. Filings that contain a filing error may be returned without having been accepted for review. Filing errors that are considered include: form numbers that do not match, forms attached under the wrong tab, or missing documents required to be included in a filing. If we allow the company to correct a filing error it must be corrected within 24 hours or the filing will be rejected for “no response”.

If we contact you about compliance-related issues or corrections that need to be made to your filing or to documents within your filing, we must receive your complete response within 10 calendar days.

Any disapproval for reasons other than filing errors must be supported by our product standards. If you believe we have failed to meet our performance

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objectives or you believe we have provided outstanding performance, please let us know how. We value your comments and will use this information to improve our service.

You may request that your comments be kept confidential; however, be aware that confidential feedback limits our ability to follow up, as your concerns cannot be shared with staff. If you are not requesting confidentially, please include the SERFF or state tracking number with your comments.

Please explain if the Division met it's objective. Was your experience positive?

Comments:

Thank you.

Rhonda.I.Saunders-Ricks  
Rhonda.i.saunders-ricks@state.or .us  
Oregon Insurance Division  
Manager, Rates and Forms  
Telephone: 503-947-7983 or 503-947-7270  
Fax: 503-378-4351

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Austin Mutual Insurance Company	35.900%	6.100%	\$95,045	930	\$1,549,587	90.700%	-28.900%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter or Explanatory Memorandum	Not Applicable to filing	Yes
Supporting Document	Third party filers letter of authorization	Not Applicable to filing	Yes
Supporting Document	3894 Certification of Compliance	Approved	Yes
Supporting Document	3618 Standards for Monoline and Package Property	Disapproved	Yes
Supporting Document	Highlighted/Redline form version if a replaced, amended or similar forms	Reviewed-No Action	Yes
Supporting Document	Actuarial Memorandum	Reviewed-No Action	Yes
Supporting Document	Filing Deviation	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #1	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #2	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #3	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #4	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #5	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #6	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #7	Reviewed-No Action	Yes
Supporting Document	ORSSIF-1 #8	Reviewed-No Action	Yes
Form	Businessowners Amendatory Endorsement	Approved	Yes
Form	BOP-XTRA	Approved	Yes
Form	Self-Storage Facilities XTRA	Approved	Yes
Form	Motels-XTRA	Approved	Yes
Form	Liability Coverage Changes	Approved	Yes
Form	Property Coverage Changes	Approved	Yes

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## Form Schedule

Schedule Item	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved 05/18/2012	Businessowners Amendatory Endorsement	C28 06 12		Endorsement/Amendment/Conditions	Replaced Form #: C28 01 10 Previous Filing #: A-OR-BO-10-244		C280612.pdf
Approved 05/18/2012	BOP-XTRA	C367 06 12		Endorsement/Amendment/Conditions	Replaced Form #: C367 01 10 Previous Filing #: A-OR-BO-10-244		C3670612.pdf
Approved 05/18/2012	Self-Storage Facilities XTRA	C368 06 12		Endorsement/Amendment/Conditions	Replaced Form #: C368 01 10 Previous Filing #: A-OR-BO-10-244		C3680612.pdf
Approved 05/18/2012	Motels-XTRA	C361 06 12		Endorsement/Amendment/Conditions	Replaced Form #: C361 06 12 Previous Filing #: A-OR-BO-10-244		C3610612.pdf
Approved 05/18/2012	Liability Coverage Changes	C377 06 12		Endorsement/Amendment/Conditions			C3770612.pdf
Approved 05/18/2012	Property Coverage Changes	C378 06 12		Endorsement/Amendment/Conditions			C3780612.pdf

## BUSINESSOWNERS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

Paragraph **D.2. Deductibles** in **Section I – Property** is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass and under all of the following Optional Coverages in any one occurrence is the Optional Coverage/Glass Deductible shown in the Declarations:

- a. Money and Securities;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage/Glass Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

The following are added to **F. Liability And Medical Expenses Definitions** in **Section II – Liability**

"Asbestos" means the mineral in any form, including but not limited to, fibers or dust.

"Asbestos Hazard" means:

- 1. an actual exposure or threat of exposure to "asbestos"; or
- 2. the presence of "asbestos" in any place, whether or not within a building or structure.

"Bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of a communicable disease. A communicable disease is defined as a disease, which is caused by parasites, bacteria, viruses, or organisms and is readily transmitted from person to person, directly or through human secretions.

"EIFS" means an exterior wall cladding or finish system used on any part of any structure consisting of:

- a. a rigid or semi-rigid insulation board made of expanded polystyrene or other materials;
- b. an adhesive or mechanical attachment of the insulation board to the substrate;

- c. a reinforced base coat on the face of the insulation board or base coat and mesh;
- d. a protective finish applied to the surface of the base coat providing surface texture to which color may be added; and
- e. any conditioners, primers, accessories, flashings, coatings, caulking, and sealants that interact to form an energy efficient wall.

"Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

"Silica-related dust" means a mixture or combination of silica and other dust or particles.

The following are added to **B. Exclusions** in **Section II – Liability**

#### 1. Applicable to Business Liability Coverage

A. We do not pay for:

- 1. actual or alleged "bodily injury" arising out of the ingestion, inhalation or absorption of lead in any form;
- 2. actual or alleged "property damage" or "personal and advertising injury," arising out of any form of lead;
- 3. any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of lead; or
- 4. any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of lead.

B. We do not pay for loss by "bodily injury," "property damage" or "personal and advertising injury" because of:

- 1. any claim, suit or cost or expense resulting from any injury or damage which arises from the "asbestos hazard"; or

2. any cost or expense resulting from any claim or suit by or on behalf of any governmental authority for damages arising out of the "asbestos hazard."

C. We do not pay for "bodily injury," "property damage" or "personal and advertising injury" that arises out of the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. However, this does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

D. We do not pay for actual or alleged "bodily injury," "property damage" or "personal and advertising injury," that arises out of the design, manufacture, sale, service, construction, fabrication, preparation, installation, application, maintenance, or repair, including any remodeling, correction, or replacement of an "EIFS" or any part thereof, or any substantially similar system or any part thereof, including any method or procedure to correct problems with installed or partially installed systems performed by or on behalf of an insured.

We do not pay for actual or alleged "bodily injury," "property damage" or "personal and advertising injury," that arises out of "your work" and that results directly or indirectly from any exterior component, fixture, or feature of any structure if an "EIFS" is used on any part of that structure.

We do not pay for actual or alleged "bodily injury" or "property damage" included in the "products-completed operations hazard" and that results directly or indirectly from any exterior component, fixture, or feature of any structure if an "EIFS" is used on any part of that structure.

We do not pay for "bodily injury" or "property damage" liability assumed by an insured under a contract or agreement for the design, manufacture, sale, service, construction, fabrication, preparation, installation, application, maintenance, repair, including any remodeling, correction, or replacement of an "EIFS" or any part thereof, or any substantially similar system or any part thereof.

E. This insurance does not apply to:

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust."
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust," by any insured or by any other person or entity.

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

## **BOP-XTRA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

This coverage is subject to the terms of this endorsement and **Section I - Property** of the Businessowners Coverage Form.

The terms and limits of this endorsement apply separately to each premises described on the declarations and for which a limit for Building or Business Personal Property is shown on the declarations.

Paragraph **D.1. Deductibles** in **Section I – Property** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible of \$500. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

#### **I. Changes To Additional Coverages in Section I – Property.**

- A. Debris Removal** - This endorsement changes the Debris Removal coverage limit in paragraph **(4)** to \$25,000.
- B. Fire Department Service Charge** - This endorsement changes the Fire Department Service Charge coverage limit to \$5,000, unless a different Limit of Insurance is shown in the Declarations.
- C. Money Orders And "Counterfeit Money"**  
This endorsement changes the Money Orders And "Counterfeit Money" coverage limit to \$5,000.
- D. Forgery Or Alteration** - This endorsement changes the Forgery Or Alteration coverage limit in paragraph **(4)** to \$10,000, unless a higher Limit of Insurance is shown in the Declarations.
- E. Increased Cost of Construction**  
This endorsement changes the Increased Cost of Construction coverage limit in paragraph **(6)** to \$25,000.

**F. Fire Extinguisher Systems Recharge Expense** - This endorsement changes the Fire Extinguisher Systems Recharge Expense coverage limit in paragraph **(3)** to \$10,000 in any one occurrence.

**G. The following coverages are added to 5. Additional Coverages in Section I - Property Coverages:**

##### **1. Outdoor Signs**

- a.** This endorsement includes the coverage found under Outdoor Signs of Optional Coverages **G.1.**
- b.** The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000 unless a higher Limit of Insurance for outdoor signs is shown in the Declarations.

##### **2. Money And Securities**

- a.** This endorsement includes the coverage found under Money and Securities of Optional Coverages **G.2.**
- b.** The most we will pay for all loss in any one "occurrence" is \$10,000 unless a higher Limit of Insurance for "money" and "securities" is shown in the Declarations.

##### **3. Reward Payment**

- a.** We will reimburse you for rewards paid as follows:
  - (1)** Up to \$5,000 to an eligible person as described below, for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
  - (2) Up to \$5,000 to an eligible person as described below, for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
    - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
  - b. This Additional Coverage applies subject to the following conditions:
    - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return the stolen Covered Property, and who is not:
      - (a) You or any family member;
      - (b) Your employee or any of his or her family members;
      - (c) An employee of a law enforcement agency;
      - (d) An employee of a business engaged in property protection;
      - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
      - (f) Any person involved in the crime.
    - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
  - (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.
- 4. Computer Fraud**
- a. We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:
    - (1) To a person outside those premises; or
    - (2) To a place outside those premises.
  - b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000.
  - c. With respect to this Additional Coverage, the following conditions will apply:
    - (1) We cover loss or damage commencing during the policy period shown in the Declarations and within the coverage territory.
    - (2) The coverage territory is anywhere in the world.
- 5. Employee Dishonesty**
- a. This endorsement includes the coverage found under Employee Dishonesty of Optional Coverages **G.3.**
  - b. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$25,000 unless a higher Limit of Insurance for Employee Dishonesty coverage is shown in the Declarations.
- 6. Lock Replacement**
- a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
  - b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
  - c. Regardless of the amount of Deductible shown in the Declarations, a per occurrence deductible of \$100 will apply.

## **7. Spoilage Coverage**

- a.** We will pay for the loss of "perishable stock," as described below caused by:
  - (1)** A change in temperature or humidity resulting from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises;
  - (2)** Contamination by a refrigerant; and
  - (3)** 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.
- b.** The most we will pay for loss in any one occurrence under this Additional Coverage is \$50,000.
- c.** The value of the "perishable stock" will be the selling price, as if no loss or damage had occurred, less discounts and expenses you otherwise would have had.
- d.** This Additional Coverage does not apply if the spoilage results from:
  - (1)** Earth movement;
  - (2)** Governmental action;
  - (3)** Nuclear hazard;
  - (4)** War and military action;
  - (5)** Water;
  - (6)** The disconnection of any refrigerating, cooling or humidity control system from the source of power;
  - (7)** 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;
  - (8)** The inability of an electrical utility company or other power source to provide sufficient power due to:
    - (a)** Lack of fuel; or
    - (b)** Governmental order;
  - (9)** The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; and

- (10)** Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

- e.** We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this Additional Coverage.

- f.** You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us within 10 days, the spoilage coverage provided by this Additional Coverage will be automatically suspended at the involved location.

However, coverage provided by this Additional Coverage is restored upon:

- (1)** Reinstatement of the applicable refrigeration maintenance or service agreement; or
- (2)** Procurement of a replacement refrigeration maintenance or service agreement.

## **8. Brands and Labels**

- a.** If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

- (1)** Stamp the word "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

- (2)** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

- b.** We will pay reasonable costs you incur to perform the activity described in **a. (1)** or **(2)** above. But the total we pay for these costs and the value of the damaged property will not exceed \$10,000 for any one occurrence.

## **9. Fine Arts**

- a.** We will pay for direct loss of or damage to Fine Arts, whether owned by:

- (1) You; or
    - (2) Others, and in your care, custody or control.
  - b. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.
  - c. The most we will pay for loss in any one occurrence under this Additional Coverage is \$50,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
  - d. The value of fine arts will be the least of the following amounts:
    - (1) The actual cash value of that property at the time of loss;
    - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
    - (3) The cost of replacing that property with substantially identical property.
  - e. In the event of loss, the value of property will be determined as of the time of loss.
  - f. With respects to the Fine Arts coverage provided by this endorsement, the following conditions are added to Paragraph **E. Property Loss Conditions** under **Section I – Property**:
    - (1) In case of loss to any part of a pair or set we will:
      - (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.
    - (2) You must arrange for fine arts to be packed and unpacked by competent packers.
- 10. Water Back-Up And Sump Overflow**
- a. We will pay for direct physical loss or damage to Covered Property, covered under **Section I – Property**, caused by or resulting from:
    - (1) Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
    - (2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.
  - b. The coverage described in Paragraph a. of this endorsement does not apply to loss or damage resulting from an insured's failure to:
    - (1) Keep a sump pump or its related equipment in proper working condition; or
    - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
  - c. The most we will pay for the coverage provided under this endorsement is \$25,000 per location.
  - d. With respect to the coverage provided under this endorsement, the **Water Exclusion in Section I – Property** is replaced by the following exclusion:
 

**Water**

    - (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
    - (2) Mudslide or mudflow; or
    - (3) Water under the ground surface pressing on, or flowing or seeping through:
      - (a) Foundations, walls, floors or paved surfaces;
      - (b) Basements, whether paved or not; or
      - (c) Doors, windows or other openings; or

- (4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1) or (3), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (4), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (4), results in fire, explosion, or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- 11. Contingent Transit** – We will pay for goods you sell to others which are shipped to others at their risk of loss, but only if you cannot collect on the bill of sale due to the following:

- a. The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- b. your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$10,000.

**12. Ordinance Or Law**

Section B. Exclusion 1.a. is deleted.

**a. Coverage**

**(1) Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

**(2) Coverage 2 – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

**(3) Coverage 3 – Increased Cost Of Construction Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (a) Repair or reconstruct damaged portions of that building; and/or
- (b) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed, or remodeled.

- b. We will not pay under this endorsement for:

- (1) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi," wet or dry rot or bacteria; or

- (2) The costs associated with the enforcement of any 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," "fungi," wet or dry rot or bacteria.
- c. Under this endorsement, we will not pay for loss due to any ordinance or law that:
  - (1) You were required to comply with before the loss, even if the building was undamaged; and
  - (2) You failed to comply with
- d. The most we will pay under this Additional Coverage:
  - (1) For Undamaged Buildings is included within the Limit of Insurance applicable to the damaged Building and applies in any one occurrence.
  - (2) For Demolition Costs and Increased Cost of Construction is \$100,000 for any one occurrence.

