ADDITIONAL RULE(S)

TRANSITION PROGRAM - AMENDMENT OF PAYROLL LIMITATION - PREMISES AND OPERATIONS LIABILITY WRITTEN ON A PAYROLL BASIS

A. With respect to a policy which becomes effective on or after January 1, 1982, cap premium increases at 10% annually excluding rate changes, coverage changes, rating plan changes and exposures changes. The calculation of the premium credit, if any, is to be developed by the carrier, utilizing the Florida Transition Program Worksheet.

B. In the event the carrier for the expiring policy was not the carrier for the prior year, the insured or insured’s agent shall furnish the carrier the final audit for the prior year if premium recalculation is in order.

C. Do not apply the program in situations where the transition credit for the policy effective in the preceding year does not exceed 10% of the final premium.

TERRORISM PREMIUM DETERMINATION

Refer to the Terrorism Supplement to the CLM.

RULES (MULTISTATE)

SECTION I - GENERAL RULES

SECTION I - GENERAL RULES

1. APPLICATION OF THIS DIVISION

A. Contents


B. Sections

This Division is divided into separate Sections for:

1. Section I - General Rules
2. Section II - Coverage Rules
3. Section III - Miscellaneous Rules
4. Section IV - Increased/Decreased Limits

5. Estimated Loss Potentials (ELPs) Supplement
Throughout this Manual, the term Increased Limits shall mean Increased/Decreased Limits

C. Rule Exceptions
Refer to state exceptions for any exception to the rules in this Division.

D. Company Rates/ISO Loss Costs
1. Definition
This Division contains either ISO loss costs or individual company rates. A loss cost is that portion of the premium which covers only losses and the costs associated with settling losses. For ISO loss costs and/or individual company rates, refer to the state company rates/ISO loss costs.

2. Company Rates
All rules in this Division are designed to be utilized with rates. All references in the rules and examples to rates and/or premiums (including base premiums) shall be interpreted to mean those established by the individual insurance company.

3. Loss Cost Conversion
Each insurance company must provide manualholders with either its own rates or with procedures to convert ISO loss costs to rates and/or premiums. If an insurer provides its own rates, use them in place of the ISO loss costs in this Manual. If an insurer does not provide its own rates, manualholders must convert the ISO loss costs in this Manual to rates and/or premiums before applying any of the rules. Refer to the company for specific instructions - including rounding procedures - on how to do this.

E. Statistical Codes
Most statistical codes are shown with the state company rates/ISO loss costs or in the specific rules. For statistical codes not shown, refer to the General Liability module of the Commercial Statistical Plan.

2. REFERRALS TO COMPANY

A. Refer to company for:
1. Any applicable rating plan modification.
2. Rating or classifying any risk or exposure for which there is no manual rate or applicable classification. Rates shall not be inadequate, excessive or unfairly discriminatory. (For other refer to company situations, see Rule 34.)

Companies should maintain complete files, including all details of the factors used in determining the rate or classification for a particular risk and make these files available to state regulators on request. Such rates or classifications need not be filed with the state regulator.

The second paragraph of Paragraph 2. shall not apply when a company has developed or prepared a manual or schedule of rates which includes a classification applicable to a risk being written. To the extent that filing requirements apply to such a manual or schedule of rates, they must be followed.

B. Estimated Loss Potentials (ELPs) are provided in the Estimated Loss Potentials (ELPs) Supplement for certain classifications for which no manual state company rates/ISO loss costs are given.

3. EFFECTIVE DATE
The date shown on the bottom of the manual page is a printing date and not necessarily the effective date. The effective date, if any, will be announced on the Notice to Manualholders accompanying new or revised manual pages.
4. POLICY TERM

A. Policies may be written for a specific term up to three years or on a continuous basis.

B. A policy may be renewed by renewal certificates. When renewal certificates are used, they must conform in every respect to current rules, rates and forms at the time of renewal.

5. PREMIUM COMPUTATION

A. Prepaid Policies

1. Compute the premium using the annual rates in effect at policy inception multiplied by the policy term expressed in years (term factor), for example:

<table>
<thead>
<tr>
<th>Term Of Policy</th>
<th>Term Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months</td>
<td>0.5</td>
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<tr>
<td>18 months</td>
<td>1.5</td>
</tr>
<tr>
<td>2 years</td>
<td>2.0</td>
</tr>
<tr>
<td>3 years</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Table 5.A.1. Prepaid Policies

2. For a claims-made policy, compute the premium separately for each year (or pro-rated portion thereof) and total the premiums using the annual rates in effect at policy inception multiplied by the claims-made multipliers for the applicable year in claims-made.

3. If the term of the policy is less than 1 year, multiply the premium determined in Paragraph 1. by 1.1 unless the policy is issued to obtain anniversary dates common with other policies.

B. Annual Premium Payment Plan Policies

1. Compute the premium for each annual payment on the basis of the annual rates in effect on each anniversary date of the policy. If the estimated annual premium is less than $500, the rate and premium adjustment for a policy written for a period of more than one year may be deferred until termination of the policy.

2. Prorate the premium in Paragraph 1. when the policy is issued for other than a whole number of years.

3. Attach Calculation Of Premium Endorsement IL 00 03 or CG 31 98 (applicable to the Electronic Data Liability or Product Withdrawal Coverage Forms).

6. FACTORS OR MULTIPLIERS

Factors or multipliers are to be applied consecutively and not added together, unless otherwise specified.
7. ROUNDING PROCEDURE
   A. Rates
      Round rates, factors and multipliers after the final calculation to three decimal places. Five tenths or more of a mill shall be considered one mill, for example, .1245=.125.
   B. Premium
      Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving $.50 or over to the next higher whole dollar.

8. POLICY WRITING MINIMUM PREMIUM
   A. Prepaid Policies
      1. Refer to company for policy writing minimum premium.
      2. Apply a minimum premium regardless of term.
   B. Annual Premium Payment Plan Policies Or Continuous Policies
      1. Refer to company for policy writing minimum premium.
      2. Apply a minimum premium for each annual period.

9. ADDITIONAL PREMIUM CHANGES
   Paragraph A.2. is replaced by the following:
   A. Calculation Of Premium
      2. Apply the rates and rules in effect on the effective date of the policy or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on the anniversary date. Where the policy inception premium was less than the policywriting minimum premium, add the additional premium to the policy inception premium as the total premium for the policy. If the total premium is still below the policywriting minimum premium, charge the policywriting minimum premium instead.

9. ADDITIONAL PREMIUM CHANGES
   A. Calculation Of Premium
      1. Prorate all changes requiring additional premium.
      2. Apply the rates and rules in effect on the effective date of the policy, or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date. The additional premium developed is in addition to any applicable policy writing minimum premium.
   B. Waiver Of Premium
      1. Additional premiums at or below a specified amount may be waived. Refer to company for the maximum amount to be waived.
      2. This waiver applies only to that portion of the premium due on the effective date of the policy change.
10. RETURN PREMIUM CHANGES

A. Premium Computation
   1. Compute return premium at the rates used to calculate the policy premium.
   2. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced. Retain the policy writing minimum premium.

B. Waiver Of Premium
   1. Return premiums at or below a specified amount may be waived. Refer to company for the maximum amount to be waived.
   2. This waiver applies only to that portion of the premium due on the effective date of the policy change.
   3. Any return premium due the insured must be granted if the insured requests it.

11. POLICY CANCELLATIONS

Paragraph C. is replaced by the following:

C. Retention Of Policy Writing Minimum Premium
   Do not retain the policy writing minimum premium:
   1. When the return premium is calculated under Paragraph A.;
   2. When the policy is cancelled as of the inception date;
   3. When the return premium is calculated under Paragraph B., unless an exception has been sought under the provisions of Florida Regulations Section 4-170.010(2) by means of a prior approval filing for certain classes or types of risk as set forth in such filing. Refer to the insurer for information on exceptions, if any, in effect for that insurer.

11. POLICY CANCELLATIONS

A. Pro Rata Calculation
   Compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:
   1. At the Company’s request.
   2. Because the insured no longer has a financial or insurable interest in the property or business operation that is the subject of insurance.
   3. And rewritten in the same company or company group.
   4. After the first year for a prepaid policy written for a term of more than one year.

B. Other Calculations
   If Paragraph A. does not apply, compute return premium as follows:
   1. Continuous And Annual Premium Payment Policies
      Compute return premium at .90 of the pro rata unearned premium for the one year or annual installment period and round to the next higher whole dollar.
   2. Prepaid Policies
      If cancelled during the first year, compute the return premium at .90 of the pro rata unearned premium for the first year, plus the full annual premium for the subsequent years and round to the next higher whole dollar.
   3. Policies With Term Less Than One Year
      Compute return premium at .90 of the pro rata unearned premium and round to the next higher whole dollar.
C. Retention Of Policy Writing Minimum Premium
   Retain the Policy Writing Minimum Premium when return premium is calculated under Paragraph B. except when a policy is cancelled as of the inception date.

12. RESERVED FOR FUTURE USE

13. RESIDENT AGENT COUNTERSIGNATURE
   Rule 13. does not apply.

13. RESIDENT AGENT COUNTERSIGNATURE
   If a resident agent's countersignature is required by state law, use Resident Agent Countersignature Endorsement IL 09 17, unless state law prohibits use of such an endorsement, or so restricts such use as to make it inappropriate.

