

BUSINESSOWNERS OPTIONAL COVERAGES

The following optional coverages are available for an additional premium. The premiums are shown in the Optional Coverage Rates pages.

A. Building

1. Actual Cash Value - Building only

This is activated by a note on the declarations page.

- Multiple the building rate by 1.05

2. Outdoor Signs

Coverage is provided for all outdoor signs which are owned by the insured or are the property of others in the care, custody or control of the insured.

- The limit is \$2,500.
- \$16.00 per \$1000 in excess of \$2500

3. Functional Buildings Valuation (BP 0484)

This form provides coverage for specifically scheduled buildings that can be replaced with similar property that performs the same function as currently used, but that is less costly. Coverage is provided on a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage, or a market value basis if repair or replacement is not contracted for within 180 days of the loss or damage.

4. Protective Safeguards (BP 0430)

Protective devices or services may be required. The policy must be endorsed to require that the Company be notified if the devices are discontinued or out of service. The symbols are:

- P-1 Automatic Sprinkler System clause
- P-2 Automatic Fire Alarm clause
- P-3 Security Service clause
- P-4 Service Contract clause
- P-9 The protective system listed in the Schedule in the form

5. Automatic Increase in Insurance

The limit of insurance on the building is automatically increased by 1/365th each day of the annual percentage shown in the declarations. This percentage is 6% and cannot be changed.

6. Water Back-Up and Sump Overflow (BP 0453)

This form covers loss or damage to Covered Property caused by water which backs up through sewers or drains or water which overflows from a sump even if the overflow results from mechanical breakdown of the sump pump. Limits of \$5,000 and \$10,000 are available.

7. Earthquake (Form BP 1003)

This form provides earthquake coverage under the Named Perils or Special Coverage forms. The deductible for this peril is 5% of the amount of insurance on buildings and personal property. Multiply the rate per \$1,000 by the total amount of insurance on buildings and Business Personal Property.

B. Business Personal Property

1. Burglary and Robbery (Named Perils Coverage only) Option.

Coverage is available for burglary and robbery losses to Business Personal Property up to 25% of the limit applying to it. The premium for this option includes Money and Securities coverage of \$5,000 on premises and \$2,000 off premises. Coverage is activated on the declarations page.

2. Money and Securities

Coverage of \$5,000 on premises and \$2,000 off premises is automatically included with Special Coverage. This limit is included with Named Perils Coverage by purchasing Burglary and Robbery Coverage as outlined in paragraph B.1. above. The limits are shown on the declarations page. Premiums to increase coverage to \$10,000 on/\$2,000 off and \$15,000 on/\$2,000 off are shown in the Optional Coverage Rates pages.

3. Valuable Papers and Records

\$10,000 coverage is included in the policy for losses on the described premises. This limit may be increased. The off premises limit is \$5,000 and may not be increased. The limit on the described premises is shown on the declarations page.

4. Employee Dishonesty

This covers dishonest or fraudulent acts of the insured's employees. Limits of \$5,000, \$10,000 or \$25,000 are available. If purchased, the limit is shown on the declarations page.

5. Accounts Receivable

This coverage is for the insured's accounts receivable on an "all risk" basis. \$10,000 on premises coverage is included and may be increased. A \$5,000 maximum applies to property off premises.

6. Increased Personal Property off Premises

Both Named Perils and Special coverage provide \$5,000 while personal property is temporarily at premises not owned, leased or operated by an insured or while in transit. The revised limit is shown on the declarations page. This limit may be increased at a rate per \$1,000.

7. Food Spoilage (Form BP 0415)

The Named Perils and Special coverage may be extended to cover spoilage of perishable stock caused by breakdown, contamination and/or power outage. \$25,000 is the maximum limit available. A \$250 deductible applies.

Multiply the rate per \$1,000 for the option selected by the amount of insurance.

8. Functional Business Personal Property Valuation (BP 0485)

This form provides coverage for specifically scheduled item(s) of business personal property that can be replaced with similar property that performs the same function as currently used. Coverage is provided on a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage, or on a market value basis if repair or replacement is not contracted for within 180 days of the loss or damage.