**G. Coverage Extensions in Section I – Property** is amended as follows:

- 1. **Personal Property Off-premises** is replaced by the following:  
You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities," "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease, or operate. The most we will pay for loss or damage under this Extension is \$50,000.
- 2. **Outdoor Property** is replaced by the following:  
You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:
  - a. Fences or retaining walls that are not a part of a building. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;
  - b. Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;

- c. Trees, shrubs and plants (other than "stock" of trees, shrubs, or plants). The most we will pay for loss or damage, including debris removal expense, under this Coverage Extension is \$15,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant; and but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion; or
- (5) Aircraft.

- 3. **Personal Effects** - This endorsement changes paragraph d. Personal Effects coverage limit to \$10,000 at each described premises.

- 4. **Valuable Papers And Records** - Paragraph (3) of the Valuable Papers and Records Coverage Extension is deleted and replaced by the following:

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$35,000.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

- 5. **Accounts Receivable** – Paragraph (2) of the Accounts Receivable Coverage Extension is deleted and replaced by the following:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

- II. **Changes To Limits of Insurance - Section I – Property** – Paragraph (2) of Business Personal Property Limit – Seasonal Increase is deleted and replaced by the following:

- (2) 50% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations.

**III. Definitions**

**A. "Computer"**

As used in Section I of this endorsement, computer means:

- 1. Your programmable electronic equipment that is used to store, retrieve and process electronic data.

It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and

2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

It does not include electronic data and media.

- B. "Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

**C. "Occurrence":**

As respects to the coverage provided under Section I of this endorsement for Computer Fraud only, "occurrence" means:

1. An individual act or event;
2. The combined total of all separate acts or events whether or not related; or
3. A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations, before such policy period or both.

**D. "Perishable stock" means property:**

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

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

## **SELF-STORAGE FACILITIES XTRA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

This coverage is subject to the terms of this endorsement, **Section I - Property** and **Section II - Liability** of the Businessowners Coverage Form.

The terms and limits of this endorsement apply separately to each premises described on the declarations and for which a limit for Building or Business Personal Property is shown on the declarations.

Paragraph **D.1. Deductibles** in **Section I - Property** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible of \$500. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

#### **I. Changes To Additional Coverages in Section I - Property.**

- A. Fire Department Service Charge** - This endorsement changes the Fire Department Service Charge coverage limit to \$5,000, unless a different Limit of Insurance is shown in the Declarations.
- B. Money Orders And "Counterfeit Money"** This endorsement changes the Money Orders And "Counterfeit Money" coverage limit to \$5,000.
- C. Forgery Or Alteration** - This endorsement changes the Forgery Or Alteration coverage limit in paragraph (4) to \$10,000, unless a higher Limit of Insurance is shown in the Declarations.
- D. Increased Cost of Construction**  
This endorsement changes the Increased Cost of Construction coverage limit in paragraph (6) to \$25,000.
- E. Fire Extinguisher Systems Expense - This endorsement changes the Fire Extinguisher Systems Recharge Expense coverage limit in paragraph (3) to \$10,000 in any one occurrence.**

#### **II. The following coverages are added to 5. Additional Coverages in the Section I - Property Coverages:**

##### **1. Outdoor Signs**

- a** This endorsement includes the coverage found under Outdoor Signs of Optional Coverages **G.1**.
- b.** The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000 unless a higher Limit of Insurance for outdoor signs is shown in the Declarations.

##### **2. Money And Securities**

- a.** This endorsement includes the coverages found under Money and Securities of Optional Coverages **G.2**.
- b.** The most we will pay for all loss in any one "occurrence" is \$10,000 unless a higher Limit of Insurance for "money" and "securities" is shown in the Declarations.

##### **3. Reward Payment**

- a.** We will reimburse you for rewards paid as follows:
  - (1)** Up to \$5,000 to an eligible person as described below, for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss or loss to personal property of your "customers" while the property is at your storage facilities. However, we will pay no more than the lesser of the following amounts:
    - (a)** Actual cash value of the property at the time of loss or damage, but not more than the amount required to repair or replace it; or
    - (b)** The amount determined by the loss settlement procedure applicable to the property under the Loss Payment Condition.

- (2) Up to \$5,000 to an eligible person as described below, for the return of stolen Covered Property or stolen property of your "customers" while the property is at your storage facilities, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
    - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
  - b. This Additional Coverage applies subject to the following conditions:
    - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return the stolen Covered Property or stolen property of "customers," and who is not:
      - (a) You or any family member;
      - (b) Your employee or any of his or her family members;
      - (c) An employee of a law enforcement agency;
      - (d) An employee of a business engaged in property protection;
      - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
      - (f) Any person involved in the crime.
    - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
    - (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.
- 4. Computer Fraud**
- a. We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:
    - (1) To a person outside those premises; or
    - (2) To a place outside those premises.
  - b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000.
  - c. With respect to this Additional Coverage, the following are added to **E. Property Loss Conditions**:
    - (1) We cover loss or damage commencing during the policy period shown in the Declarations and within the coverage territory.
    - (2) The coverage territory is anywhere in the world.
- 5. Employee Dishonesty in 5. Additional Coverages** is deleted and replaced by the following:
- Employee Dishonesty**
- a. **Your Business Personal Property And Your Money And Securities**  
 We will pay for direct loss of or damage to your Business Personal Property and your "money" and "securities" resulting from dishonest acts committed by any of your "employees" acting alone or in collusion with other persons (except you or your partners, "members" or "managers") with the manifest intent to:
    - (1) Cause you to sustain loss or damage; and also
    - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
      - (a) Any "employee"; or
      - (b) Any other person or organization.
  - b. **Customers' Property**  
 We will pay for loss of or damage to "money," "securities" and other property sustained by your customer resulting directly from "theft" committed by an identified "employee," acting alone or in collusion with other persons.  
 The property covered under this coverage is limited to property:
    - (1) That your customer owns or leases;
    - (2) That your customer holds for others; or
    - (3) For which your customer is legally liable.
 However, this insurance is for your benefit only. It provides no rights or benefits to any other person or

organization, including your customer. Any claim for loss that is covered under this coverage must be presented by you.

**c.** We will not pay for:

**(1)** Loss or damage resulting from any dishonest or criminal act committed by:

**(a)** You, your partners, or your "members";

**(b)** Your "managers," directors, trustees, or authorized representatives; or

**(c)** Anyone to whom you entrust the property for any purpose; whether acting alone or in collusion with other persons.

Paragraph **(b)** does not apply to Customers' Property covered in Paragraph **b.** above.

**(2)** Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:

**(a)** Your inability to realize income that you would have realized had there been no loss of or damage to "money" or "securities";

**(b)** Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or

**(c)** Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**(3)** Expenses related to any legal action; or

**(4)** Loss or damage the only proof of which as to its existence or amount is one or both of the following:

**(a)** An inventory computation; or

**(b)** A profit and loss computation.

**d.** The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000, unless a higher limit of insurance is shown in the Declarations.

**e.** We will pay only for loss or damage you sustain through acts committed

or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**f.** This Additional Coverage does not apply to loss caused by any "employee" after discovery by:

**(1)** You; or

**(2)** Any of your partners, officers, directors, trustees, "members" or "managers" not in collusion with the "employee";

of any dishonest act committed by that "employee" before or after being hired by you.

**g.** We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

**h.** If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:

**(1)** This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and

**(2)** The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Additional Coverage.

**i.** The insurance under Paragraph **h.** above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

**(1)** This Additional Coverage as of its effective date; or

**(2)** The prior insurance, had it remained in effect.

**III. Coverage Extensions in Section I – Property** is amended as follows:

**1. Personal Property Off-premises** is replaced by the following:

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities," "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease, or operate. The most we will pay for loss or damage under this Extension is \$25,000;

**2. Outdoor Property** is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:

- a. Fences or retaining walls that are not a part of a building. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;
- b. Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;
- c. Trees, shrubs and plants (other than "stock" of trees, shrubs, or plants). The most we will pay for loss or damage, including debris removal expense, under this Coverage Extension is \$15,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant; but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion; or
- (5) Aircraft.

**3. Personal Effects** - This endorsement changes paragraph d. Personal Effects coverage limit to \$10,000 at each described premises.

**4. Valuable Papers And Records** Coverage Extension is deleted and replaced by the following:

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

- a. You may extend the insurance that applies to Your Business Personal

Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, (other than "valuable papers and records" stored at your facilities by your "customers") caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace, or restore lost information on "valuable papers and records" for which duplicates do not exist.

**b.** This Coverage Extension does not apply to:

- (1) Property held as samples or for delivery after sale; or
- (2) Property in storage away from the premises shown in the Declarations.

**c.** The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at each described premises is \$35,000. For "valuable papers and records" not at a described premises, the most we will pay is \$5,000 in any one occurrence.

**d.** Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

**e.** Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

- (1) Paragraph B.1.c., Governmental Action;
- (2) Paragraph B.1.d., Nuclear Hazard;
- (3) Paragraph B.1.f., War And Military Action;
- (4) Paragraph B.2.f., Dishonesty;
- (5) Paragraph B.2.g., False Pretense;
- (6) Paragraph B.2.m.(2), Errors Or Omissions; and
- (7) Paragraph B.3.

**5. Accounts Receivable** – Paragraph (2) of the Accounts Receivable Coverage Extension is deleted and replaced by the following:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000.  
For accounts receivable not at the described premises, the most we will pay is \$5,000.

IV. The following is added to **Section II - Liability:**  
**CUSTOMERS' PROPERTY LEGAL LIABILITY COVERAGE**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "customer's" property (or the property of others for which the "customer" is liable) only while at the insured's self-storage facilities. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The most we will pay for the sum of all damages under this Customers' Property Legal Liability Coverage because of "property damage" to "customers" property in any one "occurrence" is \$100,000, unless a higher limit of insurance is shown in the Declarations. This limit applies separately to each premises described in the Declarations.
- (2) We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and
- (3) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Customers' Property Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This insurance applies to "property damage" only if the "property damage":

- (1) Is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) Occurs during the policy period.

**2. Exclusions**

This insurance does not apply to:

- a. "Property damage" to any land motor vehicle, trailer, or semi-trailer stored by a "customer" at the described premises.
- b. "Property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- c. Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
- d. Liability arising out of your "sale and disposal operations."
- e. Any loss or damage for which coverage is provided under **Section I – Property** of the Businessowners Coverage Form.

3. With respect to this Customers' Property Legal Liability Coverage, the **Duties In The Event Of Occurrence, Offense, Claim, Or Suit** Condition is replaced by the following:

- a. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale of "customers" property, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.  
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- b. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an action to which this insurance may apply.

- c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

#### 4. **Supplementary Payments**

The **Supplementary Payments** provision applicable to **Section II – Liability** also applies to this Customers' Property Legal Liability Coverage.

### **SALE AND DISPOSAL LIABILITY COVERAGE**

#### 1. **Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers" property, in the course of "sale and disposal operations." We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for errors or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers" property under this Sale And Disposal Liability Coverage is \$25,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Sale And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This insurance applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

#### 2. **Exclusions**

This insurance does not apply to:

- a. Liability for damages which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- b. Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.

#### 3. **Supplementary Payments**

The **Supplementary Payments** provision applicable to **Section II – Liability** also applies to this Sale And Disposal Liability Coverage.

- 4. With respect to this Sale And Disposal Liability Coverage, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition is replaced by the following:

#### **Duties In The Event Of Claim Or Suit As A Result Of A Lock-Out Or Sale Of Customers' Property**

- a. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale of "customers" property, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- b. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an action to which this insurance may apply.
- c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

## V. Definitions

A. As used in Section I of this endorsement, "computer" means:

1. Your programmable electronic equipment that is used to store, retrieve and process electronic data. It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and
2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

It does not include electronic data and media.

B. "Customer" means any person or organization which is renting, leasing, or otherwise occupying space at your self-storage facility.

C. "Employee":

1. As respects to the coverage provided under Section II of this endorsement for Employee Dishonesty only, "employee" means:

a. Any natural person:

- (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to theft or any other dishonest act committed by the "employee";
- (2) Who you compensate directly by salary, wages or commissions; and
- (3) Who you have the right to direct and control while performing services for you;

b. Any natural person who is furnished temporarily to you:

- (1) To substitute for a permanent "employee" as defined in Paragraph 1.a.(1), who is on leave; or
- (2) To meet seasonal or short-term work load conditions; while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph 1.b.;

d. Any natural person who is a former "employee," partner, "member," "manager," director or trustee retained as a consultant while performing services for you;

e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises;

f. Any "employee" of an entity merged or consolidated with you prior to the effective date of this insurance; or

g. Any of your "managers," directors or trustees while:

(1) Performing acts within the scope of the usual duties of an "employee"; or

(2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

2. As respects to the coverage provided under Section II of this endorsement for Employee Dishonesty only, "employee" does not mean:

a. Any agent, broker, factor, commission merchant, consignee or independent contractor; or

b. A representative of the same general character as in Paragraph C.2.a., unless such representative is specified in Paragraph C.1.

D. "Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

- E.** "Lock-out" means denying a "customer" access to the "customer's" property or the occupancy of space the "customer" is renting, leasing, or otherwise occupying.
- F.** "Occurrence":  
As respects to the coverage provided under Section II of this endorsement for Computer Fraud and Customers' Property only, "occurrence" means:
1. An individual act or event;
  2. The combined total of all separate acts or events whether or not related;  
or
  3. A series of acts or events whether or not related;  
committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations, before such policy period or both.
- G.** "Sale And Disposal Operations" means all activities you conduct to reclaim rented storage space when "customers" accounts are delinquent or unpaid.
- H.** "Theft," as respects the coverage provided under Paragraph b. of Section II of this endorsement for Customers' Property under Employee Dishonesty only, means the unlawful taking of property to the deprivation of your customer.

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

## **MOTELS - XTRA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

This coverage is subject to the terms of this endorsement, **Section I - Property** and **Section II - Liability** of the Businessowners Coverage Form.

The terms and limits of this endorsement apply separately to each premises described on the declarations and for which a limit for Building or Business Personal Property is shown on the declarations.