14. MINIMUM PREMIUMS
   A. Definition
   Minimum premiums are the lowest amounts for which insurance may be written for each full year of coverage.

   B. Determination
   1. For each classification, determine the increased limits table assignment for both Premises/Operations and Products/Completed Operations from the state company rates/ISO loss costs or the state increased limits table assignment section following Rule 56.C.

   2. Refer to company for the Premises/Operations minimum premium for classifications with increased limits table assignments 1, 2 and 3 and for the Products/Completed Operations minimum premium for classifications with increased limits table assignments A, B and C.

   3. Using the information from Paragraphs 1. and 2., determine the appropriate basic limit minimum premium for each classification.

   C. Sublines
   Minimum premiums apply separately to each subline for which a premium is charged.
D. Multiple Classifications

Regardless of the number of classifications on the policy, choose the highest minimum premium for each subline, as the minimum premium for that subline. If multiple classifications apply, the minimum premiums for premises/operations and products/completed operations may come from different classifications.

E. Special Combined Minimum Premiums

1. Refer To The Company

Refer to company for the special combined basic limit minimum premium for each of the classifications in Paragraph 2.

2. Special Combined Minimum Premium Classifications

<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>10026</td>
<td>Antique Stores</td>
</tr>
<tr>
<td></td>
<td>Art Galleries:</td>
</tr>
<tr>
<td>10065</td>
<td>Other than Not-For-Profit</td>
</tr>
<tr>
<td>10066</td>
<td>Not-For-Profit only</td>
</tr>
<tr>
<td>10100</td>
<td>Bakeries</td>
</tr>
<tr>
<td>10145</td>
<td>Beverage Stores - Liquor and Wine</td>
</tr>
<tr>
<td>10352</td>
<td>Candy or Confectionery Stores</td>
</tr>
<tr>
<td></td>
<td>Dairy Products or Butter and Egg Stores:</td>
</tr>
<tr>
<td>11258</td>
<td>Other than Not-For-Profit</td>
</tr>
<tr>
<td>11259</td>
<td>Not-For-Profit only</td>
</tr>
<tr>
<td>11288</td>
<td>Delicatessens</td>
</tr>
<tr>
<td></td>
<td>Furniture Stores:</td>
</tr>
<tr>
<td>13351</td>
<td>Other than Not-For-Profit</td>
</tr>
<tr>
<td>13352</td>
<td>Not-For-Profit only</td>
</tr>
<tr>
<td></td>
<td>Gift Shops:</td>
</tr>
<tr>
<td>13506</td>
<td>Other than Not-For-Profit</td>
</tr>
<tr>
<td>13507</td>
<td>Not-For-Profit only</td>
</tr>
<tr>
<td>13673</td>
<td>Grocery Stores</td>
</tr>
</tbody>
</table>
Table 14.E.2. Special Combined Minimum Premium Classifications

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<thead>
<tr>
<th>Code</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>13716</td>
<td>Hardware Stores</td>
</tr>
<tr>
<td>14401</td>
<td>Ice Cream Stores</td>
</tr>
<tr>
<td>15224</td>
<td>Meat, Fish, Poultry or Seafood Stores</td>
</tr>
<tr>
<td>16403</td>
<td>Pet Stores</td>
</tr>
<tr>
<td></td>
<td>Restaurants - With No Sale Of Alcoholic Beverages</td>
</tr>
<tr>
<td>16902</td>
<td>Without Seating</td>
</tr>
<tr>
<td>18078</td>
<td>Ship Chandlers Stores</td>
</tr>
<tr>
<td>18109</td>
<td>Shoe Repair Shops</td>
</tr>
<tr>
<td></td>
<td>Stores - NOC - Food or Drink:</td>
</tr>
<tr>
<td>18435</td>
<td>Other than Not-For-Profit</td>
</tr>
<tr>
<td>18436</td>
<td>Not-For-Profit only</td>
</tr>
<tr>
<td></td>
<td>Stores - NOC - No Food or Drink:</td>
</tr>
<tr>
<td>18437</td>
<td>Other than Not-For-Profit</td>
</tr>
<tr>
<td>18438</td>
<td>Not-For-Profit only</td>
</tr>
<tr>
<td>18507</td>
<td>Tailoring or Dressmaking</td>
</tr>
<tr>
<td></td>
<td>Establishments - Custom</td>
</tr>
<tr>
<td>18708</td>
<td>Tobacco Products Stores</td>
</tr>
</tbody>
</table>

3. Increased Limits Factors

Refer to the applicable Premises/Operations increased limits tables for increased limits factors for these classifications.

F. "If Any" Minimum Premium

If a classification is used on an "if any" basis, no minimum premium shall be applied unless an exposure develops during the policy period.
G. Adjustment

All minimum premiums except for the policy writing minimum premium are subject to adjustment for additional interests and increased limits.

H. Policy Writing Minimum Premium

Use the policy writing minimum premium if the total amount developed using this rule is less than the policy writing minimum premium.

15. DEDUCTIBLES

A. Definition

This is a method of coverage under which the insured agrees to contribute up to a specific sum either per claim or per occurrence, towards the amount paid to claimants as damages.

B. Application

When deductible insurance is selected by the insured either on a per claim or per occurrence basis, the company's obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on behalf of the insured applies only to the amount of damages in excess of any deductible amounts stated as applicable to such coverages.

C. Types

Deductibles are available separately for both premises/operations and products/completed operations coverages for Bodily Injury, Property Damage or Bodily Injury and Property Damage combined.

D. Deductible Discount Factors

1. Deductible discount factors are displayed in the tables in Paragraph E.

2. Deductible discount factors are provided in accordance with the increased limits tables applicable for premises/operations, that is, Tables 1-3 and products/completed operations, that is, Tables A, B, C. In order to determine the appropriate deductible discount factor, determine the increased limits table assignment for a given classification.

3. Deductible discount factors shown in the various tables are on a per occurrence basis. For factors on a per claim basis, refer to company.
4. Deductible discount factors are applicable only to the company's basic limits rates and minimum premiums.

5. The tables in Paragraph E. indicate which factors must be referred to company before using.

6. Deductible discount factors apply only when the insured's retention is not above the basic limit.

E. Deductible Amounts

1. Premises/Operations Deductible Discount Factors - Bodily Injury

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Table 1</td>
</tr>
<tr>
<td>$ 250</td>
<td>0.008</td>
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<tr>
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</tr>
<tr>
<td>5,000</td>
<td>0.102</td>
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</tbody>
</table>

The following factors MUST be referred to company before using.

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<thead>
<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
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<tbody>
<tr>
<td></td>
<td>Table 1</td>
</tr>
<tr>
<td>10,000</td>
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<tr>
<td>15,000</td>
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<tr>
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<tr>
<td>25,000</td>
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<tr>
<td>50,000</td>
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<tr>
<td>75,000</td>
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<td>100,000</td>
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</table>

Table 15.E.1. Premises/Operations Deductible Discount Factors - Bodily Injury

2. Premises/Operations Deductible Discount Factors - Property Damage
<table>
<thead>
<tr>
<th>Deduct. Amount</th>
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</thead>
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<tr>
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</tr>
<tr>
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<tr>
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</tr>
</tbody>
</table>

The following factors MUST be referred to company before using.

<table>
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<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
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</thead>
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</table>

Table 15.E.2. Premises/Operations Deductible Discount Factors - Property Damage

3. Premises/Operations Deductible Discount Factors - Bodily Injury And Property Damage

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Table 1</td>
</tr>
<tr>
<td>$250</td>
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<tr>
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<td>0.034</td>
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<tr>
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The following factors MUST be referred to company before using.
<table>
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<tr>
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<tr>
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</table>

Table 15.E.3. Premises/Operations Deductible Discount Factors - Bodily Injury And Property Damage

4. Products/Completed Operations Deductible Discount Factors - Bodily Injury

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Table A</td>
</tr>
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</table>

The following factors MUST be referred to company before using.

<table>
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<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Table A</td>
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<tr>
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<td>15,000</td>
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</table>

Table 15.E.4. Products/Completed Operations Deductible Discount Factors - Bodily Injury
5. Products/Completed Operations Deductible Discount Factors - Property Damage

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Table A</th>
<th>Table B</th>
<th>Table C</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 250</td>
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<td>0.003</td>
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<td>0.005</td>
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<td>0.007</td>
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<td>0.024</td>
<td>0.017</td>
</tr>
<tr>
<td>3,000</td>
<td>0.046</td>
<td>0.033</td>
<td>0.024</td>
</tr>
<tr>
<td>4,000</td>
<td>0.056</td>
<td>0.040</td>
<td>0.030</td>
</tr>
<tr>
<td>5,000</td>
<td>0.064</td>
<td>0.047</td>
<td>0.035</td>
</tr>
</tbody>
</table>

The following factors MUST be referred to company before using.