- Multiply the building rate times 1.30

9. Business Computer Coverage

These forms provide risks of loss coverage for computers and related electronic data processing equipment and media. Media is the material on which data is recorded, such as disks and tapes, data stored on the media, and computer programs. Three coverages are available on a replacement cost basis with a 100% coinsurance clause:

Coverage A - Equipment and Media

Coverage B - Extra Expense

Coverage C - Loss of Earnings

Use Forms IM-BC, Business Computer Form

IM-BC-1, Business Computer Mechanical Breakdown

IM-BC-2, Business Computer Electrical Power Supply Damage

10. Food Contamination (BP 0431)

This form provides coverage for certain expenses and Business Income losses as a result of the described premises being ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination.

- The form provides \$10,000 for food contamination and loss of business income.
- Loss of business income begins 24 hours after receiving notice of closing from the Board of Health or other governmental authority.
- \$3,000 is included for additional advertising expenses.

- Premium \$80

11. Antique Valuation Endorsement (FM 7080)

The Businessowners Coverage Form insures antiques for actual cash value. This form allows the insured to cover the difference between their actual cash value and their "antique value".

Limit	\$25,000	\$50,000	\$75,000	\$100,000
Premium	\$125	\$250	\$375	\$500

C. Business Income

1. Business Income Changes – Increased Period of Restoration (No Waiting Period) (BP 0441)

This coverage provides that the 72 hour time deductible in the "period of restoration" definition and in the Civil Authority and Business Income from Dependent Properties Additional Coverage are replaced by zero hours.

- Multiply the Building and Business Personal Property rates times 1.01

D. Property

1. Businessowners Property Enhancement Endorsement I- refer to the attachment

- The premium is \$140 for first location and \$70 for each additional location. The premium is not subject to debits or credits.

2. Businessowners Property Enhancement Endorsement II- refer to the attachment

- The premium is \$280 for first location and \$140 for each additional location. The premium is not subject to debits or credits.

E. Liability Coverage

1. Increased Limits of Liability and Medical Expenses

The base rates include \$300,000 Liability and \$5,000 Medical Expenses. Business Liability coverage may be increased to \$500,000 or \$1,000,000 per occurrence. The Medical Expense limit cannot be increased.

2. Hired and Non-Owned Auto Liability

This form provides either hired and/or non-owned auto coverage. Hired auto covers autos leased, hired or borrowed by the insured. Non-owned covers autos used in the business which are not owned, leased, borrowed or hired by the insured. If the insured owns or leases any automobiles, this coverage should be added to the auto policy.

Pizzerias and delicatessens are not eligible for Hired and Non-Owned Auto Liability coverage.

	Liability Coverage Limit		
	\$300,000	\$500,000	\$1,000,000
Hired	\$16	\$18	\$24
Non-Owned	\$16	\$18	\$24
Both	\$32	\$36	\$48

3. Additional Insureds

Per location

- \$55 Designated Person or Organization BP 0448
- \$30 Managers or Lessor of Premises BP 0402
- \$50 Owners, Lessees or Contractors BP 0450
- \$30 Vendors BP 0447
- \$15 All other Additional Insured forms

4. Businessowners Liability Enhancement Endorsement- refer to the attachment

- The premium is \$175 per policy, regardless of the number of locations. Not subject to modification for IRPM's, etc.

5. Ecommerce Property and Liability Endorsement- refer to the attachment

This form covers loss or damage to money and securities resulting from computer fraud, charges incurred due to theft of telecommunication services, loss or damage to covered property due to the creation, alteration or destruction of electronic data or due to a computer virus, and property damage to electronic data or to content of a web-site owned by others.

- The limit is \$50,000.
- Premium of \$150

6. Fire Legal Liability

Form BP 0003 includes coverage for property damage to premises rented to an insured arising out of a fire or explosion. Limits above the \$100,000 included in the policy are available for an additional premium.

7. Tenants Liability

Tenant's Fire Legal Liability coverage may be extended to cover risks of direct physical loss or damage to premises rented to or temporarily occupied by the insured with permission of the owner. This coverage is only available if Form BP0003 is selected. Condominiums and Lessor's Risk buildings are not eligible for this form. The minimum limit is \$50,000.

8. Designated Premises or Operations Exclusion

It is permissible to exclude a specific premises or specific operations provided they can be separated and defined. There is no credit for this form.