Paragraph **D.1. Deductibles** in **Section I – Property** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible of \$500. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

**I. Paragraph A.1.b.(2) of Section I – Property** is replaced by the following:

**(2)** Property of others that is in your care, custody or control, excluding property belonging to guests staying at your motel, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**;

**II. The following is added to Paragraph A.1.b. of Section I – Property:**

**(6)** Your personal property in motel rooms furnished by you as a motel operator.

**III. Changes To Additional Coverages in Section I – Property.**

**A. Debris Removal** - This endorsement changes the Debris Removal coverage limit in paragraph **(4)** to \$25,000.

**B.. Fire Department Service Charge** - This endorsement changes the Fire Department Service Charge coverage limit to \$5,000, unless a different Limit of Insurance is shown in the Declarations.

**C. Money Orders And "Counterfeit Money"**  
This endorsement changes the Money Orders And "Counterfeit Money" coverage limit to \$2,000.

**D. Forgery Or Alteration** - This endorsement changes the Forgery Or Alteration coverage limit in paragraph **(4)** to \$5,000, unless a higher Limit of Insurance is shown in the Declarations.

**E. Fire Extinguisher Systems Recharge Expense** - This endorsement changes the Fire Extinguisher Systems Recharge Expense coverage limit to \$15,000 in any one occurrence.

**F. The following coverages are added to 5. Additional Coverages in Section I - Property Coverages:**

#### **1. Outdoor Signs**

**a.** This endorsement includes the coverage found under Outdoor Signs of Optional Coverages **G.1.**

**b.** The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000 unless a higher Limit of Insurance for outdoor signs is shown in the Declarations.

#### **2. Money And Securities**

**a.** This endorsement includes the coverage found under Money and Securities of Optional Coverages **G.2.**

**b.** The most we will pay for all loss in any one "occurrence" is \$10,000 unless a higher Limit of Insurance for "money" and "securities" is shown in the Declarations.

#### **3. Reward Payment**

**a.** We will reimburse you for rewards paid as follows:

**(1)** Up to \$5,000 to an eligible person as described below, for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
  - (2) Up to \$5,000 to an eligible person as described below, for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
    - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
  - b. This Additional Coverage applies subject to the following conditions:
    - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return the stolen Covered Property, and who is not:
      - (a) You or any family member;
      - (b) Your employee or any of his or her family members;
      - (c) An employee of a law enforcement agency;
      - (d) An employee of a business engaged in property protection;
      - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
      - (f) Any person involved in the crime.
    - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
  - (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.
- 4. Computer Fraud**
- a. We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:
    - (1) To a person outside those premises; or
    - (2) To a place outside those premises.
  - b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000.
  - c. With respect to this Additional Coverage, the following conditions will apply:
    - (1) We cover loss or damage commencing during the policy period shown in the Declarations and within the coverage territory.
    - (2) The coverage territory is anywhere in the world.
- 5. Employee Dishonesty**
- a. This endorsement includes the coverage found under Employee Dishonesty of Optional Coverages **G.3.**
  - b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000 unless a higher Limit of Insurance for employee dishonesty is shown in the Declarations.
- 6. Ordinance Or Law – Equipment Coverage**
- a. Subject to Paragraph **b.**, if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay the costs to repair or replace the equipment as required by law.
  - b. If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
    - (1) The cost to reclaim the refrigerant as required by law;

- (2) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990 and any amendments thereto or any other similar laws; and
  - (3) The increased cost to recharge the system with a non-CFC refrigerant.
  - c. The terms of this coverage apply separately to each piece of covered equipment.
  - d. We will not pay under this Additional Coverage for the costs associated with the enforcement of any 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."
  - e. Loss to the equipment will be determined as follows:
    - (1) If the replacement cost coverage applies and the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
      - (a) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
      - (b) The Limit of Insurance shown in the Declarations as applicable to the covered Building or Your Business Personal Property.
    - (2) If the replacement cost coverage applies and the equipment is not repaired or replaced, or if the replacement cost coverage does not apply, we will not pay more than the lesser of:
      - (a) The actual cash value of the equipment at the time of loss; or
      - (b) The Limit of Insurance shown in the Declarations as applicable to the Building or Your Business Personal Property.
    - (3) We will not pay for loss due to any ordinance or law that:
      - (a) You were required to comply with before the loss, even if the equipment was undamaged; and
      - (b) You failed to comply with.
- 7. Lock Replacement**
- a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
  - b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
  - c. Regardless of the amount of Deductible shown in the Declarations, a per occurrence deductible of \$100 will apply.
- 8. Food Contamination**
- a. If you are unable to provide food at the described premises by order of the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination as described below, we will pay the following:
    - (1) Extra expenses, meaning:
      - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
      - (b) Your expense to replace food which is, or is suspected to be, contaminated; and
      - (c) Your expense to provide necessary medical tests or vaccinations for your employees. However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy.
    - (2) The actual loss of "Business Income" you sustain due to the necessary "suspension" of your "operations."
 

The coverage for "Business Income" will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority.
    - (3) Additional advertising expenses you incur to restore your reputation.
  - b. Food contamination means an incidence of food poisoning to one or more of your guests, patrons, or invitees as a result of:

- (1) Tainted food you purchased;
    - (2) Food which has been improperly stored, handled or prepared; or
    - (3) A communicable disease transmitted through one or more of your employees.
  - c. The most we will pay under this Additional Coverage for loss in any one occurrence is:
    - (1) \$10,000 for extra expenses;
    - (2) \$10,000 for business income; and
    - (3) \$5,000 for additional advertising expenses.
  - d. We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination at the described premises.
- 9. Spoilage Coverage**
- a. We will pay for the loss of "perishable stock," as described below caused by:
    - (1) A change in temperature or humidity resulting from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises;
    - (2) Contamination by a refrigerant; and
    - (3) 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.
  - b. The most we will pay for loss in any one occurrence under this Additional Coverage is \$50,000.
  - c. The value of the "perishable stock" will be the selling price, as if no loss or damage had occurred, less discounts and expenses you otherwise would have had.
  - d. This Additional Coverage does not apply if the spoilage results from:
    - (1) Earth movement;
    - (2) Governmental action;
    - (3) Nuclear hazard;
    - (4) War and military action;
    - (5) Water;
    - (6) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
    - (7) 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;
    - (8) The inability of an electrical utility company or other power source to provide sufficient power due to:
      - (a) Lack of fuel; or
      - (b) Governmental order;
    - (9) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; and
    - (10) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
  - e. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this Additional Coverage.
  - f. You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us within 10 days, the spoilage coverage provided by this Additional Coverage will be automatically suspended at the involved location. However, coverage provided by this Additional Coverage is restored upon:
    - (1) Reinstatement of the applicable refrigeration maintenance or service agreement; or
    - (2) Procurement of a replacement refrigeration maintenance or service agreement.
- 10. Guests' Evacuation Expense Coverage**
- a. We will reimburse you for reasonable and necessary expenses that you incur to evacuate a described premises because of imminent danger to the life or safety of your guests posed by a Covered Cause of Loss.
  - b. We will not reimburse you for any:

- (1) Planned evacuation drill; or
  - (2) Strike, bomb threat or false fire alarm, unless the order to evacuate the described premises is issued by a civil authority having jurisdiction.
  - c. The most we will reimburse you in any one occurrence under this Additional Coverage is \$25,000 at each described premises.
- G. Coverage Extensions in Section I – Property** is amended as follows:
- 1. **Personal Effects** - This endorsement changes the Personal Effects coverage limit to \$5,000 at each described premises.
  - 2. **Valuable Papers And Records** This endorsement changes the Valuable Papers And Records coverage limits to:
    - a. \$25,000 in any one occurrence at each described premises, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.
    - b. For "valuable papers and records" not at a described premise, the most we will pay is \$10,000 in any one occurrence.
  - 3. **Outdoor Property** is replaced by the following:  
You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:
    - a. Fences or retaining walls that are not a part of a building. The most we will pay for loss or damage under this Extension is \$15,000 in any one occurrence;
    - b. Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Extension is \$15,000 in any one occurrence;
    - c. Trees, shrubs and plants (other than "stock" of trees, shrubs, or plants). The most we will pay for loss or damage, including debris removal expense, under this Extension is \$25,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant; and
    - d. Bridges, roadways, walks or patios. The most we will pay for loss or damage under this Extension is \$15,000 for any one occurrence;

but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1) Fire;
  - (2) Lightning;
  - (3) Explosion;
  - (4) Riot or civil commotion; or
  - (5) Aircraft.
  - e. To the extent that coverage for outdoor property is provided under this Extension, the provisions of Property Not Covered in **Section I – Property** do not apply.
- IV. Changes To Exclusions in Section I – Property**
- A. The **Ordinance Or Law** exclusion in **Exclusions of Section I** does not apply to the **Ordinance Or Law – Equipment Coverage** of this endorsement.
  - B. Paragraph (7) of the **Other Types of Loss** exclusion is replaced by the following:  
We will not pay for the following causes of loss to personal property:
    - 1. Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a Covered Cause of Loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with, "computers"; or
    - 2. Marring or scratching.  
But if an excluded Cause of Loss that is listed in Paragraph 1. or 2. above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.
  - C. The **Exclusions** Section does not apply to the **Guests' Evacuation Expense** Additional Coverage in Section I of this endorsement, except for the following exclusions:
    - 1. Governmental Action;
    - 2. Nuclear Hazard; and
    - 3. War And Military Action.
- V. Changes To Section II – Liability Coverages**  
The following is added to **Section II - Liability**:
- A. **Liability For Guests' Property Coverage Insuring Agreement**
    - 1. We will pay those sums that you become legally obligated to pay as damages because of loss or destruction of, or damage to property belonging to your motel guests while the property is on your premises or in your possession. We will have the right and duty to defend the insured against any "suit" seeking those

damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

a. The most we will pay for all damages under this Liability For Guests' Property Coverage because of loss or destruction of or damage to property belonging to your guests in any one "occurrence," regardless of the number of guests, is \$25,000 unless a higher amount is shown in the Declarations.

b. Subject to the applicable limit stated above in 1.a., the most we will pay for all damages because of loss or destruction of or damage to property belonging to any one guest is \$1,000, unless a higher amount is shown in the Declarations.

All loss, destruction, or damage involving a single act or series of related acts whether caused by one or more persons is considered one "occurrence."

c. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Liability For Guests' Property Coverage.

2. This insurance applies to damages resulting from the loss or destruction of, or damage to property belonging to motel guests only if the loss or destruction of, or damage to property took place in the "coverage territory" during the policy period.

3. This coverage does not apply to the following property:

- a. Samples or articles held for sale;
- b. Vehicles, including equipment, accessories or any property contained in or on a vehicle; and
- c. Property belonging to your guests while the property is in a "safe deposit box" on your premises.

**4. Exclusions Applicable To Liability For Guests' Property Coverage**

This insurance does not apply to:

- a. Liability excluded under Business Liability Coverage.

However, with respect to the coverage provided for damage to Guests' Property, Exclusion **B.1.k.(4)** of **Section II – Liability** does not apply;

b. Dishonest acts committed by you, your partners, members, or managers;

c. Destruction of or damage to property resulting from the spilling, upsetting or leaking of any food or liquid;

d. Loss or destruction of or damage to property resulting from seizure or destruction of the property by order of governmental authority; and

e. Liability incurred from your release of any other person or organization from legal liability

**B. Services Errors And Omissions Coverage**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of an error or omission by you or any of your "employees" or by any concessionaire trading under your name in providing facilities, goods, or services. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for errors and omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any error or omission and settle any claim or "suit" that may result. But:

(1) The most we will pay for the sum of all damages under this Services Errors And Omissions Coverage because of all services errors and omissions is \$25,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This Limit of Insurance applies separately to each premises described in the Declarations;

(2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and

- (3) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Services Errors And Omissions Coverage.
  - b. This insurance applies only to errors in the providing of facilities, goods or services that takes place, or omissions in providing such goods, facilities or services that should have taken place, in the "coverage territory" and during the policy period.
- 2. Exclusions Applicable To Services Errors And Omissions Coverage**  
This insurance does not apply to:
- a. Intentional error or intentional failure to provide any services.
  - b. "Bodily injury," "property damage," or "personal and advertising injury."
  - c. Discrimination based on a guest's or invitee's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition or residence location.
- 3. With respect to this Services Errors And Omissions Coverage, the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition is replaced by the following:**
- a. You must see to it that we are notified as soon as practicable of an error or omission which may result in a claim. To the extent possible, notice should include:
    - (1) How, when and where the error or omission took place; and
    - (2) The names and addresses of the affected guest(s).
  - b. If a claim is made or "suit" is brought against any insured, you must:
    - (1) Immediately record the specifics of the claim or "suit" and the date received; and
    - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
  - c. You and any other involved insured must:
    - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
    - (2) Authorize us to obtain records and other information;

(3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an error or omission to which this insurance may apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

**B. Paragraph C. Who Is An Insured of Section II – Liability** is amended to include as an insured:

- 1. Any person or organization with respect to their liability as a grantor of a franchise to you.
- 2. Any person or organization with respect to their liability as a concessionaire trading under your name with your permission.

## **VI. Definitions**

### **A. "Computer"**

As used in Section I of this endorsement, computer means:

- 1. Your programmable electronic equipment that is used to store, retrieve and process electronic data.  
It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and
- 2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

It does not include electronic data and media.

**B. "Forgery"** means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

### **C. "Occurrence":**

As respects to the coverage provided under Section I of this endorsement for Computer Fraud only, "occurrence" means:

- 1. An individual act or event;
- 2. The combined total of all separate acts or events whether or not related; or

3. A series of acts or events whether or not related;  
committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations, before such policy period or both.

D. "Perishable stock" means property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

E. "Safe Deposit Box"

As respects to the coverage provided under Section II of this endorsement for Liability For Guests' Property Coverage only, "Safe Deposit Box" means:

1. A box or safe used for safe storage of valuables; and
2. The box or safe must be in an area inaccessible to the public whereby the valuables are turned over to the custody of a motel representative.

"Safe deposit box" does not include any safe or storage facility in motel units occupied by guests.