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Table A</th>
<th>Table B</th>
<th>Table C</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>0.096</td>
<td>0.074</td>
<td>0.058</td>
</tr>
<tr>
<td>15,000</td>
<td>0.118</td>
<td>0.094</td>
<td>0.076</td>
</tr>
<tr>
<td>20,000</td>
<td>0.136</td>
<td>0.110</td>
<td>0.091</td>
</tr>
<tr>
<td>25,000</td>
<td>0.150</td>
<td>0.124</td>
<td>0.104</td>
</tr>
<tr>
<td>50,000</td>
<td>0.198</td>
<td>0.173</td>
<td>0.152</td>
</tr>
<tr>
<td>75,000</td>
<td>0.227</td>
<td>0.205</td>
<td>0.185</td>
</tr>
<tr>
<td>100,000</td>
<td>0.248</td>
<td>0.228</td>
<td>0.211</td>
</tr>
</tbody>
</table>

Table 15.E.5. Products/Completed Operations Deductible Discount Factors - Property Damage

6. Products/Completed Operations Deductible Discount Factors - Bodily Injury And Property Damage

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Table A</th>
<th>Table B</th>
<th>Table C</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 250</td>
<td>0.013</td>
<td>0.005</td>
<td>0.004</td>
</tr>
<tr>
<td>500</td>
<td>0.024</td>
<td>0.011</td>
<td>0.008</td>
</tr>
<tr>
<td>750</td>
<td>0.034</td>
<td>0.015</td>
<td>0.011</td>
</tr>
<tr>
<td>1,000</td>
<td>0.043</td>
<td>0.020</td>
<td>0.014</td>
</tr>
<tr>
<td>2,000</td>
<td>0.072</td>
<td>0.036</td>
<td>0.026</td>
</tr>
<tr>
<td>3,000</td>
<td>0.094</td>
<td>0.049</td>
<td>0.037</td>
</tr>
</tbody>
</table>
The following factors MUST be referred to company before using.

<table>
<thead>
<tr>
<th>Deduct. Amount</th>
<th>Deductible Discount Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Table A</td>
</tr>
<tr>
<td>10,000</td>
<td>0.183</td>
</tr>
<tr>
<td>15,000</td>
<td>0.221</td>
</tr>
<tr>
<td>20,000</td>
<td>0.250</td>
</tr>
<tr>
<td>25,000</td>
<td>0.275</td>
</tr>
<tr>
<td>50,000</td>
<td>0.360</td>
</tr>
<tr>
<td>75,000</td>
<td>0.414</td>
</tr>
<tr>
<td>100,000</td>
<td>0.452</td>
</tr>
</tbody>
</table>

Table 15.E.6. Products/Completed Operations Deductible Discount Factors - Bodily Injury And Property Damage

F. Endorsement

Use Deductible Liability Insurance Endorsement CG 03 00.

G. Procedures

Where deductibles are purchased, utilize the following procedure in determining the final rate:

1. Subtract the deductible factor from the applicable increased limits factor to determine an adjusted limits factor.

2. Determine applicable rate by multiplying the basic limits rate by the adjusted limits factor derived in 1.

H. Examples

(Note that the increased limits factors used for these examples may not reconcile to the increased limit factors shown in the state exception pages)

1. Given: Classification XXXXX

Premises/Operations Basic Limits Rate: $

Limits purchased: CSL $500,000/1,000,000
Deductible Purchased: $5,000 B.I. for premises/operations.

   a. For classification XXXXX, determine the premises/operations increased limits table assignment (ILTA), that is, Table 3. for class XXXXX.

   b. Given the ILTA from a., obtain the appropriate deductible discount for $5,000 B.I. for premises/operations.

      Discount = 0.037 (3.7%)

   c. From the increased limits tables for premises/operations Table 3. determine the increased limit factor (ILF):

      For CSL $500,000/1,000,000, the ILF = 1.50

   d. Subtract the deductible factor from the ILF to obtain an adjusted limits factor.

      Adjusted Limits Factor = 1.50 - 0.037 = 1.463

   e. Determine applicable rate by multiplying basic limits rate by adjusted limits factor.

2. Given: Classification ZZZZZ

Products Basic Limits Rate: $

Limits purchased: CSL $1,000,000/2,000,000

Deductible Purchased: $10,000 B.I. for products/completed operations

   a. For classification ZZZZZ, determine the products/completed operations increased limits table assignment (ILTA), that is, Table B. for class ZZZZZ.

   b. Given the ILTA from a., obtain the appropriate deductible discount for $10,000 B.I. for products/completed operations.

      Discount = 0.042 (4.2%)

   c. From the increased limits tables for products/completed operations Table B. determine the increased limit factor (ILF):

      For CSL $1,000,000/2,000,000, the ILF = 1.69

   d. Subtract the deductible factor from the ILF to obtain an adjusted limits factor.
Adjusted Limits Factor = 1.69 - 0.042 = 1.648

e. Determine applicable rate by multiplying basic limits rate by adjusted limits factor.

3. Given: Classification YYYYY

Premises/Operations Basic Limits Rate: $

Limits purchased: CSL $500,000/1,000,000

Deductible Purchased: $10,000 B.I. for premises/operations

$5,000 P.D. for premises/operations

a. For classification YYYYY, determine the premises/operations increased limits table assignment (ILTA) that is, Table 2. for class YYYYY.

b. Given the ILTA from a., obtain the appropriate deductible discount for $10,000 B.I. for premises/operations and $5,000 P.D. for premises/operations.

B.I. Discount = 0.099 (9.9%)
P.D. Discount = 0.051 (5.1%)

c. From the increased limits tables for premises/operations Table 2. determine the increased limit factor (ILF);

For CSL $500,000/1,000,000, the ILF = 1.40

d. Subtract the deductible factors from the ILF to obtain an adjusted limits factor.

Adjusted Limits Factor = 1.40 - 0.099 - 0.051 = 1.250

e. Determine the applicable rate by multiplying the basic limit rate (BLR) by the adjusted limit factor.

BLR x 1.250 = rate for CSL with different deductibles for B.I. and P.D.

4. Given: Classification WWWWW

Premises/Operations Basic Limits Rate: $
Limits purchased: B.I. $500,000/1,000,000
P.D. $300,000/600,000

Deductible Purchased: $10,000 B.I. for premises/operations
$5,000 P.D. for premises/operations

a. For classification WWWWW, determine the premises/operations increased limits table assignment (ILTA) that is, Table 2. for class WWWWW.

b. Given the ILTA from a., obtain the appropriate deductible discount for $10,000 B.I. for premises/operations and $5,000 P.D. for premises/operations.

For B.I. Discount = 0.099 (9.9%)
For P.D. Discount = 0.051 (5.1%)

c. From the increased limit tables for premises/operations Table 2. determine the increased factors (ILF):

For B.I. $500,000/1,000,000, the ILF = 1.40
For P.D. $300,000/600,000, the ILF = 1.26

d. From the split limit table for premises/operations in Rule 23.D.3. determine the B.I. and P.D. split limit factors and constant:

B.I. = 0.97
P.D. = 0.11
Constant = - 0.03

e. Adjust B.I. and P.D. ILFs for the selected deductibles:

Adjusted B.I. ILF = 1.40 - 0.099 = 1.301
Adjusted P.D. ILF = 1.26 - 0.051 = 1.209

f. Convert the desired split limits of coverage to a comparable combined single limit of coverage:

\[(1.301 \times 0.97) + (1.209 \times 0.11) + (-0.03) = 1.262 + 0.133 + (-0.03) = 1.365\]
g. Determine the applicable rate by multiplying the basic limit rate (BLR) by the adjusted limit factor.

BLR x 1.365 = rate for split limits of coverage with different deductibles for B.I. and P.D.

16. ADDITIONAL INTERESTS

Policies may be written to cover additional interests. Refer to each endorsement to determine the applicable Coverage Parts.

A. No Additional Charge

1. For architects, engineers or surveyors engaged by the insured, use Additional Insured - Engineers, Architects Or Surveyors Endorsement CG 20 07 with the Commercial General Liability Coverage Part; use Additional Insured - Architects, Engineers Or Surveyors Endorsement CG 20 31 with the Owners And Contractors Protective Liability Coverage Form.

2. For churches - members, trustees, officials, members of the board of governors, clergy or volunteers - on policies covering churches, use Additional Insured - Church Members, Officers And Volunteer Workers Endorsement CG 20 22.

3. For co-owners of premises only with respect to their liability as such, use Additional Insured - Co-Owner Of Insured Premises Endorsement CG 20 27.

4. For controlling interests, use Additional Insured - Controlling Interests Endorsement CG 20 05.

5. For elective or appointive executive officers of public and municipal corporations - including members of boards, corporations or commissions of such bodies on policies covering such boards, corporations or commissions, use Additional Insured - Elective Or Appointive Executive Officers Of Public Corporations Endorsement CG 20 25.

6. For executors, administrators, trustees or beneficiaries on policies covering estates of deceased persons or living trusts, use Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement CG 20 23.

7. For grantor of licenses:

   a. When automatic status is required by licensor, use Additional Insured - Grantor Of Licenses - Automatic Status When Required By Licensor Endorsement CG 20 35.
b. To add a grantor of the license on a Schedule basis, use Additional Insured - Grantor Of Licenses Endorsement CG 20 36.

8. For members of clubs or unincorporated associations - on policies covering such clubs or unincorporated associations, use Additional Insured - Club Members Endorsement CG 20 02.

9. For mortgagees, assignees or receivers - on policies covering owners or general lessees, use Additional Insured - Mortgagee, Assignee, Or Receiver Endorsement CG 20 18.

10. For oil or gas operations - co-owners, joint ventures or mining partners with nonoperating working interests with the insured in oil or gas leases - on policies covering the operators of such leases, use Oil Or Gas Operations - Nonoperating, Working Interests Endorsement CG 20 30.

11. For owners or other interests from whom land has been leased, use Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased Endorsement CG 20 24.

