



2013 BUSINESSOWNERS MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes to your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

BUSINESSOWNERS COVERAGE FORM BP 00 03

SECTION I – PROPERTY BROADENINGS OF COVERAGE

Business Personal Property – Coverage Radius

The Business Personal Property coverage grant is revised to extend coverage 100 feet from the building or 100 feet from the described premises.

Debris Removal

The additional Limit of Insurance for debris removal expense, provided for under the Debris Removal Additional Coverage, is increased from \$10,000 to \$25,000.

Further, coverage for debris removal is expanded to include the expense of removing debris of certain property of others. The total expense for all debris removal is subject to the limitations stated in the policy concerning amount of coverage, including the aforementioned additional limit of insurance. However, when no Covered Property sustains direct physical loss or damage, coverage for the removal of debris of others' property is limited to \$5,000.

Business Income Additional Coverage – Extended Business Income

The number of days' coverage under the Extended Business Income provision is increased from 30 to 60 days.

Business Income From Dependent Properties Additional Coverage – Secondary Dependent Properties

Coverage is extended with respect to secondary dependent properties which are limited to direct suppliers and recipients of the dependent property's materials or services.

Business Personal Property Temporarily In Portable Storage Units Coverage Extension

A Coverage Extension for Business Personal Property Temporarily In Portable Storage Units is introduced. Under this Coverage Extension, a 90-day coverage period is provided for Business Personal Property temporarily stored in a portable storage unit located within 100 feet of the described premises, subject to a sub-limit of \$10,000 regardless of the number of storage units.

Dishonesty Exclusion

The Dishonesty Exclusion is revised to distinguish between those who have a role in the insured's business (partners, managers, employees, etc.) and others to whom property may be entrusted (a category that includes tenants and bailees, for example). With respect to the latter category, the exclusion is narrowed to apply only to theft. Further, the exception to the exclusion (which enables coverage for acts of destruction) is revised to extend applicability to authorized representatives.

Specified Causes Of Loss Property Definition

Coverage for water damage under the definition of "specified causes of loss" is expanded to include accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of certain off-premises systems due to wear and tear.

REDUCTION IN COVERAGE

Limitations

The limitations which pertain to loss or damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust are extended to apply to personal property in the building or structure.

Newly Acquired Or Constructed Property Coverage Extension

Under the Newly Acquired Or Constructed Property Coverage Extension, the provision which extends an additional limit of insurance to newly acquired business personal property at the described premises is removed. There is no change to the coverage for newly acquired business personal property at newly acquired locations or at newly constructed or acquired buildings at the described location.

The same change is reflected in **BOP 434 – Exclusion Coverage Extensions**.

OTHER CHANGES

Business Personal Property

The Business Personal Property coverage grant is revised to make it explicit that business personal property is covered when located in or on the buildings or structures at the described premises.

Covered Causes Of Loss – Risk Of Loss

The term "risk of" is removed from the Covered Causes Of Loss provision.

Fire Department Service Charge Additional Coverage

The Fire Department Service Charge Additional Coverage is revised to specify that the amount of such coverage (\$2,500 or a designated higher limit) applies to each premises described in the Declarations. Further, the language of the coverage provision is revised to make it explicit that the designated limit applies regardless of the number of responders or the number or type of services performed.

Business Income And Extra Expense Additional Coverages – Coverage Radius

In part, the coverage criteria for the Business Income and Extra Expense Additional Coverages relate to loss or damage to personal property in the open or in a vehicle within a certain distance from the described premises. The language relating to the coverage radius is revised to achieve more similarity between the radius outlined for insureds who are occupants of the entire premises and those who occupy only a part of the premises, and to use terminology similar to that used in the Business Personal Property coverage grant.

Ordinance Or Law Exclusion

The language of the Ordinance Or Law Exclusion, which relates to enforcement of an ordinance or law, is revised to also refer to compliance with an ordinance or law.

Similar references are revised in the Increased Cost Of Construction (ICC) and Business Income From Dependent Properties Additional Coverages, Loss Payment Condition and the Period of Restoration definition. Further, the ICC Additional Coverage is revised to explicitly refer to compliance with the minimum standards of an ordinance or law.

Temporary Or Leased Employees

The Dishonesty Exclusion and the Money And Securities Optional Coverage are revised to reinforce that employees include temporary or leased employees.

Business Income From Dependent Properties Additional Coverage

The Business Income From Dependent Properties Additional Coverage is revised to provide coverage with respect to secondary dependent properties. Such properties are defined within this Additional Coverage. Additionally, the definition of dependent property excludes various utility providers; the list of utilities is updated to make reference to wastewater removal services.

Earth Movement Exclusion

The Earth Movement Exclusion now makes explicit reference to earth movement caused by an act of nature or otherwise caused. In addition, the term earthquake now incorporates tremors and aftershocks. With respect to coverage for volcanic action (which is a limited exception to the exclusion of volcanic eruption), all such eruptions that occur within any 168-hour period constitute a single occurrence.

Loss Payment Property Loss Condition

The Loss Payment Property Loss Condition is editorially revised and an illustrative example is provided.