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

**LIABILITY COVERAGE CHANGES**

This endorsement modifies insurance provided under the following:

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

**PROPERTY COVERAGE CHANGES**

This endorsement modifies insurance provided under the following:

SERFF Tracking Number: AUST-128211701  
Filing Company: Austin Mutual Insurance Company  
Company Tracking Number: A-OR-BO-12-214  
TOI: 05.0 CMP Liability and Non-Liability  
Product Name: Businessowners  
Project Name/Number: Businessowners/A-OR-BO-12-214

State: Oregon  
State Tracking Number: AUST-128211701  
Sub-TOI: 05.0002 Businessowners

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Prior Approval
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	-6.400%
<b>Effective Date of Last Rate Revision:</b>	01/01/2011
<b>Filing Method of Last Filing:</b>	Prior Approval

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Austin Mutual Insurance Company	35.900%	6.100%	\$95,045	930	\$1,549,587	90.700%	-28.900%

SERFF Tracking Number:	AUST-128211701	State:	Oregon
Filing Company:	Austin Mutual Insurance Company	State Tracking Number:	AUST-128211701
Company Tracking Number:	A-OR-BO-12-214		
TOI:	05.0 CMP Liability and Non-Liability	Sub-TOI:	05.0002 Businessowners
Product Name:	Businessowners		
Project Name/Number:	Businessowners/A-OR-BO-12-214		

## Supporting Document Schedules

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Cover Letter or Explanatory Memorandum	Not Applicable to filing	05/18/2012
<b>Bypass Reason:</b> Please refer to Filing Description on General Information tab, Form Schedule tab and Oregon Deviation Filing.		
<b>Comments:</b>		

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Third party filers letter of authorization	Not Applicable to filing	05/18/2012
<b>Bypass Reason:</b> N/A		
<b>Comments:</b>		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> 3894 Certification of Compliance	Approved	05/18/2012
<b>Comments:</b>		
<b>Attachment:</b> 3894.pdf		

	Item Status:	Status Date:
<b>Bypassed - Item:</b> 3618 Standards for Monoline and Package Property	Disapproved	05/18/2012
<b>Bypass Reason:</b> N/A		
<b>Comments:</b>		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Highlighted/Redline form version if a replaced, amended or similar	Reviewed-No Action	05/18/2012

SERFF Tracking Number: AUST-128211701 State: Oregon  
Filing Company: Austin Mutual Insurance Company State Tracking Number: AUST-128211701  
Company Tracking Number: A-OR-BO-12-214  
TOI: 05.0 CMP Liability and Non-Liability Sub-TOI: 05.0002 Businessowners  
Product Name: Businessowners  
Project Name/Number: Businessowners/A-OR-BO-12-214  
forms

**Comments:**

Redline of forms approved 9/24/2010, filing A-OR-BO-10-244.

**Attachments:**

C280110 Redline.pdf  
C3610110 Redline.pdf  
C3670110 Redline.pdf  
C3680110 Redline.pdf

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Actuarial Memorandum	Reviewed-No Action	05/18/2012
<b>Comments:</b>		
<b>Attachment:</b>		
OR BOP Actuarial Memorandum.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Filing Deviation	Reviewed-No Action	05/18/2012
<b>Comments:</b>		
<b>Attachment:</b>		
OR BP ISO Dev Filing.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> ORSSIF-1	Reviewed-No Action	05/18/2012
<b>Comments:</b>		
<b>Attachment:</b>		
ORRFAF-1.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> ORSSIF-1 #1	Reviewed-No Action	05/18/2012
<b>Comments:</b>		
Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Office, Optional		

SERFF Tracking Number: AUST-128211701 State: Oregon  
Filing Company: Austin Mutual Insurance Company State Tracking Number: AUST-128211701  
Company Tracking Number: A-OR-BO-12-214  
TOI: 05.0 CMP Liability and Non-Liability Sub-TOI: 05.0002 Businessowners  
Product Name: Businessowners  
Project Name/Number: Businessowners/A-OR-BO-12-214

Coverages and All Other

**Attachment:**

ORSSIF-1 #1.pdf

	Item Status:	Status Date:
<b>Satisfied - Item:</b> ORSSIF-1 #2	Reviewed-No Action	05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Contractors, Convenience Stores, and Restaurants

**Attachment:**

ORSSIF-1 #2.pdf

	Item Status:	Status Date:
<b>Satisfied - Item:</b> ORSSIF-1 #3	Reviewed-No Action	05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Apartments

**Attachment:**

ORSSIF-1 #3.pdf

	Item Status:	Status Date:
<b>Satisfied - Item:</b> ORSSIF-1 #4	Reviewed-No Action	05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Retail and Distributors/Wholesale

**Attachment:**

ORSSIF-1 #4.pdf

	Item Status:	Status Date:
<b>Satisfied - Item:</b> ORSSIF-1 #5	Reviewed-No Action	05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Motels

SERFF Tracking Number: AUST-128211701 State: Oregon  
Filing Company: Austin Mutual Insurance Company State Tracking Number: AUST-128211701  
Company Tracking Number: A-OR-BO-12-214  
TOI: 05.0 CMP Liability and Non-Liability Sub-TOI: 05.0002 Businessowners  
Product Name: Businessowners  
Project Name/Number: Businessowners/A-OR-BO-12-214

**Attachment:**

ORSSIF-1 #5.pdf

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** ORSSIF-1 #6

Reviewed-No Action

05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Service

**Attachment:**

ORSSIF-1 #6.pdf

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** ORSSIF-1 #7

Reviewed-No Action

05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Condominium

**Attachment:**

ORSSIF-1 #7.pdf

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** ORSSIF-1 #8

Reviewed-No Action

05/18/2012

**Comments:**

Adoption of Rating Organization Prospective Loss Costs Summary of Supporting Information Form - Storage

**Attachment:**

ORSSIF-1 #8.pdf

Department of Consumer & Business Services  
**Oregon Insurance Division - 5**  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97301-3883  
Phone (503) 947-7983

**CERTIFICATE OF COMPLIANCE**

I, the undersigned authorized filer, hereby certify that the filing submitted complies with the applicable Oregon laws, Oregon Administrative Rules, Oregon Insurance Bulletins and applicable filing requirements and product standards set forth on the Insurance Division's web site and that the filing is not false or misleading in any material respect. I further certify that I am authorized to sign and submit this certificate on behalf of the Company identified below (hereinafter Company).

I, the undersigned authorized officer, a duly authorized officer of Company, certify that the undersigned authorized filer is authorized to certify on behalf of Company that this filing complies with the Oregon laws, Oregon Administrative Rules, Oregon Insurance Bulletins and applicable filing requirements and product standards set forth on the Insurance Division's web site and that the filing is not false or misleading in any material respect. I understand that the Oregon Insurance Division will rely on this certificate and, should it be determined that this filing is materially false or misleading, appropriate corrective and disciplinary action including monetary penalties, as authorized by law, will be taken by the Oregon Insurance Division against the Company.

Austin Mutual Insurance Company

A-OR-BO-12-214

Name of Company

Company's filing number or the primary form number for the filing

April 17, 2012

Signature of authorized filer

Date

James R. Zaborowski, CPCU

15490 101st Avenue N.

Print name of authorized filer

Address of Company or authorized filer

CPD Analyst

Maple Grove, MN 55369

Title

City State ZIP

(763) 657-8660

jzaborowski@austinmutual.com

Direct telephone number of authorized filer

E-mail address of authorized filer

(800) 328-4628

(763) 657-8653

Toll free or collect phone number

Fax number of authorized filer

**Wayne Cwik**  
Digitally signed by Wayne Cwik  
DN: cn=Wayne Cwik, o=Austin Mutual Insurance Co.,  
ou=Actuarial and Regulatory Services,  
email=wcwik@austinmutual.com, c=US  
Date: 2012.04.17 14:54:20 -05'00'

April 17, 2012

Signature of authorized officer and title

Date

Wayne Cwik, Assistant VP

April 17, 2012

Print name of authorized officer and title

Date

## BUSINESSOWNERS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

Paragraph D.2. Deductibles in Section I – Property is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass and under all of the following Optional Coverages in any one occurrence is the Optional Coverage/Glass Deductible shown in the Declarations:

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

But this Optional Coverage/Glass Deductible will not increase the Deductible shown in the Declarations.

This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

The following are added to **F. Liability And Medical Expenses Definitions** in **Section II – Liability**

"Asbestos" means the mineral in any form, including but not limited to, fibers or dust.

"Asbestos Hazard" means:

1. an actual exposure or threat of exposure to "asbestos"; or
2. the presence of "asbestos" in any place, whether or not within a building or structure.

"Bodily injury" does not mean bodily harm, sickness, disease, or death that arises out of a communicable disease. A communicable disease is defined as a disease, which is caused by parasites, bacteria, viruses, or organisms and is readily transmitted from person to person, directly or through human secretions.

"EIFS" means an exterior wall cladding or finish system used on any part of any structure consisting of:

- a. a rigid or semi-rigid insulation board made of expanded polystyrene or other materials;
- b. an adhesive or mechanical attachment of the insulation board to the substrate;

- c. a reinforced base coat on the face of the insulation board or base coat and mesh;
- d. a protective finish applied to the surface of the base coat providing surface texture to which color may be added; and
- e. any conditioners, primers, accessories, flashings, coatings, caulking, and sealants that interact to form an energy efficient wall.

"Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

"Silica-related dust" means a mixture or combination of silica and other dust or particles.

The following are added to **B. Exclusions** in **Section II – Liability**

#### 1. Applicable to Business Liability Coverage

A. We do not pay for:

1. actual or alleged "bodily injury" arising out of the ingestion, inhalation or absorption of lead in any form;
2. actual or alleged "property damage" or "personal and advertising injury," arising out of any form of lead;
3. any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of lead; or
4. any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of lead.

B. We do not pay for loss by "bodily injury," "property damage" or "personal and advertising injury" because of:

1. any claim, suit or cost or expense resulting from any injury or damage which arises from the "asbestos hazard"; or

2. any cost or expense resulting from any claim or suit by or on behalf of any governmental authority for damages arising out of the "asbestos hazard."

C. We do not pay for "bodily injury," "property damage" or "personal and advertising injury" that arises out of the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. However, this does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

D. We do not pay for actual or alleged "bodily injury," "property damage" or "personal and advertising injury," that arises out of the design, manufacture, sale, service, construction, fabrication, preparation, installation, application, maintenance, or repair, including any remodeling, correction, or replacement of an "EIFS" or any part thereof, or any substantially similar system or any part thereof, including any method or procedure to correct problems with installed or partially installed systems performed by or on behalf of an insured.

We do not pay for actual or alleged "bodily injury," "property damage" or "personal and advertising injury," that arises out of "your work" and that results directly or indirectly from any exterior component, fixture, or feature of any structure if an "EIFS" is used on any part of that structure.

We do not pay for actual or alleged "bodily injury" or "property damage" included in the "products-completed operations hazard" and that results directly or indirectly from any exterior component, fixture, or feature of any structure if an "EIFS" is used on any part of that structure.

We do not pay for "bodily injury" or "property damage" liability assumed by an insured under a contract or agreement for the design, manufacture, sale, service, construction, fabrication, preparation, installation, application, maintenance, repair, including any remodeling, correction, or replacement of an "EIFS" or any part thereof, or any substantially similar system or any part thereof.

E. This insurance does not apply to:

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust."
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust," by any insured or by any other person or entity.

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

## **MOTELS - XTRA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

This coverage is subject to the terms of this endorsement, **Section I - Property** and **Section II - Liability** of the Businessowners Coverage Form.

The terms and limits of this endorsement apply separately to each premises described on the declarations and for which a limit for Building or Business Personal Property is shown on the declarations.

Paragraph D.1. Deductibles in Section I – Property is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible of \$500. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

I. Paragraph **A.1.b.(2)** of **Section I – Property** is replaced by the following:

(2) Property of others that is in your care, custody or control, excluding property belonging to guests staying at your motel, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**;

II. The following is added to Paragraph **A.1.b.** of **Section I – Property**:

(6) Your personal property in motel rooms furnished by you as a motel operator.

III. **Changes To Additional Coverages in Section I – Property.**

**A. Debris Removal** - This endorsement changes the Debris Removal coverage limit in paragraph **(4)** to \$25,000.

**B.. Fire Department Service Charge** - This endorsement changes the Fire Department Service Charge coverage limit to \$5,000, unless a different Limit of Insurance is shown in the Declarations.

**C. Money Orders And "Counterfeit Money"**  
This endorsement changes the Money Orders And "Counterfeit Money" coverage limit to \$2,000.

**D. Forgery Or Alteration** - This endorsement changes the Forgery Or Alteration coverage limit in paragraph **(4)** to \$5,000, unless a higher Limit of Insurance is shown in the Declarations.

**E. Fire Extinguisher Systems Recharge Expense** - This endorsement changes the Fire Extinguisher Systems Recharge Expense coverage limit to \$15,000 in any one occurrence.

**F.** The following coverages are added to **5. Additional Coverages** in **Section I - Property Coverages**:

#### **1. Outdoor Signs**

- a. This endorsement includes the coverage found under Outdoor Signs of Optional Coverages **G.1.**
- b. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000 unless a higher Limit of Insurance for outdoor signs is shown in the Declarations.

#### **2. Money And Securities**

- a. This endorsement includes the coverage found under Money and Securities of Optional Coverages **G.2.**
- b. The most we will pay for all loss in any one "occurrence" is \$10,000 unless a higher Limit of Insurance for "money" and "securities" is shown in the Declarations.

#### **3. Reward Payment**

- a. We will reimburse you for rewards paid as follows:

- (1) Up to \$5,000 to an eligible person as described below, for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
  - (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
  - (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
- (2) Up to \$5,000 to an eligible person as described below, for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
  - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
  - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
- b. This Additional Coverage applies subject to the following conditions:
  - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return the stolen Covered Property, and who is not:
    - (a) You or any family member;
    - (b) Your employee or any of his or her family members;
    - (c) An employee of a law enforcement agency;
    - (d) An employee of a business engaged in property protection;
    - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
    - (f) Any person involved in the crime.
  - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
  - (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

#### 4. Computer Fraud

- a. We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:
  - (1) To a person outside those premises; or
  - (2) To a place outside those premises.
- b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000.
- c. With respect to this Additional Coverage, the following conditions will apply:
  - (1) We cover loss or damage commencing during the policy period shown in the Declarations and within the coverage territory.
  - (2) The coverage territory is anywhere in the world.

#### 5. Employee Dishonesty

- a. This endorsement includes the coverage found under Employee Dishonesty of Optional Coverages **G.3**.
- b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000 unless a higher Limit of Insurance for employee dishonesty is shown in the Declarations.

## 6. Ordinance Or Law – Equipment Coverage

- a. Subject to Paragraph b., if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay the costs to repair or replace the equipment as required by law.
- b. If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
  - (1) The cost to reclaim the refrigerant as required by law;
  - (2) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990 and any amendments thereto or any other similar laws; and
  - (3) The increased cost to recharge the system with a non-CFC refrigerant.
- c. The terms of this coverage apply separately to each piece of covered equipment.
- d. We will not pay under this Additional Coverage for the costs associated with the enforcement of any 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."
- e. Loss to the equipment will be determined as follows:
  - (1) If the replacement cost coverage applies and the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
    - (a) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
    - (b) The Limit of Insurance shown in the Declarations as applicable to the covered Building or Your Business Personal Property.