12. For states, counties, cities or other state or federal governmental units - permits or authorizations issued to:

   a. Owners or lessees, use Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises Endorsement CG 20 13.

   b. Contractors, use Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Endorsement CG 20 12; use Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Endorsement CG 29 35 with the Owners And Contractors Protective Liability Coverage Form.

This rule does not apply to operations performed for such governmental units.

13. For trustees, members of boards of governors - on policies covering charitable institutions, use Additional Insured - Charitable Institutions Endorsement CG 20 20.

B. Additional Charge - Refer To Company

1. For concessionaires, use Additional Insured - Concessionaires Trading Under Your Name Endorsement CG 20 03.

Those who are physically separated and who operate under their own name cannot be added as additional interests.
2. For grantors of franchises, use Additional Insured - Grantor Of Franchise Endorsement CG 20 29.

3. For lessors of leased equipment who have signed a contract or agreement that requires them to be added as an additional insured on a policy covering a lessee, with respect to liability arising out of the named insured's maintenance, operation or use of such leased equipment, use Additional Insured - Lessor Of Leased Equipment - Automatic Status When Required In Lease Agreement With You Endorsement CG 20 34.

For all other lessors of leased equipment, use Additional Insured - Lessor Of Leased Equipment Endorsement CG 20 28.

4. For owners, lessees or contractors - owners or lessees on policies covering contractors or contractors on policies covering subcontractors, but only as respects liability for operations performed for those owners, lessees or contractors by or on behalf of the insured contractor or subcontractor, use Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization Endorsement CG 20 10. In addition, this endorsement is to be used when requests for additional insured status are not in writing.

5. For managers or operators of premises or interests from whom premises have been rented or leased on policies covering lessees or tenants, use Additional Insured - Managers Or Lessors Of Premises Endorsement CG 20 11.

6. For vendors' product liability on policies covering manufacturers or distributors, use Additional Insured - Vendors Endorsement CG 20 15.

7. For all others, use Additional Insured - Designated Person Or Organization Endorsement CG 20 26.

8. For architects, engineers or surveyors not engaged by the named insured but contractually required to be added as an additional insured to the named insured's policy, use Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured Endorsement CG 20 32 with the Commercial General Liability Coverage Part.

9. For owners or lessees, or contractors who have signed a contract or agreement that requires them to be added as an additional insured on a policy covering a contractor or a subcontractor, with respect to liability arising out of the named insured's ongoing operations performed for that additional insured, use Additional Insured - Owners, Lessees Or Contractors - Automatic Status When Required In Construction Agreement With You Endorsement CG 20 33. Do not attach this endorsement if Contractual Liability Limitation Endorsement CG 21 39 is also attached to the same policy.

10. For owners, lessees or contractors - completed operations coverage for owners or lessees on policies covering contractors, or contractors on policies covering subcontractors is available. Use Additional Insured - Owners, Lessees Or Contractors - Completed Operations Endorsement CG 20 37.
SECTION II

COVERAGE RULES

SECTION II- COVERAGE RULES

17-21. RESERVED FOR FUTURE USE

22. DESCRIPTION OF COMMERCIAL GENERAL LIABILITY COVERAGE

Paragraph C.3. is replaced by the following:

C. For details of coverage:

3. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 02 20.

22. DESCRIPTION OF COMMERCIAL GENERAL LIABILITY COVERAGE
A. Two standard coverage forms are available for Commercial General Liability risks. One coverage form provides bodily injury and property damage liability on an occurrence basis and one coverage form provides that coverage on a claims-made basis.

B. These coverage forms provide coverage against claims for:

1. Bodily injury, property damage and personal and advertising injury arising from premises/operations in conjunction with the insured's business.

2. Bodily injury and property damage arising from products/completed operations in conjunction with the insured's business.

C. For details of coverage:

1. Refer to coverage forms:
   a. Commercial General Liability Coverage Form Occurrence Version CG 00 01.
   b. Commercial General Liability Coverage Form Claims-made Version CG 00 02.

2. Refer to mandatory multistate endorsements:
   a. Broad Form Nuclear Exclusion Endorsement IL 00 21.
   b. Employment-related Practices Exclusion CG 21 47, but only when an Employment-related Practices policy is being written.
   c. Recording And Distribution Of Material Or Information In Violation Of Law Exclusion Endorsement CG 00 68.

3. Refer to mandatory state endorsements in the state exceptions.

D. The appropriate:

1. Coverage form;

2. Mandatory endorsements (including those required for use in a particular state or as required by a footnote in the Classification Table);

3. Other applicable endorsements;

4. The Declarations; and

5. The Common Policy Conditions ( IL 00 17)
make up a Coverage Part.

23. COMPANY RATES OR ISO LOSS COSTS

A. Categories

The Commercial General Liability coverage is divided into two major categories for rating purposes:

1. Premises/Operations (Subline Code 334); and

B. Location

Either company rates or ISO loss costs for both premises/operations and products/completed operations are shown for the occurrence form in the state company rates/ISO loss costs opposite the identifying code number of the classification. If ISO loss costs are displayed, company rates must be calculated by applying to the ISO loss cost the appropriate loss cost multiplier which has been supplied by the company.

Rates for use with the claims-made form are calculated in accordance with Paragraph F. of this rule.

C. Basic Limits

1. Company rates or ISO loss costs are shown at the following limits:

   a. $100,000 each occurrence for bodily injury and property damage. Subject to this limit:

      (1) $100,000 per premises rented to you for:

         (a) Fire damage; and

         (b) Other property damage; if the premises is rented to you for a period of not more than 7 consecutive days.

      (2) $5,000 per person for medical payments.

   b. $100,000 per person or organization for personal and advertising injury.

   c. The limits provided under Paragraphs a. and b. are subject to either the $200,000 General Aggregate Limit (for other than products/completed operations) or the $200,000 Products/Completed Operations Aggregate Limit, whichever is applicable.
2. The Occurrence Limit applies to premises/operations and products/completed operations.

3. The Aggregate Limits apply separately to each year of the policy or any applicable policy period less than 1 year (other than an extension of less than 1 year after the policy is issued).

4. The Aggregate Limits may be reinstated when exhausted. Refer to company.

D. Increased Limits

1. Increased limits factors for both premises/operations and products/completed operations are found in Rule 56.

These factors contemplate that the limit for personal and advertising injury will be equal to the occurrence limit selected.

The occurrence limit applies to premises/operations and products/completed operations; therefore, different occurrence limits cannot be selected.

The basic damage to premises rented to you limits do not increase with increases in other limits. For increased damage to premises rented to you limits, refer to company.

For medical payments, the limit may be optionally increased to $10,000. For medical payments limits above $10,000, refer to company.

2. Factors to increase medical payments limit from $5,000 to $10,000 are found in the following table:

$10,000 Limit Medical Payments Factors

<table>
<thead>
<tr>
<th>Classification Group</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercantile</td>
<td>1.020</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.020</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.003</td>
</tr>
<tr>
<td>Buildings</td>
<td>1.020</td>
</tr>
<tr>
<td>Contractors</td>
<td>1.003</td>
</tr>
</tbody>
</table>

Table 23.D.2. $10,000 Limit Medical Payments Factors
3. Separate increased limits tables are applicable for premises/operations and products/completed operations. To determine the appropriate assignment refer to the state company rates/ISO loss costs or the state increased limits table assignment section following Rule 56.C.

4. The following procedures shall be used in determining premiums for split limit liability coverage at separate limits per occurrence, per aggregate for Bodily Injury and Property Damage.

a. Determine the increased limits factor for the desired limits of Bodily Injury coverage from the appropriate combined single limit increased limits table.

b. Determine the increased limits factor for the desired limits of Property Damage coverage from the appropriate combined single limit increased limits table.

c. Determine the applicable split limit weight factors by classification code displayed in the following table:

### Split Limits Weight Factors

<table>
<thead>
<tr>
<th>Classification Code</th>
<th>Premises/Operations - All Tables</th>
<th>Products - All Tables</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weight</td>
<td>B.I.</td>
</tr>
<tr>
<td>Merc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10000 - 19999</td>
<td>.97</td>
<td>.11</td>
</tr>
<tr>
<td>Misc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40000 - 49999</td>
<td>.97</td>
<td>.11</td>
</tr>
<tr>
<td>Mfg.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50000 - 59999</td>
<td>.83</td>
<td>.19</td>
</tr>
<tr>
<td>Bldg.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60000 - 69999</td>
<td>.97</td>
<td>.11</td>
</tr>
<tr>
<td>Contr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90000 - 99999</td>
<td>.73</td>
<td>.25</td>
</tr>
</tbody>
</table>

Table 23.D.4.c.#1 Split Limits Weight Factors
<table>
<thead>
<tr>
<th>Classification Code</th>
<th>Products - All Tables</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B.I.</td>
</tr>
<tr>
<td>Misc.</td>
<td>19999</td>
<td>.66</td>
</tr>
<tr>
<td></td>
<td>40000 - 49999</td>
<td>.66</td>
</tr>
<tr>
<td>Mfg.</td>
<td>50000 - 59999</td>
<td>.66</td>
</tr>
<tr>
<td></td>
<td>60000 - 69999</td>
<td>.87</td>
</tr>
<tr>
<td>Bldg.</td>
<td>90000 - 99999</td>
<td>.66</td>
</tr>
<tr>
<td>Contr.</td>
<td>18205 Premises/Operations</td>
<td>.79</td>
</tr>
</tbody>
</table>

Table 23.D.4.c.#2 Split Limits Weight Factors

- d. Multiply the Bodily Injury increased limits factor determined in a. by the applicable Bodily Injury weight factor determined in c.