SECTION II – LIABILITY

BROADENINGS OF COVERAGE

Liquor Liability Exclusion

The Liquor Liability Exclusion is revised to provide that, for the purposes of the exclusion, permitting a person to bring alcoholic beverages for consumption on an insured's premises (e.g., a "Bring Your Own"), whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

Electronic Data Exclusion

An exception to the Electronic Data Exclusion is introduced to provide that the exclusion does not apply to liability for damages because of bodily injury.

REDUCTION IN COVERAGE

Liquor Liability Exclusion

The Liquor Liability Exclusion is revised to explicitly state that the Liquor Liability Exclusion applies even if the claims allege the negligence or other wrongdoing in:

- The supervision, hiring, employment, training or monitoring of others; or

- Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the occurrence which caused the bodily injury or property damage involved that which is described in Paragraph (1), (2) or (3) of the exclusion.

OTHER CHANGES

War Liability Exclusion

The War Liability Exclusion is editorially revised.

Personal And Advertising Injury Exclusion

The Personal And Advertising Injury Exclusion is revised for consistency with the definition of personal and advertising injury.

SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY)

Other Insurance Condition

The Other Insurance Condition is editorially revised.

ENDORSEMENTS

NEW MANDATORY ENDORSEMENTS THAT EXCLUDE SPECIFIED OPERATIONS

BOP 441 – Agricultural Operations Exclusion

BOP 442 – Rental Dwelling Exclusion

These new mandatory endorsements exclude operations which may have common ownership with your insured operation but are not eligible for coverage in this program.

REDUCTION IN COVERAGE

BOP 410 – Personal Property Off Premises limits Endorsement

The conditions for coverage are revised to include that the Property must be in the United States.

Applicable in NH Only: BP 04 19 – Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities

The Liquor Liability Exclusion in this endorsement is revised, in part, to indicate that the causing or contributing to the intoxication of any person includes causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises.

This endorsement is also revised to indicate that the Liquor Liability Exclusion **will apply** if an insured permits any person to bring any alcoholic beverages on the Named Insured's premises, for consumption on the Named Insured's premises, except for the premises described in the Schedule of the endorsement for consumption on such premises.

BP 14 86 – Communicable Disease Exclusion

This endorsement excludes coverage for liability arising out of the actual or alleged transmission of a communicable disease.

This is now a mandatory endorsement for policies that are not written with a food service classification.

OTHER CHANGES

BOP 428 – Pet Sitting and Plant Care Services is revised to reinforce that employees include temporary or leased employees.

BOP 435 – Food Contamination Endorsement and Selected Products Exclusion is revised to reinforce that employees include temporary or leased employees. Expense for medical tests or vaccinations is available for potentially infected employees rather than just infected employees, and the definition of food contamination is revised.

Applicable in NH Only: BP 04 19 – Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities

This endorsement is revised for consistency with revisions made to the Liquor Liability Exclusion in the policy.

BP 05 98 – Amendment Of Insured Contract Definition

This endorsement is revised to reflect that the defined term insured contract addresses certain liability assumed by the Named Insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law.

This is now a mandatory endorsement.

BOP 407 – Additional Insured – State Or Political Subdivisions Permits Relating To Premises

BOP 408 – Additional Insured – Grantor of Franchise

BOP 424 – Additional Insured – Dispatcher Or Referral Service – With Additional Insured Requirement In A Contract

BOP 431 – Additional Insured – Dispatcher Or Referral Service – With Additional Insured Requirement In A Contract Scheduled

BOP 438 – Additional Insured – Grantor of Licenses

BP 04 02 – Additional Insured – Managers Or Lessors Of Premises

BP 04 06 – Additional Insured – Controlling Interest

BP 04 10 – Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased

BP 04 11 – Additional Insured – Co-Owner Of Insured Premises

BP 04 16 – Additional Insured – Lessor Of Leased Equipment

BP 04 48 – Additional Insured – Designated Person Or Organization

BP 14 05 – Additional Insured – Grantor Of Franchise

These additional insured endorsements are revised to:

- Add language, in response to the growing number of states enacting anti-indemnification laws, to provide that the insurance afforded to an additional insured only applies to the extent permitted by law;
- Provide that, if coverage provided to the additional insured is required by contract or agreement, the insurance afforded to the additional insured will not be broader than that which the Named Insured is required by the contract or agreement to provide for the additional insured; and
- Provide that, if coverage provided to the additional insured is required by contract or agreement, the most the insurer will pay on behalf of the additional insured is the amount of insurance required by the contract or agreement or the amount of insurance available under the applicable Limits Of Insurance shown in the Declarations, whichever is less. The provision also provides that the endorsement will not increase the applicable Limits Of Insurance shown in the Declarations.

BP 08 01 – Barber Shops And Hair Salons Professional Liability

To reinforce the Professional Services Exclusion in this endorsement, the exclusion is enhanced to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by an insured.

BOP 414 – Exclusion – Medical Expense Coverage

Editorial revisions were made to this endorsement.