- (2) If the replacement cost coverage applies and the equipment is not repaired or replaced, or if the replacement cost coverage does not apply, we will not pay more than the lesser of:

- (a) The actual cash value of the equipment at the time of loss; or
- (b) The Limit of Insurance shown in the Declarations as applicable to the Building or Your Business Personal Property.

- (3) We will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the equipment was undamaged; and
- (b) You failed to comply with.

## 7. Lock Replacement

- a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
- b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
- c. Regardless of the amount of Deductible shown in the Declarations, A a per occurrence deductible of \$100 will apply.

## 8. Food Contamination

- a. If you are unable to provide food at the described premises by order of the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination as described below, we will pay the following:
  - (1) Extra expenses, meaning:
    - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
    - (b) Your expense to replace food which is, or is suspected to be, contaminated; and

- (c) Your expense to provide necessary medical tests or vaccinations for your employees. However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy.
  - (2) The actual loss of "Business Income" you sustain due to the necessary "suspension" of your "operations."
 

The coverage for "Business Income" will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority.
  - (3) Additional advertising expenses you incur to restore your reputation.
  - b. Food contamination means an incidence of food poisoning to one or more of your guests, patrons or invitees as a result of:
    - (1) Tainted food you purchased;
    - (2) Food which has been improperly stored, handled or prepared; or
    - (3) A communicable disease transmitted through one or more of your employees.
  - c. The most we will pay under this Additional Coverage for loss in any one occurrence is:
    - (1) \$10,000 for extra expenses;
    - (2) \$10,000 for business income; and
    - (3) \$5,000 for additional advertising expenses.
  - d. We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination at the described premises.
- 9. Spoilage Coverage**
- a. We will pay for the loss of "perishable stock," as described below caused by:
    - (1) A change in temperature or humidity resulting from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises;
    - (2) Contamination by a refrigerant; and
    - (3) 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.
  - b. The most we will pay for loss in any one occurrence under this Additional Coverage is \$50,000.
  - c. The value of the "perishable stock" will be the selling price, as if no loss or damage had occurred, less discounts and expenses you otherwise would have had.
  - d. This Additional Coverage does not apply if the spoilage results from:
    - (1) Earth movement;
    - (2) Governmental action;
    - (3) Nuclear hazard;
    - (4) War and military action;
    - (5) Water;
    - (6) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
    - (7) 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;
    - (8) The inability of an electrical utility company or other power source to provide sufficient power due to:
      - (a) Lack of fuel; or
      - (b) Governmental order;
    - (9) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; and
    - (10) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

- e. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this Additional Coverage.
- f. You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us within 10 days, the spoilage coverage provided by this Additional Coverage will be automatically suspended at the involved location.

However, coverage provided by this Additional Coverage is restored upon:

- (1) Reinstatement of the applicable refrigeration maintenance or service agreement; or
- (2) Procurement of a replacement refrigeration maintenance or service agreement.

#### 10. Guests' Evacuation Expense Coverage

- a. We will reimburse you for reasonable and necessary expenses that you incur to evacuate a described premises because of imminent danger to the life or safety of your guests posed by a Covered Cause of Loss.
- b. We will not reimburse you for any:
  - (1) Planned evacuation drill; or
  - (2) Strike, bomb threat or false fire alarm, unless the order to evacuate the described premises is issued by a civil authority having jurisdiction.
- c. The most we will reimburse you in any one occurrence under this Additional Coverage is \$25,000 at each described premises.

#### G. Coverage Extensions in Section I – Property is amended as follows:

- 1. **Personal Effects** - This endorsement changes the Personal Effects coverage limit to \$5,000 at each described premises.

#### 2. Valuable Papers And Records This endorsement changes the Valuable Papers And Records coverage limits to:

- a. \$25,000 in any one occurrence at each described premises, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.
- b. For "valuable papers and records" not at a described premise, the most we will pay is \$10,000 in any one occurrence.

#### 3. Outdoor Property is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:

- a. Fences or retaining walls that are not a part of a building. The most we will pay for loss or damage under this Extension is \$15,000 in any one occurrence;
- b. Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Extension is \$15,000 in any one occurrence;
- c. Trees, shrubs and plants (other than "stock" of trees, shrubs or plants). The most we will pay for loss or damage, including debris removal expense, under this Extension is \$25,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant; and
- d. Bridges, roadways, walks or patios. The most we will pay for loss or damage under this Extension is \$15,000 for any one occurrence;

but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion; or
- (5) Aircraft.
- e. To the extent that coverage for outdoor property is provided under this Extension, the provisions of Property Not Covered in **Section I – Property** do not apply.

#### IV. Changes To **Exclusions** in **Section I – Property**

A. The **Ordinance Or Law** exclusion in **Exclusions** of **Section I** does not apply to the **Ordinance Or Law – Equipment Coverage** of this endorsement.

B. Paragraph (7) of the **Other Types of Loss** exclusion is replaced by the following:

We will not pay for the following causes of loss to personal property:

1. Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a Covered Cause of Loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with, "computers"; or
2. Marring or scratching.

But if an excluded Cause of Loss that is listed in Paragraph 1. or 2. above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

C. The **Exclusions** Section does not apply to the **Guests' Evacuation Expense** Additional Coverage in **Section I** of this endorsement, except for the following exclusions:

1. Governmental Action;
2. Nuclear Hazard; and
3. War And Military Action.

#### V. Changes To **Section II – Liability Coverages**

The following is added to **Section II - Liability**:

##### A. **Liability For Guests' Property Coverage** **Insuring Agreement**

1. We will pay those sums that you become legally obligated to pay as damages because of loss or destruction of, or damage to property belonging to your motel guests while the property is on your premises or in your possession. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

a. The most we will pay for all damages under this **Liability For Guests' Property Coverage** because of loss or destruction of or damage to property belonging to your guests in any one "occurrence," regardless of the number of guests, is \$25,000 unless a higher amount is shown in the **Declarations**.

b. Subject to the applicable limit stated above in 1.a., the most we will pay for all damages because of loss or destruction of or damage to property belonging to any one guest is \$1,000, unless a higher amount is shown in the **Declarations**.

All loss, destruction or damage involving a single act or series of related acts whether caused by one or more persons is considered one "occurrence."

c. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this **Liability For Guests' Property Coverage**.

2. This insurance applies to damages resulting from the loss or destruction of, or damage to property belonging to motel guests only if the loss or destruction of, or damage to property took place in the "coverage territory" during the policy period.

3. This coverage does not apply to the following property:

- a. Samples or articles held for sale;
- b. Vehicles, including equipment, accessories or any property contained in or on a vehicle; and
- c. Property belonging to your guests while the property is in a "safe deposit box" on your premises.

##### 4. **Exclusions Applicable To Liability For Guests' Property Coverage**

This insurance does not apply to:

a. Liability excluded under **Business Liability Coverage**.

However, with respect to the coverage provided for damage to **Guests' Property**, **Exclusion B.1.k.(4) of Section II – Liability** does not apply;

b. Dishonest acts committed by you, your partners, members or managers;

- c. Destruction of or damage to property resulting from the spilling, upsetting or leaking of any food or liquid;
- d. Loss or destruction of or damage to property resulting from seizure or destruction of the property by order of governmental authority; and
- e. Liability incurred from your release of any other person or organization from legal liability

## **B. Services Errors And Omissions Coverage**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of an error or omission by you or any of your "employees" or by any concessionaire trading under your name in providing facilities, goods or services. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for errors and omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any error or omission and settle any claim or "suit" that may result. But:
  - (1) The most we will pay for the sum of all damages under this Services Errors And Omissions Coverage because of all services errors and omissions is \$25,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This Limit of Insurance applies separately to each premises described in the Declarations;
  - (2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and
  - (3) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Services Errors And Omissions Coverage.
- b. This insurance applies only to errors in the providing of facilities, goods or services that takes place, or omissions in providing such goods, facilities or services that should have taken place, in the "coverage territory" and during the policy period.

### **2. Exclusions Applicable To Services Errors And Omissions Coverage**

This insurance does not apply to:

- a. Intentional error or intentional failure to provide any services.
  - b. "Bodily injury," "property damage," or "personal and advertising injury."
  - c. Discrimination based on a guest's or invitee's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition or residence location.
- 3. With respect to this Services Errors And Omissions Coverage, the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition is replaced by the following:**
- a. You must see to it that we are notified as soon as practicable of an error or omission which may result in a claim. To the extent possible, notice should include:
    - (1) How, when and where the error or omission took place; and
    - (2) The names and addresses of the affected guest(s).
  - b. If a claim is made or "suit" is brought against any insured, you must:
    - (1) Immediately record the specifics of the claim or "suit" and the date received; and
    - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
  - c. You and any other involved insured must:
    - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
    - (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an error or omission to which this insurance may apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- B. Paragraph C. Who Is An Insured of Section II – Liability** is amended to include as an insured:
- 1. Any person or organization with respect to their liability as a grantor of a franchise to you.
  - 2. Any person or organization with respect to their liability as a concessionaire trading under your name with your permission.

## VI. Definitions

### A. "Computer"

As used in Section I of this endorsement, computer means:

- 1. Your programmable electronic equipment that is used to store, retrieve and process electronic data.  
  
It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and
- 2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

It does not include electronic data and media.

- B. "Forgery"** means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- C. "Occurrence":**  
As respects to the coverage provided under Section I of this endorsement for Computer Fraud only, "occurrence" means:
  - 1. An individual act or event;

- 2. The combined total of all separate acts or events whether or not related; or
- 3. A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations, before such policy period or both.

### D. "Perishable stock" means property:

- 1. Maintained under controlled conditions for its preservation; and
- 2. Susceptible to loss or damage if the controlled conditions change.

### E. "Safe Deposit Box"

As respects to the coverage provided under Section II of this endorsement for Liability For Guests' Property Coverage only, "Safe Deposit Box" means:

- 1. A box or safe used for safe storage of valuables; and
- 2. The box or safe must be in an area inaccessible to the public whereby the valuables are turned over to the custody of a motel representative.

"Safe deposit box" does not include any safe or storage facility in motel units occupied by guests.

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

## **BOP-XTRA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

This coverage is subject to the terms of this endorsement and **Section I - Property** of the Businessowners Coverage Form.

The terms and limits of this endorsement apply separately to each premises described on the declarations and for which a limit for Building or Business Personal Property is shown on the declarations.

Paragraph D.1. Deductibles in Section I – Property is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible of \$500. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

#### **I. Changes To Additional Coverages in Section I – Property.**

- A. Debris Removal** - This endorsement changes the Debris Removal coverage limit in paragraph (4) to \$25,000.
- B. Fire Department Service Charge** - This endorsement changes the Fire Department Service Charge coverage limit to \$5,000, unless a different Limit of Insurance is shown in the Declarations.
- C. Money Orders And "Counterfeit Money"**  
This endorsement changes the Money Orders And "Counterfeit Money" coverage limit to \$5,000.
- D. Forgery Or Alteration** - This endorsement changes the Forgery Or Alteration coverage limit in paragraph (4) to \$10,000, unless a higher Limit of Insurance is shown in the Declarations.
- E. Increased Cost of Construction**  
This endorsement changes the Increased Cost of Construction coverage limit in paragraph (6) to \$25,000.

**F. Fire Extinguisher Systems Recharge Expense** - This endorsement changes the Fire Extinguisher Systems Recharge Expense coverage limit in paragraph (3) to \$10,000 in any one occurrence.

#### **G. The following coverages are added to 5. Additional Coverages in Section I - Property Coverages:**

##### **1. Outdoor Signs**

- a.** This endorsement includes the coverage found under Outdoor Signs of Optional Coverages **G.1.**
- b.** The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000 unless a higher Limit of Insurance for outdoor signs is shown in the Declarations.

##### **2. Money And Securities**

- a.** This endorsement includes the coverage found under Money and Securities of Optional Coverages **G.2.**
- b.** The most we will pay for all loss in any one "occurrence" is \$10,000 unless a higher Limit of Insurance for "money" and "securities" is shown in the Declarations.

##### **3. Reward Payment**

- a.** We will reimburse you for rewards paid as follows:
  - (1)** Up to \$5,000 to an eligible person as described below, for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
  - (2) Up to \$5,000 to an eligible person as described below, for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
    - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
    - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
  - b. This Additional Coverage applies subject to the following conditions:
    - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return the stolen Covered Property, and who is not:
      - (a) You or any family member;
      - (b) Your employee or any of his or her family members;
      - (c) An employee of a law enforcement agency;
      - (d) An employee of a business engaged in property protection;
      - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
      - (f) Any person involved in the crime.
    - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
    - (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.
- 4. Computer Fraud**
- a. We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:
    - (1) To a person outside those premises; or
    - (2) To a place outside those premises.
  - b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000.
  - c. With respect to this Additional Coverage, the following conditions will apply:
    - (1) We cover loss or damage commencing during the policy period shown in the Declarations and within the coverage territory.
    - (2) The coverage territory is anywhere in the world.
- 5. Employee Dishonesty**
- a. This endorsement includes the coverage found under Employee Dishonesty of Optional Coverages **G.3**.
  - b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000 unless a higher Limit of Insurance for Employee Dishonesty coverage is shown in the Declarations.
- 6. Lock Replacement**
- a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
  - b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.

- c. Regardless of the amount of Deductible shown in the Declarations, A a per occurrence deductible of \$100 will apply.

## 7. Spoilage Coverage

- a. We will pay for the loss of "perishable stock," as described below caused by:
  - (1) A change in temperature or humidity resulting from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises;
  - (2) Contamination by a refrigerant; and
  - (3) 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.
- b. The most we will pay for loss in any one occurrence under this Additional Coverage is ~~\$25,000~~ 50,000.
- c. The value of the "perishable stock" will be the selling price, as if no loss or damage had occurred, less discounts and expenses you otherwise would have had.
- d. This Additional Coverage does not apply if the spoilage results from:
  - (1) Earth movement;
  - (2) Governmental action;
  - (3) Nuclear hazard;
  - (4) War and military action;
  - (5) Water;
  - (6) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
  - (7) 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;
  - (8) The inability of an electrical utility company or other power source to provide sufficient power due to:
    - (a) Lack of fuel; or
    - (b) Governmental order;

- (9) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; and

- (10) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

- e. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this Additional Coverage.
- f. You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us within 10 days, the spoilage coverage provided by this Additional Coverage will be automatically suspended at the involved location.

However, coverage provided by this Additional Coverage is restored upon:

- (1) Reinstatement of the applicable refrigeration maintenance or service agreement; or
- (2) Procurement of a replacement refrigeration maintenance or service agreement.