- e. Multiply the Property Damage increased limits factor determined in b. by the applicable Property Damage weight factor determined in c.

- f. Convert the desired split limits of coverage to a comparable combined single limit of coverage by adding the results of d. and e. to the constant factor determined in c. to determine the split increased limit factor.

- g. Multiply the applicable $100,000 per occurrence/$200,000 per aggregate combined single limit rate by the split increased limits factor determined in f.

- h. The following example contains fictitious factors.

(1) Bodily Injury Limit Selected: $300/600 1.58

(2) Property Damage Limit Selected: $200/400 1.28

(3) Classification Code: 18205 Premises/Operations

(4) 1.58 x .97 = 1.53

(5) 1.28 x .11 = 0.14

(6) 1.53 + 0.14 - 0.03 = 1.64

E. Refer To Company
Classifications which show the Symbol (a) instead of a specific rate must be referred to company for rating.

F.  Claims-Made Rates

Claims-made rates are calculated by applying a claims-made multiplier to the appropriate company occurrence rate, which has either been supplied by the company or calculated by applying the company's loss cost multiplier to the ISO loss cost. Claims-made multipliers are shown in the table in Paragraph G.

Claims-made multipliers vary by the appropriate year in claims-made. These claims-made multipliers assume a Retroactive Date coincident with the effective date of the insured's first claims-made policy in an uninterrupted claims-made program and that the date is not advanced upon renewal. If the Retroactive Date is advanced, the new Retroactive Date should be considered as the insured's entry into claims-made for the purposes of determining the appropriate year in claims-made.

If a Retroactive Date is not used, or if a Retroactive Date is used but the date is earlier than the insured's first claims-made policy, refer to company for rating the additional exposure.

G.  Claims-Made Multipliers

<table>
<thead>
<tr>
<th>Year In Claims-Made</th>
<th>Premises/Operations</th>
<th>Products/Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Codes 50000 - 599999</td>
<td>Code 90000 - 999999</td>
</tr>
<tr>
<td>1</td>
<td>.60</td>
<td>.63</td>
</tr>
<tr>
<td>2</td>
<td>.74</td>
<td>.77</td>
</tr>
<tr>
<td>3</td>
<td>.81</td>
<td>.85</td>
</tr>
<tr>
<td>4</td>
<td>.84</td>
<td>.90</td>
</tr>
<tr>
<td>5 or more</td>
<td>.92</td>
<td>.98</td>
</tr>
</tbody>
</table>

Table 23.G. Claims-Made Multipliers
24. BASES OF PREMIUM

The following is added to Paragraph E.2.m.:

For premium computation purposes, use $16,700 as the annual individual payroll for executive officers.

For premium computation purposes, use $16,700 as the annual individual payroll for individual insureds or co-partners.

24. BASES OF PREMIUM

The basis used for determining the premium charge for each classification is indicated in the classification section of this Manual. The definitions of the bases of premium are as follows:

A. Admissions

The total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

The rates apply per 1,000 admissions.

B. Area

The total number of square feet of floor space at the insured premises, computed as follows:

1. For entire buildings, by multiplying the product of the horizontal dimensions of the outside of the outer building walls by the number of floors, including basements but do not use the area of the following:

   a. Courts and mezzanine types of floor openings.

   b. Portions of basements or floors where 50% or more of the area is used for shop or storage for building maintenance, dwelling by building maintenance employees, heating units, power plants or air-conditioning equipment.

2. For tenants, determine the area they occupy in the same manner as for entire buildings.
3. The rates apply per 1,000 square feet of area.

C. Each

This basis of premium involves units of exposure, and the quantity comprising each unit of exposure is indicated in the classification footnotes, such as "per person".

D. Gross Sales

1. Definition

The gross amount charged by the named insured, concessionaires of the named insured or by others trading under the insured's name for:

a. All goods or products, sold or distributed;

b. Operations performed during the policy period;

c. Rentals; and

d. Dues or fees.

2. Inclusions

The following items shall not be deducted from gross sales:

a. Foreign exchange discounts;

b. Freight allowance to customers;

c. Total sales of consigned goods and warehouse receipts;

d. Trade or cash discounts;

e. Bad debts; and

f. Repossession of items sold on installments (amount actually collected).

3. Exclusions

The following items shall be deducted from gross sales:

a. Sales or excise taxes which are collected and submitted to a governmental division;
b. Credits for repossessed merchandise and products returned. Allowances for damaged and spoiled goods;

c. Finance charges for items sold on installments;

d. Freight charges on sales if freight is charged as a separate item on customers invoice;

e. Royalty income from patent rights or copyrights which are not product sales, and

f. Rental receipts for products liability coverage only.

4. Application

The rates apply per $1,000 of Gross Sales.

E. Payroll

1. Definition

a. Payroll means remuneration.

b. Remuneration means money or substitutes for money.

2. Inclusions

Payroll includes the following items:

a. Commissions;

b. Bonuses;

c. Extra pay for overtime work, except as provided in Paragraph E.4.;

d. Pay for holidays, vacations or periods of sickness;

e. Payment by an employer of amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act;

f. Payment to employees on any basis other than time worked, such as piecework, profit sharing or incentive plans;

g. Payment or allowance for hand tools or power tools used by hand provided by employees and used in their work or operations for the insured;
h. The rental value of an apartment or a house provided for an employee based on comparable accommodations;

i. The value of lodging, other than an apartment or house, received by employees as part of their pay, to the extent shown in the insured's records;

j. The value of meals received by employees as part of their pay to the extent shown in the insured's records;

k. The value of store certificates, merchandise, credits or any other substitute for money received by employees as part of their pay;

l. The payroll of mobile equipment operators and their helpers, whether or not the operators are designated or licensed to operate automobiles. If the operators and their helpers are provided to the insured along with equipment hired under contract and their actual payroll is not known, use 1/3 of the total amount paid out by the insured for the hire of the equipment;

m. The payroll of executive officers of a corporation and individual insureds and co-partners. Use the payroll shown on the state exceptions under Rule 24. For the purposes of payroll determination, managers of limited liability companies shall be considered executive officers and members of limited liability companies shall be considered co-partners;

The executive officers of a corporation are those persons holding any of the officer positions created by the named insured's charter, constitution or by-laws or any other similar governing document.

The payroll of all executive officers of a corporation and individual insureds or co-partners engaged principally in clerical operations or as salespersons, and officers and co-partners who are inactive for the entire policy period, shall not be included for premium purposes.

For part-time or seasonal businesses the payroll amounts may be reduced by 2 percent for each full calendar week in excess of twelve during which the risk performs no operations.

n. The payroll of leased workers furnished to the named insured by a labor leasing firm. Premium on such payroll shall be based on the classifications and rates which would have applied if the leased workers had been the direct employees of the named insured. If payroll is unavailable, use 100% of the total cost of the contract for leased workers as the payroll of leased workers. The premium shall be charged on that amount as payroll;

If investigation of a specific employee leasing contract discloses that a definite amount of the contract price represents payroll, such amount shall be considered payroll for premium computation purposes.
o. Fees paid to employment agencies for temporary personnel provided to the insured.

3. Exclusions

a. Tips and other gratuities received by employees;

b. Payments by an employer to group insurance or group pension plans for employees, other than payments covered by Paragraph E.2.e.;

c. The value of special rewards for individual invention or discovery;

d. Dismissal or severance payments except for time worked or accrued vacation;

e. The payroll of clerical office employees;

Clerical office employees are those employees who work in an area which is physically separated by walls, floors or partitions from all other work areas of the insured and whose duties are strictly limited to keeping the insured's books or records or conducting correspondence, including any other employees engaged in clerical work in the same area.

f. The payroll of salespersons, collectors or messengers who work principally away from the insured's premises. Salespersons, collectors or messengers are those employees engaged principally in any such duties away from the premises of the employer;

This term does not apply to any employee whose duties include the delivery of any merchandise handled, treated or sold.

g. The payroll of drivers and their helpers if their principal duties are to work on or in connection with automobiles;

h. The payroll of aircraft pilots or co-pilots if their principal duties are to work on or in connection with aircraft in either capacity; and

i. The payroll of draftsmen if their duties are limited to office work only and who are engaged strictly as draftsmen in such a manner that they are not exposed to the operative hazards of the business. The payroll of these draftsmen shall be assigned to the classification "Draftsmen" - Code 91805.

4. Overtime

a. Definition

Overtime means those hours worked for which there is an increase in the rate of pay:
(1) For work in any day or in any week in excess of the number of hours normally worked, or

(2) For hours worked in excess of 8 hours in any day or 40 hours in any week, or

(3) For work on Saturdays, Sundays or Holidays.

In the case of guaranteed wage agreements, overtime means only those hours worked in excess of the number specified in such agreement.

b. Exclusion Of Overtime Payroll

The extra pay for overtime shall be excluded from the payroll on which premium is computed as indicated in (1) or (2), provided the insured’s books and records are maintained to show overtime pay separately by employee and in summary by classification.

(1) If the records show separately the extra pay earned for overtime, the entire extra pay shall be excluded.

(2) If the records show the total pay earned for overtime (regular pay plus overtime pay) in one combined amount, 1/3 of this total pay shall be excluded. If double time is paid for overtime and the total pay for such overtime is recorded separately, 1/2 of the total pay for double time shall be excluded.