9. Employment - Related Practices Exclusion

This form amends the Liability Coverage by excluding bodily injury and personal injury arising out of employment - related practices. Refer to Company for rating.

10. Newly Acquired Organizations

This form amends the Liability Coverage to provide limited coverage for newly acquired or formed organizations.

11. Limitation of Coverage to Designated Premises or Project

This form limits Liability Coverage to only those premises, operations and projects listed in the declarations. There is no credit for the form.

12. Abuse or Molestation Exclusion

This form excludes liability for abuse or molestation by anyone of any person while in the care, custody or control of any insured.

13. Exclusion - Personal and Advertising Injury

This form excludes all coverage for personal and advertising injury liability. It is mandatory for labor union offices, lawyer's offices and political campaign headquarters or offices. There is no credit for this form.

14. Artificial Suntanning Device Exclusion

This form amends the liability coverage by excluding Bodily Injury, Property Damage or medical expenses arising out of the use or operation of any artificial sun tanning device. There is no credit for this form.

15. Lead Contamination Exclusion

This form amends the liability coverage by excluding Bodily Injury, Property Damage or medical expenses arising out of the presence of, or exposure to, lead. This form is required for apartments and condominiums

16. Liquor Liability Exclusion - Exception for Scheduled Activities

This form amends the Liquor Liability exclusion so the exclusion applies when a charge is made for serving or furnishing alcoholic beverages and when served or furnished without charge, if a license is required. It allows coverage for scheduled functions. Refer to Company for rating.

17. Exclusion – Fungi, or Bacteria

This form excludes liability arising out of fungi. Fungi is defined as any type or form of fungus, or bacteria including mold or mildew and any mycotoxins, microbial volatile organic compounds, spores, scents or byproducts produced or released by fungi. This does not include any fungi intended for consumption. It will be added to condominiums, and any Lessor's Risk occupancies. It may be added for certain other risks which present a high risk of suit arising out of their work or occupancy.

18. Business Liability Coverage

Property Damage Liability Deductible (Per Claim Basis)

This form provides a deductible for property damage losses on a per claim basis. There is no credit for this form.

19. Exclusion – Volunteer Workers

This form excludes volunteer workers as insureds under the policy.

20. Medical Expenses Exclusion

This form excludes Medical Expenses coverage at location(s) listed in the form. There is no credit for this form.

21. Stopgap Employers Liability – Limited Form (FM 7090)

Stopgap Employers Liability may be added to a Businessowners policy. Limits of \$300/\$300/\$300, \$500/\$500/\$500 and \$1,000/\$1,000/\$1,000 are available. Refer to handout.

22. Waiver of Transfer of Rights of Recovery Against Others to Us

This form provides that our right to subrogate against persons or organizations listed in the schedule is waived under certain circumstances prior to a loss. There is no charge for this form.

23. Exclusion – Fungus and Disease

This form excludes liability and professional liability due to fungus or disease infection by the insured; insured's employees; any operator renting or leasing booth space or chairs or any portion of the insured premises; or the insured premises and arising out of fingernail or toenail services. It will be added when these services are provided.

24. Employee Benefits Liability Coverage

The Employee Benefits Liability Coverage form provides liability coverage for sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable if negligently committed in the "administration" of the insured's "employee benefit program".

Examples include:

1. Failure to advise employees of available benefits.
2. Failure to enroll an employee.
3. An error in handling records.

25. Liquor Liability- refer to attachment

F. Condominiums- Refer to separate handout

G. Professional Liability – refer to separate handout

- Barbers and Beauticians
- Hearing Aid Stores
- Opticians and Optometrists
- Veterinarians
- Morticians Malpractice Liability

H. Bed and Breakfasts- Refer to separate handout

Mini Storages

It provides coverage for the legal liability of the insured for property damage to customer goods stored at an insured location. The form offers limits of \$25,000, \$50,000, \$75,000 and \$100,000. Liability assumed under a contract or agreement is excluded. A deductible of \$250 applies to each loss except for losses involving the sale or disposal of customers' goods where a deductible of \$2500 applies. The form also broadens the definition of an insured building to include fences, mirrors, surveillance equipment, light poles and lighting equipment installed at the described premises. A flat charge applies based on the limit chosen.

Motels/Hotels- Refer to separate handout

Taxidermist- Refer to separate handout