## 8. Brands and Labels

- a. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:
  - (1) Stamp the word "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
  - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

- b. We will pay reasonable costs you incur to perform the activity described in a. (1) or (2) above. But the total we pay for these costs and the value of the damaged property will not exceed \$10,000 for any one occurrence.

#### 9. Fine Arts

- a. We will pay for direct loss of or damage to Fine Arts, whether owned by:
  - (1) You; or
  - (2) Others, and in your care, custody or control.
- b. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.
- c. The most we will pay for loss in any one occurrence under this Additional Coverage is ~~\$40,000~~ 50,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
- d. The value of fine arts will be the least of the following amounts:
  - (1) The actual cash value of that property at the time of loss;
  - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
  - (3) The cost of replacing that property with substantially identical property.
- e. In the event of loss, the value of property will be determined as of the time of loss.
- f. With respects to the Fine Arts coverage provided by this endorsement, the following conditions are added to Paragraph E. **Property Loss Conditions** under **Section I – Property**:
  - (1) In case of loss to any part of a pair or set we will:
    - (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.

- (2) You must arrange for fine arts to be packed and unpacked by competent packers.

#### 10. Water Back-Up And Sump Overflow

- a. We will pay for direct physical loss or damage to Covered Property, covered under **Section I – Property**, caused by or resulting from:
  - (1) Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
  - (2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.
- b. The coverage described in Paragraph a. of this endorsement does not apply to loss or damage resulting from an insured's failure to:
  - (1) Keep a sump pump or its related equipment in proper working condition; or
  - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- c. The most we will pay for the coverage provided under this endorsement is ~~\$40,000~~ 25,000 per location.
- d. With respect to the coverage provided under this endorsement, the **Water** Exclusion in **Section I – Property** is replaced by the following exclusion:

#### **Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow; or
- (3) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1) or (3), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (4), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**11. Contingent Transit** – We will pay for goods you sell to others which are shipped to others at their risk of loss, but only if you cannot collect on the bill of sale due to the following:

- a. The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- b. your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$10,000.

## **12. Ordinance Or Law**

Section B. Exclusion 1.a. is deleted.

### **a. Coverage**

#### **(1) Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance

or law that requires demolition of undamaged parts of the same building.

### **(2) Coverage 2 – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

### **(3) Coverage 3 – Increased Cost Of Construction Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (a) Repair or reconstruct damaged portions of that building; and/or**
- (b) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;**

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.**
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed, or remodeled.**

**b. We will not pay under this endorsement for:**

- (1) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi," wet or dry rot or bacteria; or**

- (2) The costs associated with the enforcement of any 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," "fungi," wet or dry rot or bacteria.
- c. Under this endorsement, we will not pay for loss due to any ordinance or law that:
  - (1) You were required to comply with before the loss, even if the building was undamaged; and
  - (2) You failed to comply with
- d. The most we will pay under this Additional Coverage:
  - (1) For Undamaged Buildings is included within the Limit of Insurance applicable to the damaged Building and applies in any one occurrence.
  - (2) For Demolition Costs and Increased Cost of Construction is \$100,000 for any one occurrence.

**G. Coverage Extensions in Section I – Property** is amended as follows:

**1. Personal Property Off-premises** is replaced by the following:

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities," "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is ~~\$25,000~~ \$50,000

**2. Outdoor Property** is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:

- a.** Fences or retaining walls that are not a part of a building. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;

- b.** Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;

- c.** Trees, shrubs and plants (other than "stock" of trees, shrubs or plants). The most we will pay for loss or damage, including debris removal expense, under this Coverage Extension is \$15,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant; and

but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1)** Fire;
- (2)** Lightning;
- (3)** Explosion;
- (4)** Riot or civil commotion; or
- (5)** Aircraft.

**3. Personal Effects** - This endorsement changes paragraph **d.** Personal Effects coverage limit to \$10,000 at each described premises.

**4. Valuable Papers And Records** - Paragraph **(3)** of the Valuable Papers and Records Coverage Extension is deleted and replaced by the following:

- (3)** The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$35,000.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

**5. Accounts Receivable** – Paragraph **(2)** of the Accounts Receivable Coverage Extension is deleted and replaced by the following:

- (2)** The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

**II. Changes To Limits of Insurance - Section I – Property** – Paragraph **(2)** of Business Personal Property Limit – Seasonal Increase is deleted and replaced by the following:

- (2) 50% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations.

### III. Definitions

#### A. "Computer"

As used in Section I of this endorsement, computer means:

1. Your programmable electronic equipment that is used to store, retrieve and process electronic data.

It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and

2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

It does not include electronic data and media.

- B. "Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

#### C. "Occurrence":

As respects to the coverage provided under Section I of this endorsement for Computer Fraud only, "occurrence" means:

1. An individual act or event;
2. The combined total of all separate acts or events whether or not related; or
3. A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations, before such policy period or both.

#### D. "Perishable stock" means property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

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

## **SELF-STORAGE FACILITIES XTRA**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

This coverage is subject to the terms of this endorsement, **Section I - Property** and **Section II - Liability** of the Businessowners Coverage Form.

The terms and limits of this endorsement apply separately to each premises described on the declarations and for which a limit for Building or Business Personal Property is shown on the declarations.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible of \$500. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

#### **I. Changes To Additional Coverages in Section I – Property.**

- A. Fire Department Service Charge** - This endorsement changes the Fire Department Service Charge coverage limit to \$5,000, unless a different Limit of Insurance is shown in the Declarations.
- B. Money Orders And "Counterfeit Money"** This endorsement changes the Money Orders And "Counterfeit Money" coverage limit to \$5,000.
- C. Forgery Or Alteration** - This endorsement changes the Forgery Or Alteration coverage limit in paragraph (4) to \$10,000, unless a higher Limit of Insurance is shown in the Declarations.
- D. Increased Cost of Construction**  
This endorsement changes the Increased Cost of Construction coverage limit in paragraph (6) to \$25,000.
- E. Fire Extinguisher Systems Expense** - This endorsement changes the Fire Extinguisher Systems Recharge Expense coverage limit in paragraph (3) to \$10,000 in any one occurrence.

#### **II. The following coverages are added to 5. Additional Coverages in the Section I - Property Coverages:**

#### **1. Outdoor Signs**

- a** This endorsement includes the coverage found under Outdoor Signs of Optional Coverages **G.1**.
- b** The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000 unless a higher Limit of Insurance for outdoor signs is shown in the Declarations.

#### **2. Money And Securities**

- a** This endorsement includes the coverages found under Money and Securities of Optional Coverages **G.2**.
- b** The most we will pay for all loss in any one "occurrence" is \$10,000 unless a higher Limit of Insurance for "money" and "securities" is shown in the Declarations.

#### **3. Reward Payment**

- a** We will reimburse you for rewards paid as follows:
  - (1)** Up to \$5,000 to an eligible person as described below, for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss or loss to personal property of your "customers" while the property is at your storage facilities. However, we will pay no more than the lesser of the following amounts:
    - (a)** Actual cash value of the property at the time of loss or damage, but not more than the amount required to repair or replace it; or
    - (b)** The amount determined by the loss settlement procedure applicable to the property under the Loss Payment Condition.

- (2) Up to \$5,000 to an eligible person as described below, for the return of stolen Covered Property or stolen property of your "customers" while the property is at your storage facilities, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
- (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

- b. This Additional Coverage applies subject to the following conditions:

- (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return the stolen Covered Property or stolen property of "customers," and who is not:

- (a) You or any family member;
- (b) Your employee or any of his or her family members;
- (c) An employee of a law enforcement agency;
- (d) An employee of a business engaged in property protection;
- (e) Any person who had custody of the Covered Property at the time the theft was committed; or
- (f) Any person involved in the crime.

- (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

- (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

#### 4. Computer Fraud

- a. We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:

- (1) To a person outside those premises; or
- (2) To a place outside those premises.

- b. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000.

- c. With respect to this Additional Coverage, the following are added to **E. Property Loss Conditions**:

- (1) We cover loss or damage commencing during the policy period shown in the Declarations and within the coverage territory.
- (2) The coverage territory is anywhere in the world.

5. **Employee Dishonesty** in **5. Additional Coverages** is deleted and replaced by the following:

#### **Employee Dishonesty**

- a. **Your Business Personal Property And Your Money And Securities**

We will pay for direct loss of or damage to your Business Personal Property and your "money" and "securities" resulting from dishonest acts committed by any of your "employees" acting alone or in collusion with other persons (except you or your partners, "members" or "managers") with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (a) Any "employee"; or
  - (b) Any other person or organization.

- b. **Customers' Property**

We will pay for loss of or damage to "money," "securities" and other property sustained by your customer resulting directly from "theft" committed by an identified "employee," acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- (1) That your customer owns or leases;
- (2) That your customer holds for others; or
- (3) For which your customer is legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your customer. Any claim for loss that is covered under this coverage must be presented by you.

**c.** We will not pay for:

- (1) Loss or damage resulting from any dishonest or criminal act committed by:

- (a) You, your partners, or your "members";
- (b) Your "managers," directors, trustees, or authorized representatives; or
- (c) Anyone to whom you entrust the property for any purpose;

whether acting alone or in collusion with other persons.

Paragraph (b) does not apply to Customers' Property covered in Paragraph b. above.

- (2) Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss of or damage to "money" or "securities";
- (b) Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or
- (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

- (3) Expenses related to any legal action; or

- (4) Loss or damage the only proof of which as to its existence or amount is one or both of the following:

- (a) An inventory computation; or
- (b) A profit and loss computation.

- d. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$25,000, unless a higher limit of insurance is shown in the Declarations.

- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- f. This Additional Coverage does not apply to loss caused by any "employee" after discovery by:

- (1) You; or
- (2) Any of your partners, officers, directors, trustees, "members" or "managers" not in collusion with the "employee";

of any dishonest act committed by that "employee" before or after being hired by you.

- g. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

- h. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:

- (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Additional Coverage.

- i. The insurance under Paragraph **h.** above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Additional Coverage as of its effective date; or
- (2) The prior insurance, had it remained in effect.

**III. Coverage Extensions in Section I – Property** is amended as follows:

- 1. **Personal Property Off-premises** is replaced by the following:

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities," "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease, or operate. The most we will pay for loss or damage under this Extension is \$25,000;

- 2. **Outdoor Property** is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:

- a. Fences or retaining walls that are not a part of a building. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;
- b. Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Coverage Extension is \$15,000 in any one occurrence;
- c. Trees, shrubs and plants (other than "stock" of trees, shrubs, or plants). The most we will pay for loss or damage, including debris removal expense, under this Coverage Extension is \$15,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant;

but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion; or
- (5) Aircraft.

- 3. **Personal Effects** - This endorsement changes paragraph **d.** Personal Effects coverage limit to \$10,000 at each described premises.

- 4. **Valuable Papers And Records Coverage Extension** is deleted and replaced by the following:

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

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, (other than "valuable papers and records" stored at your facilities by your "customers") caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace, or restore lost information on "valuable papers and records" for which duplicates do not exist.

- b. This Coverage Extension does not apply to:

- (1) Property held as samples or for delivery after sale; or
- (2) Property in storage away from the premises shown in the Declarations.

- c. The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at each described premises is \$35,000.

For "valuable papers and records" not at a described premises, the most we will pay is \$5,000 in any one occurrence.

- d. Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not

restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

- e. Paragraph **B. Exclusions in Section I** – Property does not apply to this Coverage Extension except for:

- (1) Paragraph **B.1.c.**, Governmental Action;
- (2) Paragraph **B.1.d.**, Nuclear Hazard;
- (3) Paragraph **B.1.f.**, War And Military Action;
- (4) Paragraph **B.2.f.**, Dishonesty;
- (5) Paragraph **B.2.g.**, False Pretense;
- (6) Paragraph **B.2.m.(2)**, Errors Or Omissions; and
- (7) Paragraph **B.3.**

5. **Accounts Receivable** – Paragraph (2) of the Accounts Receivable Coverage Extension is deleted and replaced by the following:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

IV. The following is added to **Section II - Liability**:

**CUSTOMERS' PROPERTY LEGAL LIABILITY COVERAGE**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "customer's" property (or the property of others for which the "customer" is liable) only while at the insured's self-storage facilities. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The most we will pay for the sum of all damages under this Customers'

Property Legal Liability Coverage because of "property damage" to "customers" property in any one "occurrence" is \$100,000, unless a higher limit of insurance is shown in the Declarations. This limit applies separately to each premises described in the Declarations.

- (2) We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and
- (3) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Customers' Property Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This insurance applies to "property damage" only if the "property damage":

- (1) Is caused by an "occurrence" that takes place in the "coverage territory"; and

- (2) Occurs during the policy period.

**2. Exclusions**

This insurance does not apply to:

- a. "Property damage" to any land motor vehicle, trailer, or semi-trailer stored by a "customer" at the described premises.
- b. "Property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- c. Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
- d. Liability arising out of your "sale and disposal operations."
- e. Any loss or damage for which coverage is provided under **Section I – Property** of the Businessowners Coverage Form.

3. With respect to this Customers' Property Legal Liability Coverage, the **Duties In The Event Of Occurrence, Offense, Claim, Or Suit** Condition is replaced by the following:

a. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale of "customers" property, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

b. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an action to which this insurance may apply.

c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

4. **Supplementary Payments**

The Supplementary Payments provision applicable to **Section II – Liability** also applies to this Customers' Property Legal Liability Coverage.

**SALE AND DISPOSAL LIABILITY COVERAGE**

1. **Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers" property, in the course of "sale and disposal operations." We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for errors or omissions to which this insur-

ance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

(1) The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers" property under this Sale And Disposal Liability Coverage is \$25,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.

(2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Sale And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

b. This insurance applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

2. **Exclusions**

This insurance does not apply to:

a. Liability for damages which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

b. Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.

3. **Supplementary Payments**

The **Supplementary Payments** provision applicable to **Section II – Liability** also applies to this Sale And Disposal Liability Coverage.

4. With respect to this Sale And Disposal Liability Coverage, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition is replaced by the following:

**Duties In The Event Of Claim Or Suit As A Result Of A Lock-Out Or Sale Of Customers' Property**

- a. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale of "customers" property, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- b. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in our investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an action to which this insurance may apply.
- c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

**V. Definitions**

- A. As used in Section I of this endorsement, "computer" means:
1. Your programmable electronic equipment that is used to store, retrieve and process electronic data. It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations; and
  2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.
- It does not include electronic data and media.