Exclusion of overtime pay does not apply to payroll assigned to the "Stevedoring" classifications.

5. Application

The rates apply per $1,000 of payroll.

F. Total Cost

The total cost of all work let or sublet in connection with each specific project including:

1. The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work, however, do not include the cost of finished equipment installed but not furnished by the subcontractor if the subcontractor does no other work on or in connection with such equipment; and

2. All fees, bonuses or commissions made, paid or due.

The rates apply per $1,000 of Total Cost.

G. Total Operating Expenditures
1. Definition

Total expenditures (including grants, entitlements and shared revenue) without regard to source of revenue during the policy period, including accounts payable.

2. Inclusions

The following items are included in Total Operating Expenditures:

a. Capital improvements - Work performed by the named insured in connection with any purchase or improvement of any individual item of personal or real property which is bonded or financed, including interest thereon, or exceeds 5% of Total Operating Expenditures;

b. Expenditures for independent contractors operations when the contractor does not carry adequate insurance;

c. Any federal or state funds for the sole purpose of training employees unless a separate policy with adequate coverage and limits has been issued in the name of the governing body of such funds with the governmental entity named as an additional insured or a hold harmless agreement in favor of the governmental subdivision exists.

3. Exclusions

The following items are excluded from Total Operating Expenditures:

a. Capital improvements - Any purchase or improvement of any individual item of personal or real property which is bonded or financed, including interest thereon, or exceeds 5% of Total Operating Expenditures;

b. Expenditures for independent contractors operations where the contractor carries adequate insurance;

c. Welfare benefits (not administrative costs) including expenditures for activities designed to provide public assistance and institutional care (for example, old age assistance, aid to dependent children, aid to blind, social security payments). Any federal or state funds for the sole purpose of training employees should be excluded if a separate policy with adequate coverage and limits has been issued in the name of the governing body of such funds with the governmental entity named as an additional insured or a hold harmless agreement in favor of the governmental subdivision exists;

d. Expenditures from the Intragovernmental Service Fund if funding is budgeted for and received from other funds. This is necessary to prevent double counting of certain expenditures;
e. Expenditures on those exposures which are separately rated. However, not all of the exposures that are separately rated may have expenditures.

4. Accounting Terminology

The following are explanations of accounting terminology used in the definition of Total Operating Expenditures or addressed in the inclusions or exclusions.

a. Grant - A contribution or gift by one governmental unit to another unit. It can be cash or other assets. The contribution is usually made to aid in the support of a specific function, for example, education, but it is sometimes for general purposes.

Capital grants are restricted for the acquisition and/or construction of fixed (capital) assets. All other grants are operating grants.

b. Entitlement - The amount of payment to which a political subdivision is entitled as determined by the Federal Government, for example, revenue sharing.

c. Shared Revenue - A revenue levied by one government but shared on a predetermined basis with another government or class of government, often in proportion to the amount collected at the local level.

d. Budget - The budget for a government subdivision consists of a series of Funds (basically, a minibudget) where a Fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, reserves and equities. Transfer of funds should be excluded from the expenditures of the transferor (for example, included in the expenditures of the recipient).

Most of the expenditures for items to be excluded from or included in Total Operating Expenditures can be found as entries in the following Funds:

(1) General Fund - Used to account for all financial resources except those required to be accounted for in another fund. It would be used for all general governmental operations such as administration, public works, parks, recreation and education. If there are education expenditures, a separate education fund is established which falls under the general fund heading.

The General Fund is used to account for the ordinary operations of a governmental unit which is financed from taxes and other general revenues.

(2) Special Revenue Funds - To account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. An example is a motor fuel tax fund used to finance highway and road construction.
(3) Capital Projects Funds (Bond Funds) - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Propriety Funds, Special Assessment Funds and Trust Funds).

(4) Debit Service Fund (formerly called a Sinking Fund) - To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

(5) Special Assessment Fund - To finance and account for the construction of improvements or provision of services which are to be paid for, wholly or in part, from special assessments levied against the benefited property. An example is the construction of sewer lines.

(6) Enterprise Fund - To finance and account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. Examples of facilities and services are water, gas and electric utilities, swimming pools, airports, parking garages and transit systems.

(7) Intragovernmental Services Fund (formerly called a Working Capital Fund) - To finance and account for services and commodities furnished by a designated department or agency to other departments and agencies within a single governmental unit. Amounts expended by the fund are restored either from operating earnings or by transfers from other funds, so that the original fund capital is kept intact.

5. Application

The rates apply per $1,000 of Total Operating Expenditures.

H. Units

A single room or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together, or by a person living alone.

25. CLASSIFICATIONS

A. Explanation Of Classification System

The purpose of the classification system is to group insureds into classifications so that the rate for each classification reflects the hazards common to those insureds. The classifications describe various business operations of the insured as follows:
1. Manufacturing or Processing (Codes 50000-59999).

2. Contracting or Servicing (Codes 90000-99999).

3. Mercantile (Codes 10000-19999).

4. Buildings or Premises - office or residential occupancy or leased to others (Codes 60000-69999).

5. Miscellaneous (Codes 40000-49999).

B. Description Of Column Headings And Description Of Symbols

1. Class Code

Class Code means the five digit classification code applicable to both Premises/Operations and Products/Completed Operations.

2. Premium Base

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Area</td>
</tr>
<tr>
<td>c</td>
<td>Total Cost</td>
</tr>
<tr>
<td>m</td>
<td>Admissions</td>
</tr>
<tr>
<td>o</td>
<td>Total Operating Expenses</td>
</tr>
<tr>
<td>p</td>
<td>Payroll</td>
</tr>
<tr>
<td>s</td>
<td>Gross Sales</td>
</tr>
<tr>
<td>t</td>
<td>See Classifications Notes</td>
</tr>
<tr>
<td>u</td>
<td>Units</td>
</tr>
</tbody>
</table>

Table 25.B.2. Premium Base Symbols

C. Assignment Of Classifications

1. Based on the insured's business operations, choose the classification from the classification section of the Manual which best describes the operation.

More than one classification assignment may be necessary for risks with multiple business operations.

If none of the classifications adequately describe an operation, refer to company.
2. Each classification description shown in the classification section of this Manual applies to both the premises/operations and the products/completed operations coverages. The assigned class code must be used for both of these coverages. Do not interchange classification codes between classification descriptions.

D. Example

A risk that manufactures both Insulating Material - mineral and Insulating Material - organic would be classified as follows:

<table>
<thead>
<tr>
<th>Classification Description</th>
<th>Premises/Operations</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insulating Material Mfg. - mineral</td>
<td>55715</td>
<td>55715</td>
</tr>
<tr>
<td>Insulating Material Mfg. - organic</td>
<td>55716</td>
<td>55716</td>
</tr>
</tbody>
</table>

Table 25.D. Example

The premises/operations code for "Insulating Material Mfg. - mineral" cannot be utilized for classifying the "Insulating Material Mfg. - organic" part of the insured's operations. One unique code is applicable for each classification description.

E. Definitions And Abbreviations

1. Including

If a classification contains the descriptive phrase "including...," the operations which are so designated shall not be assigned to a separate classification even though such operations are described by another classification or are at a separate location.

2. N.P.D.

N.P.D. means No Payroll Division.

Exception: A classification so restricted may be used for the division of payroll only in accordance with the following provisions:

a. It constitutes a separate and distinct enterprise having no connection with the operations covered by any of the classifications specified in the restrictions.
b. An unqualified N.P.D. restriction shall not be used for the division of payroll with any other classification unless it has no connection with the operations covered by any other classification in the policy.

c. In the case of classifications applicable to construction or erection operations, a. and b. apply only to the operations composing each separate job or location.

3. Distributor

Distributor means merchant or intermediary, who sells products mainly for resale or business use and who sells chiefly to dealers or stores, other merchants, industrial, institutional and commercial users.

4. Dealer Or Store

Dealer or Store means merchant or mercantile establishment which sells products directly to the ultimate consumer and who is not a distributor.

5. NOC

NOC means Not Otherwise Classified. A classification designated NOC shall apply only if no other classification more specifically describes the insured's business.

6. Not-For-Profit

Not-For-Profit means that the classification applies only to those risks which qualify for tax exempt status as a not-for-profit organization in accordance with Section 501(c)(3) of the Internal Revenue Code. Section 501(c)(3) organizations are defined in the Internal Revenue Code as those "Corporations...organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competition...or for the prevention of cruelty to children or animals...."

F. Symbols

1. Plus Sign

A plus sign when shown in the Premium Base column under General Liability insurance in the Classification Table - means that coverage for Products and/or Completed Operations is included in the Premises/Operations coverage at no additional premium charge. When this situation applies, the classification described in the policy schedule or Declarations must state that:

"Products-completed operations are subject to the General Aggregate Limit".

to provide Products and/or Completed Operations coverage(s).
26. CLASSIFICATIONS - SCOPE OF APPLICATION

A. Priority

Classification wording or notes takes precedence over any General or Coverage rules.

B. Application

The classifications contained in the classification table are designed to encompass operations which are common to a specific type of business. While some of the insured's operations may appear to require multiple classification assignments, the scope of application of each classification will be determined by the following classification inclusions and exclusions:

1. Classification Inclusions

The following operations or hazards are included within the scope of all classifications and should not be separately classified and rated unless such operations constitute separate and distinct enterprises. In addition, special classification inclusions may apply to a given risk. For details refer to Rules 27. and 29.

   a. Advertising signs (existence hazard);

   b. Athletic games by insured's employees, or sponsored by the insured; however, separately classify and rate athletic games away from the insured's premises if a majority of the participants representing the insured are not regularly employed in the insured's business and there is:

      (1) Management or supervision by the insured; or

      (2) Revenue to the insured from the games.

   c. Booths, exhibits and other displays of the insured's merchandise at:

      (1) Temporary trade or industrial shows not operated or sponsored by the insured, or
Other premises not owned, rented or controlled by the insured;

d. Elevators and escalators;
e. Electronic games located on the insured's premises;
f. Greenhouses - (existence hazard) - not operated for commercial purposes;
g. Maintenance, repair or alteration of the insured's building or equipment;
h. Medical facilities - including plant hospitals and dispensaries - operated by the insured for employees;
i. Parking areas operated in connection with the insured's business; however, separately classify and rate parking areas for classifications not rated on a "gross sales" basis and where a separate parking charge is made.
j. Pick-up and delivery;
k. Printing or lithographing by the insured on its own products;
l. Restaurants and commissaries; however, separately classify and rate restaurant or commissary operations in connection with construction, erection, lumbering or mining operations.
m. Sale of used or second-hand goods;
n. Social gatherings - not for profit - operated or sponsored by the insured;
o. Swimming pools or other athletic facilities not commercially operated;
p. Vending machines located on the insured's premises; and
q. Workshops and workyards.

2. Classification Exclusions

The following operations or hazards are excluded from the scope of all classifications and should be separately classified and rated unless specifically included by classification wording or notes. In addition, special classification exclusions may apply to a given risk. For details refer to Rules 27. and 28.

a. Amusement centers;
b. Amusement devices (other than electronic games located on the insured's premises) or amusement parks;
c. Draft and saddle animals;
d. Machinery or equipment rented to others;
e. New construction or demolition operations, including changing the size of or moving buildings or other structures, performed by or under contract with the insured;
f. Sawmill operations including operations incidental to the sawmill;
g. Stevedoring including tallyers or checking clerks;

Do not separately classify and rate if such operations are conducted by the insured on premises occupied exclusively by the insured.
h. Swimming pools or other athletic facilities commercially operated; and
i. Vehicles or carts from which goods are sold.

27. MANUFACTURING AND PROCESSING RISKS - CLASSIFICATION ASSIGNMENT AND PREMIUM COMPUTATION PROCEDURES

This rule shall apply separately to each named insured included in the policy.

A. For Classification Assignment Purposes

1. Choose the classification(s) which best describes each named insured's final product(s) or process(es).

2. Do not separately classify and rate the manufacturing of component parts or interim processes conducted by a named insured if such parts or processes are incorporated into a final product produced by the named insured and such component parts or interim processes are normally manufactured or conducted by risks in producing that type of product.

3. If a named insured sells its own products through its own retail operations, classify the manufacturing or processing operation separately in accordance with this rule and separately classify and rate the retail operation in accordance with Rule 29.

B. For Premium Computation Purposes
1. Manufacturing and processing classifications are rated on a "gross sales" basis.

2. "Gross sales" are to be determined for each classification developed under Paragraph A. In determining "gross sales":
   a. Include all sales of goods or products from one company to another including those sales from one named insured to another. Do not include the sales of goods or products from one named insured to another in the premium computation for products/completed operations coverage when inter-company products suits are excluded from coverage by Exclusion - Intercompany Products Suits Endorsement CG 2141.
   b. Do not include the value of any transfers of component parts or interim processes within the same named insured from operations described in Paragraph A.2.
   c. Include the wholesale value of goods transferred to the retail operation for risks classified in accordance with Paragraph A.3.

C. Rates

Use the rates applicable to the territory where:

1. The products as classified are produced or assembled; or
2. The processing as classified takes place.

D. Special Classification Inclusions

The following special classification inclusions apply in addition to those contained under Rule 26.B.1. and should not be separately classified and rated:

1. Manufacturing of containers such as bags, barrels, bottles, boxes, cans, cartons or packing cases unless sold to others, including other named insureds.
2. Installation, servicing or repair of the named insured's products.

E. Special Classification Exclusion

The following special classification exclusion applies in addition to those contained under Rule 26.B.2. and shall be separately classified and rated:

Office operations of manufacturing risks which are located away from the premises where the insured's manufacturing, processing or assembling operations are conducted.
28. CONTRACTING OR SERVICING RISKS - CLASSIFICATION ASSIGNMENT AND PREMIUM COMPUTATION PROCEDURES

A. For Classification Assignment Purposes

1. If a risk consists of a single operation, or a number of separate operations which normally prevail in the business described by a single manual classification, that single classification which most accurately describes the entire enterprise shall be applied.

2. If a risk consists of a number of separate operations which do not normally prevail in a business described by a single manual classification each operation shall be separately classified and rated.

B. For Premium Computation Purposes

1. Contracting and servicing risks are rated on a "payroll" basis.

2. For risks classified in accordance with Paragraph A.1., use the entire payroll developed from all of the operations under the classification as assigned.

3. For risks classified in accordance with Paragraph A.2., the following procedures shall apply:
   a. Divide the payroll for each distinct type of operation as classified at a job or location. Any such operation for which separate payroll records are not maintained shall be assigned to the highest rated classification applicable to the job or location.
   b. If any draftsmen are exposed to any operative hazard of the business, the entire payroll of such draftsmen shall be assigned to the highest rated classification of work to which they are exposed.
   c. Assign miscellaneous employees (such as job superintendents, timekeepers or watchkeepers), or operations (such as general clean-up or snow removal) which cannot be properly assigned to specific classifications to the classification carrying the largest amount of payroll at a job or location during the policy period.
   d. If an employee's work involves more than one classification with different exposure bases, assign the entire payroll of such employees to the appropriate classification where payroll is the exposure base.

C. Rates
Use the rate applicable in the territory where the risk's headquarters is located. If a job is located in a state other than where the risk's headquarters is located, use the rates applicable to the territory which generates the highest amount of payroll in the state where the job is located.

D. Special Classification Exclusions

The following special classification exclusions apply in addition to those contained under Rule 26.B.2. and shall be separately classified and rated:

1. Blasting operations.

2. Restaurant or commissary operations in connection with construction, erection, lumbering or mining operations.

E. Contractors Engaged In Construction Operations - Exclusion Of Professional Services

1. To exclude coverage for the rendering of or failure to render professional architectural, engineering or surveying services by or for the named insured, attach Exclusion - Contractors - Professional Liability Endorsement CG 22 79.

2. To exclude coverage for the rendering of or failure to render professional architectural, engineering or surveying services by the named insured for others, attach Limited Exclusion - Contractors - Professional Liability Endorsement CG 22 80. This exclusion applies only to professional services provided by the contractor in connection with construction if the construction is not performed by or on behalf of the same contractor.

29. MERCANTILE RISKS - CLASSIFICATION ASSIGNMENT AND PREMIUM COMPUTATION PROCEDURES

A. For Classification Assignment Purposes

1. Choose the classification which best describes the risk.

2. Combined dealer and distributor operations must be classified and rated under the higher rated classification unless separate records are available.

B. For Premium Computation Purposes

1. Mercantile classifications are rated on a "gross sales" basis.
2. Use the rates applicable to the territory for each location of the insured's operations.

C. Special Classification Inclusion

The following special classification inclusion applies in addition to those contained under Rule 26.B.1. and should not be separately classified and rated:

Installation, servicing or repair of merchandise sold or distributed by the risk.

30. RESERVED FOR FUTURE USE

31. BUILDING OR PREMISES - OFFICES OR RESIDENTIAL OCCUPANCY OR LEASED TO OTHERS - CLASSIFICATION ASSIGNMENT AND PREMIUM COMPUTATION PROCEDURES

A. Classification

For classification assignment purposes, choose the classification which best describes the risk based on the ownership or occupancy of the premises.

B. Premium Computation

Building or premises classifications are generally rated on either an "area" or "units" basis.

For premium computation purposes, follow the procedures listed.

1. Classifications Rated On An "Area" Basis

   a. Buildings or premises owned and occupied entirely by the insured. Classify and rate the premises based on the occupancy.

   b. Buildings or premises owned and partially occupied by the insured. Classify and rate the premises occupied by the insured based on that occupancy. Classify and rate the remainder of the premises according to the appropriate lessor's risk only
classifications. If 90% or more of the premises is occupied by the insured, classify and rate the entire premises under the insured's classification.

c. Buildings or premises owned or sublet by the insured, but not occupied by the insured. Classify the rate according to the appropriate lessor's risk only classification.

d. Buildings or premises occupied but not owned by the insured. Classify and rate based on the occupancy.

2. Classifications Rated On A "Units" Basis

   a. Apartment Buildings, Garden Apartments and Residential Condominiums are rated on a units basis regardless of whether the premises is owned, occupied or operated by the insured or by others.

   b. The portion rented to others which is not on a units basis shall be separately classified and rated under the appropriate lessor's risk only classification.

   c. If the owner operates a business enterprise other than residential and occupies a portion of the building not classified on a units basis, that portion shall be classified and rated based on the occupancy.