- B. "Customer" means any person or organization which is renting, leasing, or otherwise occupying space at your self-storage facility.
- C. "Employee":
1. As respects to the coverage provided under Section II of this endorsement for Employee Dishonesty only, "employee" means:
    - a. Any natural person:
      - (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to theft or any other dishonest act committed by the "employee";
      - (2) Who you compensate directly by salary, wages or commissions; and
      - (3) Who you have the right to direct and control while performing services for you;
    - b. Any natural person who is furnished temporarily to you:
      - (1) To substitute for a permanent "employee" as defined in Paragraph 1.a.(1), who is on leave; or
      - (2) To meet seasonal or short-term work load conditions;while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
    - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph 1.b.;
    - d. Any natural person who is a former "employee," partner, "member," "manager," director or trustee retained as a consultant while performing services for you;
    - e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while

- f.** Any "employee" of an entity merged or consolidated with you prior to the effective date of this insurance; or
- g.** Any of your "managers," directors or trustees while:

  - (1)** Performing acts within the scope of the usual duties of an "employee"; or
  - (2)** Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

- a. Any agent, broker, factor, commission merchant, consignee or independent contractor; or
- b. A representative of the same general character as in Paragraph **C.2.a.**, unless such representative is specified in Paragraph **C.1.**

E. "Lock-out" means denying a "customer" access to the "customer's" property or the occupancy of space the "customer" is renting, leasing, or otherwise occupying.

1. An individual act or event;
2. The combined total of all separate acts or events whether or not related; or
3. A series of acts or events whether or not related;

**H. "Theft",** as respects the coverage provided under Paragraph b. of Section II of this endorsement for Customers' Property under Employee Dishonesty only, means the unlawful taking of property to the deprivation of your customer.

**Development of Permissible Loss Ratio**

Oregon - Business Owners Property

Year	Oregon (Annual Statement)					Countrywide (Insurance Expense Exhibit)				
	Written Premium	Commission & Brokerage Expense	% Written	Taxes, Licenses, & Fees Expense	% Written	Earned Premiums	Other Acquisitions Expense	% Earned	General Expenses Expense	% Earned
2011	1,549,587	296,258	19.1%	26,613	1.7%	8,430,000	970,000	11.5%	356,000	4.22%
2010	1,947,792	387,935	19.9%	31,868	1.6%	7,987,000	900,000	11.3%	143,000	1.79%
2009	1,975,870	405,919	20.5%	24,900	1.3%	7,571,000	738,000	9.7%	102,000	1.35%
Average:			19.9%		1.5%			10.8%		2.5%

Permissible Loss Ratio Development

(1) Commission and Brokerage	19.9%	
(2) Other Acquisition Costs	10.8%	
(3) General Expenses	2.5%	
(4) Taxes, Licenses and Fees	1.5%	
(5) Total Expenses	34.7%	(1) + (2) + (3) + (4)
(6) Profit & Contingency Provision	2.8%	Exhibit B-II
(7) Premium Based Expense	37.5%	(5) + (6)
(8) Unallocated Loss Adj. Expense	4.5%	Exhibit D
(9) Permissible Loss Ratio	59.8%	$[1.00 - (7)]/[1.00 + (8)]$

## INVESTMENT EARNINGS/LOSSES FORM

Austin Mutual Ins Co  
 Businessowners - Lines 5.1 & 5.2

This form has been completed with line of insurance data  
 for the following three calendar years  
 2008 2009 2010

Oregon

## UNEARNED PREMIUM RESERVE:

(1)	Direct earned premium for 2010		\$1,950,755
(2)	Mean unearned premium reserves 2009 & 2010		1,000,020
(3)	Deduction for delayed remission of premium (Exhibit B-I)		180,889
(4)	Deduction for prepaid expenses:		
	Commission & Brokerage	19.9%	
	50% of other acquisition costs	5.4%	
	50% of general expenses	1.3%	
	Taxes, licenses and fees	1.5%	
	Total prepaid expenses	28.1%	280,505
(5)	Net subject to investment [(2)-(3)-(4)]		538,625

## LOSS RESERVES:

(6)	Expected incurred losses and LAE for 2010		
	(1) X Permissible Loss Ratio (Exhibit B-II)		1,218,637
(7)	Expected mean loss and LAE reserves (Exhibit B-III)		658,236

## TOTAL:

(8)	Total net subject to investment [(5)+(7)]		1,196,861
(9)	Pre-tax rate of return (Exhibit B-IV)		4.62%
(10)	Investment earnings on total net subject to investment [(8)x(9)]		55,292
(11)	Rate of return as a percent of earned premium [(10)/(1)]		2.83%
(12)	Rate of return as a percent of earned premium after Federal Income Tax (Exhibit B-V) [(11) x 0.767]		2.17%

**Exhibit B-I**

ITEM 3: DEDUCTION FOR DELAYED REMISSION OF PREMIUM

(A)	Direct earned premium in Oregon for 2010	\$1,950,755
(B)	Direct countrywide earned premium for 2010	\$275,719,251
(C)	Direct agents balances as of 12/31/2010	25,339,508
(D)	Direct agents balances as of 12/31/2009	25,794,018
(E)	Mean agents' balances [(C)+(D)]/2	25,566,763
(F)	Ratio [(E)/(B)]	9.27%
(G)	Deduction for delayed remission of premium [(A)x(F)]	\$180,889

**Exhibit B-II**

ITEM 6: DERIVATION OF THE PERMISSIBLE LOSS RATIO

(A)	Direct earned premium for 2010	\$1,950,755
(B)	Net premium earned	100.0% \$275,719,251
(C)	EXPENSES:	
(1)	Commission and Brokerage	19.9% 54,868,131
(2)	Other Acquisition Costs	10.8% 29,777,679
(3)	General Expenses	2.5% 6,892,981
(4)	Taxes, Licenses and Fees	1.5% 4,135,789
	Total Expenses	34.7% 95,674,580
(5)	Profit & Contingency Provision	2.83%
(6)	Expenses & Profit	37.5%
(D)	Permissible Loss Ratio [1 - (C6)]	62.5%
(E)	Expected incurred losses [(A)x(D)]	\$1,218,637

**Exhibit B-III**

## ITEM 7: EXPECTED MEAN LOSS RESERVES

(A)	Direct loss and LAE reserves Countrywide as of 12/31/2010	\$6,747,406	
(B)	Direct loss and LAE reserves Countrywide as of 12/31/2009	2,681,186	
(C)	Mean loss and LAE reserve for calendar year 2010		4,714,296
(D)	Direct incurred loss and LAE Countrywide during calendar year 2010		9,293,737
(E)	Loss reserve to incurred loss ratio for calendar year 2010 [(C)/(D)]		0.507
(F)	Direct loss and LAE reserves Countrywide as of 12/31/2009	2,681,186	
(G)	Direct loss and LAE reserves Countrywide as of 12/31/2008	3,600,772	
(H)	Mean loss and LAE reserve for calendar year 2009		3,140,979
(I)	Direct incurred loss and LAE Countrywide during calendar year 2009		5,481,375
(J)	Loss reserve to incurred loss ratio for calendar year 2009 [(H)/(I)]		0.573
(K)	Average ratio for latest two years [(E) + (J)]/2		0.540
(L)	Expected incurred losses ( Exhibit B-II -- Item E)		1,218,637
(M)	Expected mean loss reserve [(K)x(L)]		\$658,236

**Exhibit B-IV**

## ITEM 10: PRE-TAX RATE OF RETURN

(A) Net investment income for 2010	\$3,796,284	
(B) Net realized capital gains or (losses)	2,406,113	
(C) Net investment gain or (loss)		\$6,202,397
(D) Assets available for investment as of 12/31/2010	128,858,930	
(E) Assets available for investment as of 12/31/2009	139,658,132	
(F) Mean assets available for investment $[(D)+(E)]/2$		134,258,531
(G) Pre-tax rate of return $[(C)/(F)]$		4.62%

**Exhibit B-V**

## ITEM 13 -- AVERAGE RATE OF RETURN

(A)	Average rate of return as a percent of earned premium Exhibit B (Item 11)			2.83%
(B)	Federal Income Tax Rate			
	(1)	(2)	(3)	
	Investment		Current	
	Income	Distr	Tax	
			Rate	
BONDS:				
Other Than Municipals	\$2,191,182	0.344	35.0%	
Tax Exempt Municipals	\$1,949,311	0.306	0.0%	
Taxable Municipals	\$0	0.000	5.3%	
STOCKS:				
Acquired Prior to 8/7/86	0	0.000	10.2%	
Acquired After 8/7/86	343,530	0.054	14.2%	
Loans and Real Estate	0	0.000	35.0%	
Cash on Deposit	7,274	0.001	35.0%	
Short Term Investments	0	0.000	35.0%	
All Other	282,971	0.044	35.0%	
Net Realized Capital Gains (Losses)	2,406,113	0.378	35.0%	
Total	\$7,180,381			
Investment Deductions	(809,249)	-0.127	34.0%	
Net Investment Income Earned	\$6,371,132	1.000		
Average Federal Tax Rate				23.3%
(C)	Average rate of return as a percent of earned premium after Federal Income Tax [(A)x(1-(B))]			2.17%

**Unallocated Loss Adjustment Expense Exhibit**

Countrywide Losses &amp; Loss Adjustment Expenses

Business Owners Property

	(1)	(2)	(3)	(4)
Year	Direct Losses Paid	Direct Allocated Loss Adjustment Expense Paid	Direct Unallocated Loss Adjustment Expense Paid	ULAE Ratio
2007	1,701,335	284,663	93,117	4.69%
2008	1,320,985	574,800	74,813	3.95%
2009	5,736,514	825,308	325,446	4.96%
2010	3,895,107	1,120,051	215,326	4.29%
2011	13,265,933	1,173,549	669,675	4.64%
			Average:	4.51%
			<b>Selected:</b>	<b>4.50%</b>

**Exhibit D****Loss Ratio and Impact Analysis**

Oregon - Business Owners Property

<b>Class Group</b>	<b>Inforce Premium</b>	<b>Countrywide Loss Ratio</b>	<b>Oregon Loss Ratio</b>	<b>Combined Impact</b>
Apartments	149,085	93.6%	30.5%	-5.1%
Condominium	76,147	83.9%	66.4%	8.7%
Contractors	469,290	60.6%	83.1%	11.5%
Convenience Stores	25,072	57.3%	57.4%	10.0%
Distributors/Wholesale	18,402	124.1%	21.6%	2.2%
Motel	139,433	54.8%	59.6%	7.0%
Office	98,643	87.5%	19.8%	-6.2%
Restaurants	77,856	161.6%	58.8%	11.8%
Retail	200,072	204.1%	49.0%	8.9%
Self Storage	9,932	34.7%	0.0%	-19.2%
Service	47,043	171.1%	22.8%	7.3%
<b>Grand Total</b>	<b>1,326,026</b>	<b>106.4%</b>	<b>62.5%</b>	<b>6.1%</b>

**Indicated Change**

(1) Loss Ratio	62.5%
(2) Reported Claims	354
(3) Credibility Factor	0.572
(4) Permissible Loss Ratio	59.8%
(5) Complement of Credibility Loss Ratio	106.4%
(6) Credibility Weighted Loss Ratio	81.3%
(7) Indicated Change	35.9%

**Notes:**

Loss ratios are based on 2008 - 2011 data

The combined impact reflects all program changes that are proposed

(3) Full credibility is set at 1,082 claims.

Partial credibilities can be found by calculating the square root of (number of claims ÷ 1,082)

(4) Refer to Exhibit A Item (9)

(6) = (3) x (1) + [1 - (3)] x (5)

(7) = (6) / (4)

## STATE OF OREGON DEVIATION FILING

### CLASS – BUSINESSOWNERS PROGRAM - A-OR-BO-12-214

#### FORMS

The following company endorsements are new:

1. Liability Coverage Changes – C377 06 12
2. Property Coverage Changes – C378 06 12

The following company endorsements are revised:

1. Businessowners Amendatory Endorsement – C28 06 12, replaces C28 01 10
2. BOP-XTRA – C367 06 12, replaces C367 01 10
3. Self-Storage Facilities XTRA – C368 06 12, replaces C368 01 10
4. Motels-XTRA – C361 06 12, replaces C361 01 10

#### RULES AND RATES

We have used a format of ~~striking through~~ deletions and underlying additions to indicate changes from our previous approved filings.

Based on ISO Businessowners Revision Designation Numbers – BP-2010-RCPR1 (rules); BP-2010-RLA1, BP-2010-RLC10, BP-2010-RLCF1, BP-2011-RLA1 (loss costs)

1. Company Businessowners Loss Costs Multiplier and Rate Modifications are revised as follows:

<b>Current</b> <u>Loss Cost Modification</u> All Other Classes & Optional Coverages -20%	<b>Current</b> <u>Loss Cost Multiplier</u> All Other Classes & Optional Coverages 1.238	<b>Current</b> <u>Loss Cost Modification</u> Apartment & Contractor Classes -20%	<b>Current</b> <u>Loss Cost Multiplier</u> Apartment & Contractor Classes 1.238
<b>Proposed</b> <u>Loss Cost Modification*</u> All Other Classes & Optional Coverages -15%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> All Other Classes & Optional Coverages 1.334	<b>Proposed</b> <u>Loss Cost Modification*</u> Contractor Classes -10%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Contractor Classes 1.413
<b>Proposed</b> <u>Loss Cost Modification*</u> Apartment Classes +10%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Apartment Classes 1.727	<b>Proposed</b> <u>Loss Cost Modification*</u> Retail Classes -5%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Retail Classes 1.491

<b>Proposed</b> <u>Loss Cost Modification*</u> Office Classes -15%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Office Classes 1.334	<b>Proposed</b> <u>Loss Cost Modification*</u> Restaurants Classes -10%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Restaurants Classes 1.413
<b>Proposed</b> <u>Loss Cost Modification*</u> Conv. Stores Classes -10%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Conv. Stores Classes 1.413	<b>Proposed</b> <u>Loss Cost Modification*</u> Motels Classes +15%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Motels Classes 1.805
<b>Proposed</b> <u>Loss Cost Modification*</u> Service Classes -20%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Service Classes 1.256	<b>Proposed</b> <u>Loss Cost Modification*</u> Condo Classes +5%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Condo Classes 1.648
<b>Proposed</b> <u>Loss Cost Modification*</u> Storage Classes 0%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Storage Classes 1.569	<b>Proposed</b> <u>Loss Cost Modification*</u> Distributors/ Wholesale Classes -5%	<b>Proposed</b> <u>Loss Cost Multiplier*</u> Distributors/ Wholesale Classes 1.491

(\*Refer to Adoption Of Rating Organization Prospective Loss Costs Summary Of Supporting Information Form)

### **Section III – RATING AND ELIGIBILITY RULES**

#### **1. Rule 23.B.5 Lessors' Or Occupant Liability:**

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

Use Landlords Protective Liability rating (~~50%~~ 78% of the Lessors' Liability rates) for offices, retail stores, processing and service, and wholesalers if the following conditions apply:

- 90% of the area of the premises is leased;
- Lessee assumes control and responsibility for light, heat, and power;
- Lessee may make repairs to maintain and preserve the premises; and
- Lessor is named as an additional insured on the lessee's liability insurance policy.

#### **2. Rule 26. Dispersion Credit Plan**

Applies to four (4) or more buildings that are separately rated within a single premises area including all buildings bounded by public thoroughfare or open waterways. The Application of the Dispersion Credit Plan is based on the total number of buildings at a single premises area and then separately on each individual building value.

Building Values (per bldg)	4 – 7 buildings	8 – 10 buildings	More than 10 buildings
\$0 - \$200,000	28% <u>16%</u>	33% <u>20%</u>	37% <u>22%</u>
\$201,000 - 400,000	20% <u>12%</u>	22% <u>13%</u>	23% <u>14%</u>
\$401,000 - 600,000	10% <u>6%</u>	15% <u>9%</u>	16% <u>10%</u>

\$601,000 - 800,000    5%    3%    8%    5%    10%    6%

### **Section IV – OPTIONAL COVERAGES RULES**

#### **3. Rule 28.A.12. Equipment Breakdown Coverage**

These and rates were developed in conjunction with The Hartford Steam Boiler Inspection and Insurance Company (HSB) that reinsures our Equipment Breakdown exposures 100%. As HSB reinsures our company 100% for this exposure, we do not have the loss data in sufficient detail necessary to develop rates.

<u>Total Insurable Value</u>	<u>Rate per \$100 of TIV</u>	<u>Class Code</u>	<u>Rate per \$100 of TIV</u>
\$99,999 or less	\$0.035	<u>All Other</u>	<u>\$0.013</u>
\$100,000 – 1,000,000	\$0.033	<u>Listed Below*</u>	<u>\$0.118</u>
Greater than \$1,000,000	\$0.025		

\* Bakeries, Electroplating, Grain Elevators, Dental Labs, Laundry/Dry Cleaning Sores with Refrigeration, Restaurants, Printing/Photocopying, and Contractors

Minimum Premium - \$20 and Maximum Premium - \$610

### **Section V – CLASS SPECIFIC ENDORSEMENTS RULES**

#### **4. BOP-XTRA Endorsement – C367**

This optional endorsement described in the paragraph below modifies the coverage available for ~~eligible Office, Processing and Service, Mercantile, Wholesaler, Convenience Store, Office Condominium Association, Grocery/ Supermarket, Residential Condo (Association Risk Only) including Townhouse/Similar Associations~~ on the Businessowners Coverage Form BP 00 03 under:

Section I – Property to provide either new or enhanced coverage for Debris Removal, Fire Department Service Charge, Money Orders and Counterfeit Money, Forgery or Alteration, Increased Cost of Construction, Fire Extinguisher Systems Recharge Expense, Outdoor Signs, Money and Securities, Reward Payment, Computer Fraud, Employee Dishonesty, Lock Replacement, Spoilage Coverage, Brands and Labels, Fine Arts, Water Back-Up and Sump Overflow, Contingent Transit, Personal Property Off-premises, Outdoor Property, Personal Effects, Valuable Papers and Records, Accounts Receivable, Ordinance Or Law and Business Personal Property - 50% Seasonal Increase.

<b><u>Coverages</u></b>	<b><u>Coverage Limits/Deductibles</u></b>
Debris Removal	\$25,000
Fire Department Service Charge	\$5,000
Money Orders and Counterfeit Money	\$5,000
Forgery Or Alteration	\$10,000
Increased Cost of Construction	\$25,000
Fire Extinguisher Systems Recharge Expense	\$10,000
Outdoor Signs	\$10,000
Money and Securities	\$10,000

Reward Payment	\$5,000
Computer Fraud	\$25,000
Employee Dishonesty	\$25,000
Lock Replacement	\$5,000/\$100
Spoilage	<del>\$25,000</del> <u>\$50,000</u>
Brands and Labels	\$10,000
Fine Arts	<del>\$10,000</del> <u>\$50,000</u>
Water Back-up And Sump Overflow	<del>\$10,000</del> <u>\$25,000</u>
Contingent Transit	\$10,000
Personal Property Off-premises	<del>\$25,000</del> <u>\$50,000</u>
Outdoor Property	
- Fences or retaining walls	\$15,000
- Radio, TV & satellite antennas	\$15,000
- Trees, shrubs & plants	\$15,000 – not more than \$500 for any one tree, shrub or plant
Personal Effects	\$10,000
Valuable Papers and Records	
- at each described premises	\$35,000
- away from described premises	\$5,000
Accounts Receivable	
- at each described premises	\$25,000
- away from described premises	\$5,000
<u>Ordinance Or Law</u>	
- <u>Undamaged Portion</u>	<u>Included in Building Limit</u>
- <u>Demolition Cost &amp; Increased     Cost of Construction</u>	<u>\$100,000</u>
<b><u>Class</u></b>	<b><u>Rate per Location</u></b>
Beverage Stores - Liquor and Wine	\$225.00
Convenience Food Stores	\$225.00
Grocery Stores	\$225.00
Supermarkets	\$225.00
<u>Motels</u>	<u>\$225.00</u>
<u>Restaurants</u>	<u>\$225.00</u>
All other eligible classes	\$150.00

Department of Consumer & Business Services

**Oregon Insurance Division – 5**

P. O. Box 14480  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97309-0405  
Phone (503) 947-7983

**Reference Filing Adoption Form**

Adoption of Rating Organization  
Prospective Loss Costs

Date: April 17, 2012

NAIC no.: 13412

1. Insurer name: Austin Mutual Insurance Co.

Contact person: James R. Zaborowski, CPCU

Title: CPD Analyst

Filing entity (if not insurer)\*: \_\_\_\_\_

Mailing address: 15490 101st Maple Grove MN  
55369

City State ZIP

Toll-free/collect phone no.: (800) 328-4628

Fax no. and e-mail address: (763) 657-8653,  
jzaborowski@austin

**Department action:**

☐ Approved;  
limitations: \_\_\_\_\_

☐ Disapproved;  
reason: \_\_\_\_\_

Effective date: \_\_\_\_\_

Analyst: \_\_\_\_\_

Filing no.: \_\_\_\_\_

Action date: \_\_\_\_\_

2. LINE OF INSURANCE Businessowners

3. RATING ORGANIZATION Insurance Services Office, Inc. (ISO)

4. RATING ORGANIZATION REFERENCE FILING # BP-2011-RLA1

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named rating organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss costs multipliers and, if utilized, the expense constants specified in the attachments.

6. PROPOSED RATE LEVEL CHANGE 6.1 % EFFECTIVE DATE August 1, 2012

7. PRIOR RATE LEVEL CHANGE -6.3 % EFFECTIVE DATE May 15, 2004

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"  
(Use a separate Summary for each insurer-selected loss cost multiplier.)

9. CHECK ONE OF THE FOLLOWING:

☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the rating organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the rating organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the rating organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.

☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Rating Organization Reference Filing.

Department of Consumer & Business Services

**Oregon Insurance Division – 5**

P. O. Box 14480  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97309-0405  
Phone (503) 947-7983

**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS  
SUMMARY OF SUPPORTING INFORMATION FORM**

**Insurer Name:** Austin Mutual Insurance Co.

**PART I - CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. Combination to which this page applies:  
Businessowners - Office, Optional Coverages and All Other
2. Loss Cost Modification:
  - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
(CHECK ONE)  
☐ Without modification. (factor = 1.000)  
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)  
-15.0%, due to competitive concerns.
  - B. Loss Cost Modification Expressed as a Factor: 0.85  
(see examples below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expenses	<u>32.0 %</u>
B. General Expense	<u>1.9 %</u>
C. Taxes, Licenses & Fees	<u>2.3 %</u>
D. Underwriting Profit & Contingencies	<u>      % </u>
E. Other* (explain)	<u>      % </u>
F. TOTAL	<u>36.2 %</u>

\*Note: including consideration for investment income

4A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  63.8 %  
4B. ELR in decimal form = 0.638

5. Company Formula Loss Cost Multiplier:  $(2B \div 4B) =$  1.334

6. Company Selected Loss Cost Multiplier = 1.334  
Explain any differences between 5 and 6:  
\_\_\_\_\_  
\_\_\_\_\_

7. Rate level change for the coverages to which this page applies 7.8 %

---

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.0 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %

Department of Consumer & Business Services

**Oregon Insurance Division – 5**

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Salem, Oregon 97309-0405  
Phone (503) 947-7983

**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS  
SUMMARY OF SUPPORTING INFORMATION FORM**

**Insurer Name:** Austin Mutual Insurance Co.

**PART I - CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. Combination to which this page applies:  
Businessowners - Contractors, Convenience Stores, and Restaurants
2. Loss Cost Modification:
  - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
(CHECK ONE)  
☐ Without modification. (factor = 1.000)  
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)  
-10.0%, due to competitive concerns.
  - B. Loss Cost Modification Expressed as a Factor: 0.90  
(see examples below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expenses	<u>32.0 %</u>
B. General Expense	<u>1.9 %</u>
C. Taxes, Licenses & Fees	<u>2.3 %</u>
D. Underwriting Profit & Contingencies	<u>      % </u>
E. Other* (explain)	<u>      % </u>
F. TOTAL	<u>36.2 %</u>

\*Note: including consideration for investment income

4A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  63.8 %  
4B. ELR in decimal form = 0.638

5. Company Formula Loss Cost Multiplier:  $(2B \div 4B) =$  1.413

6. Company Selected Loss Cost Multiplier = 1.413  
Explain any differences between 5 and 6:  
\_\_\_\_\_  
\_\_\_\_\_

7. Rate level change for the coverages to which this page applies 14.1 %

---

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.0 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %



[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %

Department of Consumer & Business Services

**Oregon Insurance Division – 5**

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Salem, Oregon 97309-0405  
Phone (503) 947-7983

**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS  
SUMMARY OF SUPPORTING INFORMATION FORM**

**Insurer Name:** Austin Mutual Insurance Co.

**PART I - CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. Combination to which this page applies:  
Businessowners - Retail and Distributors/Wholesale
2. Loss Cost Modification:
  - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
(CHECK ONE)  
☐ Without modification. (factor = 1.000)  
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)  
-5.0%, due to competitive concerns.
  - B. Loss Cost Modification Expressed as a Factor: 0.95  
(see examples below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expenses	<u>32.0 %</u>
B. General Expense	<u>1.9 %</u>
C. Taxes, Licenses & Fees	<u>2.3 %</u>
D. Underwriting Profit & Contingencies	<u>      % </u>
E. Other* (explain)	<u>      % </u>
F. TOTAL	<u>36.2 %</u>

\*Note: including consideration for investment income

4A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  63.8 %  
4B. ELR in decimal form = 0.638

5. Company Formula Loss Cost Multiplier:  $(2B \div 4B) =$  1.491

6. Company Selected Loss Cost Multiplier = 1.491  
Explain any differences between 5 and 6:  
\_\_\_\_\_  
\_\_\_\_\_

7. Rate level change for the coverages to which this page applies 20.5 %

---

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.0 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %



[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %

Department of Consumer & Business Services

**Oregon Insurance Division – 5**

P. O. Box 14480  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97309-0405  
Phone (503) 947-7983

**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS  
SUMMARY OF SUPPORTING INFORMATION FORM**

**Insurer Name:** Austin Mutual Insurance Co.

**PART I - CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. Combination to which this page applies:  
Businessowners - Service
2. Loss Cost Modification:
  - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
(CHECK ONE)  
☐ Without modification. (factor = 1.000)  
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)  
-20.0%, due to competitive concerns.
  - B. Loss Cost Modification Expressed as a Factor: 0.80  
(see examples below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expenses	<u>32.0 %</u>
B. General Expense	<u>1.9 %</u>
C. Taxes, Licenses & Fees	<u>2.3 %</u>
D. Underwriting Profit & Contingencies	<u>      % </u>
E. Other* (explain)	<u>      % </u>
F. TOTAL	<u>36.2 %</u>

\*Note: including consideration for investment income

4A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  63.8 %  
4B. ELR in decimal form = 0.638

5. Company Formula Loss Cost Multiplier:  $(2B \div 4B) =$  1.256

6. Company Selected Loss Cost Multiplier = 1.256  
Explain any differences between 5 and 6:  
\_\_\_\_\_  
\_\_\_\_\_

7. Rate level change for the coverages to which this page applies 1.4 %

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Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.0 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %

Department of Consumer & Business Services

**Oregon Insurance Division – 5**

P. O. Box 14480  
350 Winter St. NE, Rm. 440  
Salem, Oregon 97309-0405  
Phone (503) 947-7983

**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS  
SUMMARY OF SUPPORTING INFORMATION FORM**

**Insurer Name:** Austin Mutual Insurance Co.

**PART I - CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. Combination to which this page applies:  
Businessowners - Condominium
2. Loss Cost Modification:
  - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
(CHECK ONE)  
☐ Without modification. (factor = 1.000)  
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)  
+5.0%, due to competitive concerns.
  - B. Loss Cost Modification Expressed as a Factor: 1.05  
(see examples below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions
A. Total Production Expenses	<u>32.0 %</u>
B. General Expense	<u>1.9 %</u>
C. Taxes, Licenses & Fees	<u>2.3 %</u>
D. Underwriting Profit & Contingencies	<u>    % </u>
E. Other* (explain)	<u>    % </u>
F. TOTAL	<u>36.2 %</u>

\*Note: including consideration for investment income

4A. Expected Loss Ratio:  $ELR = 100\% - 3F =$  63.8 %  
4B. ELR in decimal form = 0.638

5. Company Formula Loss Cost Multiplier:  $(2B \div 4B) =$  1.648

6. Company Selected Loss Cost Multiplier = 1.648  
Explain any differences between 5 and 6:  
\_\_\_\_\_  
\_\_\_\_\_

7. Rate level change for the coverages to which this page applies 33.1 %

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Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.0 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %



[Only submit if applicable]

## PART II - EXPENSE CONSTANT SUPPLEMENT

### CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

8. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:

$[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$  \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 9D) =$  \_\_\_\_\_

Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rate level change for the coverages to which this page applies \_\_\_\_\_ %