32. MISCELLANEOUS RISKS - CLASSIFICATION ASSIGNMENT AND PREMIUM COMPUTATION PROCEDURES

A. Classifications

Miscellaneous classifications are composed of those classifications which are not assignable to Manufacturing or Processing, Contracting or Servicing, Mercantile and Building or Premises categories.

B. Rating Bases

The classifications have various rating bases. Choose a classification that best describes the risk's operations.

1. For classifications rated on a gross sales basis, refer to the procedures for classifying mercantile risks.

2. For classifications rated on a payroll basis, refer to the procedure for classifying contracting or servicing risks.
3. For classifications rated on an area basis, refer to the procedure for classifying buildings or premises risks.

4. For classifications rated on other bases, use the specific rating basis assigned to the classification.

33. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORM CG 00 02

A. Extended Reporting Periods

1. If the circumstances relating to the termination, renewal or replacement of the claims-made coverage specified in Section V - Extended Reporting Periods of the Claims-Made Commercial General Liability Coverage Form CG 00 02 are met, an extended reporting period will be provided. Under the extended reporting period, a claim first received and recorded during the extended reporting period will be deemed to have been made on the last day of the policy period. The claim must be for damages because of bodily injury or property damage liability which occurred or because of personal and advertising injury liability caused by an offense committed before the end of the policy period, but not before the applicable Retroactive Date.

A Basic Extended Reporting Period is automatically provided at no additional charge. This period begins with the end of the policy period and lasts for:

- a. 5 years, with respect to claims because of bodily injury or property damage arising from occurrences and claims because of personal and advertising injury arising out of offenses reported and given to the company between the applicable Retroactive Date and 60 days after the end of the policy period; and

- b. 60 days, with respect to claims arising from occurrences or offenses not previously reported or given to the company.

The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

2. The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

3. A Supplemental Extended Reporting Period of unlimited duration is available by attaching Supplemental Extended Reporting Period Endorsement CG 27 10
for an additional charge. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period. This Supplemental Extended Reporting Period starts:

a. 5 years after the end of the policy period for claims arising out of an occurrence or offense reported to the company not later than 60 days after the policy period, in accordance with Paragraph 2.a. of the Duties In The Event of Occurrence, Offense, Claim or Suit Condition of Section IV - Commercial General Liability Conditions; and

b. 60 days after the end of the policy period with respect to claims arising from occurrences or offenses not previously reported or given to the company.

4. Refer to company for rating the Supplemental Extended Reporting Period Endorsement. However, the premium to be charged for the Supplemental Extended Reporting Period Endorsement shall not exceed 2.00 times the annual premium for the general liability coverage being terminated and will be fully earned when the Endorsement takes effect.

5. If the Supplemental Extended Reporting Period is in effect, supplemental aggregate limits will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limits will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period separately for the General Aggregate Limit and the Products-Completed Operations Aggregate Limit.

B. Exclusion Of Specific Accident(s), Products, Work Or Location(s)

1. Coverage for bodily injury or property damage arising out of specific accidents, products, work or locations may be excluded by attaching Exclusion Of Specific Accidents, Products, Work Or Location Endorsement CG 27 02 to a new or renewal claims-made policy.

2. If the Exclusion Of Specific Accidents, Products, Work Or Location Endorsement CG 27 02 is attached to a renewal of claims-made coverage, and the preceding policy:

   a. Was issued by your company; and

   b. Provided coverage for the newly excluded accident, product, work or location:

Amendment of Section V - Extended Reporting Periods For Specific Accidents, Products, Work Or Location Endorsement CG 27 03 must be attached to that preceding policy.
Endorsement CG 27 03 amends Section V - Extended Reporting Periods of the preceding policy so that a basic extended reporting period is provided for:

a. 5 years with respect to claims arising from occurrences reported to the company between the applicable Retroactive Date and 60 days after the policy period; and

b. 60 days for all other claims arising out of the specific accidents, products, work or Locations newly excluded on renewal.

The insured is also given the option of purchasing a supplemental extended reporting period of unlimited duration.

3. A Supplemental Extended Reporting Period for Specific Accidents, Products, Work or Locations may be provided. Use Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations CG 27 11. Refer to company for rating. However, the premium to be charged for Endorsement CG 27 11 shall not exceed 2.00 times the annual premium for the General Liability Coverage Part to which the endorsement is attached.

If the Supplemental Extended Reporting Period is in effect, supplemental aggregate limits will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limits will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period separately for the General Aggregate Limit and the Products-Completed Operations Aggregate Limit.

C. Retroactive Date

The Retroactive Date is a specific date entered on the Declarations Page of the policy. Any bodily injury, property damage or personal and advertising injury which occurred prior to the Retroactive Date is not covered, even if a claim for such injury or damage is first made during the policy period or any applicable Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

1. If there is a change in carrier;

2. If there is a substantial change in the insured's operations which results in an increased exposure to loss;

3. If the insured fails to provide the company with information:

   a. The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
b. Which was requested by the company; or

4. At the request of the insured.

Prior to the advancement of the Retroactive Date under any of these conditions, the company must obtain the written acknowledgment of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Supplemental Extended Reporting Period Endorsement.

If "none" is entered on the Declarations Page of the policy, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for bodily injury, property damage or personal and advertising injury occurring prior to the inception date of the policy.

34. SPECIAL RULE FOR INDIVIDUAL RISK SITUATIONS

Paragraph A.3.b. is replaced by the following:

b. For limits of liability obtained by means of facultative reinsurance, refer to company for the premium.

Paragraph B. is replaced by the following:

B. Filing Obligations

When a particular risk is modified in accordance with Paragraph A., companies should maintain a complete file, including all details of the factors used in determining the modification. Each company is responsible for complying with regulatory requirements.

Note

Rates shall not be inadequate, excessive or unfairly discriminatory.

34. SPECIAL RULE FOR INDIVIDUAL RISK SITUATIONS

A. Refer To The Company
1. For rating or classifying any risk or exposure for which:
   
a. The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk; or

Note
To the extent that consent-to-rate procedures apply, they must be followed.

b. The coverage to be written is broader than that contained in the applicable Standard Coverage Part; or

Note
To the extent that forms filing requirements apply, they must be followed.

c. There is proof that, for a specified general liability coverage, the named risk is qualified for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or

d. Excess insurance is being provided. Excess insurance means liability insurance provided in an amount not less than $1,000,000 in excess of a specified retained limit provided such retained limit is not less than:

   (1) $350,000 per occurrence, as respects those exposures covered by underlying insurance, and

   (2) $10,000 per occurrence, as respects those exposures not covered by underlying insurance; or

e. The Products/Completed Operations premium is more than $7,000 per year at the basic limit; or

Note
Refer to company only for that portion of the Products/Completed Operations premium in excess of $7,000.

f. Increased limits are provided and the annual increased limits written premium determined by customary rating procedures is $4,000 or more; or

Note
Refer to company only for that portion of the premium in excess of the basic limit written premium.
The risk develops $100,000 or more annual manual basic limit premium individually or in any combination with Commercial Automobile or Crime.

2. If a Coverage Part providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class.

Note

To the extent that forms filing requirements apply, they must be followed.

3. Where liability increased limits are provided and the risk is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

a. Manual rules and rates shall apply to the portion of the limits of liability retained by the company.

b. For limits of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50%.

4. If an aggregate limit of general liability insurance is adjusted at any time during the policy period.

B. Filing Obligations

When a particular risk is modified in accordance with Paragraph A., companies should maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Such modifications need not be filed with the state regulator.

Note

Rates shall not be inadequate, excessive or unfairly discriminatory.

35. PREMIUM DETERMINATION

The premium for a risk is calculated as follows:
A. Determine the applicable classification(s).

B. Determine the premium base applicable to the classification(s). The same premium base applies to both premises/operations and products/completed operations.

C. Select the basic limits rate(s) for the classification(s) from the appropriate state company rates for both Premises/Operations and Products/Completed Operations.

D. Adjust the basic limits rate(s) to reflect any coverage change other than deductibles.

E. Adjust the resulting basic limits rate(s) by the appropriate increased limits factors and any other applicable rate modification(s). Adjust for coverage written on a deductible basis; see Rule 15.

F. Multiply the number of units of exposure developed under the premium base for each classification by the corresponding adjusted rate(s) developed in Paragraph E.

G. Determine the application of any minimum premiums.

H. Determine any other additional premiums.

I. Add the premium determined in Paragraphs F. or G., whichever is greater, to the premium determined in Paragraph H. to obtain the total policy premium.

J. Use the premium developed under Paragraph I. or the policy writing minimum premium, whichever is greater.

36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

The following is added to Paragraph D.:

D. Special Provisions For Certain Types Of Risks Endorsements

15. Liability arising out of bodily injury or property damage sustained by patients of an insured health care provider, whose Professional Liability exposures are covered by the Florida Medical Malpractice Joint Underwriting Association, may be excluded by attaching Florida Exclusion - Patient Injury Endorsement CG 22 49.

Paragraph E.2. is replaced by the following:
E. Coverage Amendment Endorsements

2. Coverage disputes between the company and an insured may be submitted to arbitrators. When there is prior agreement that arbitration of a dispute will be binding on both parties, attach Florida Changes - Binding Arbitration Endorsement CG 33 80. When, by prior agreement, the decision of the arbitrators may be appealed to a court, attach Non-binding Arbitration Endorsement CG 24 01.

Paragraph G.9. is replaced by the following:

G. Interline Endorsements

9. To change the following items of a policy:

a. Insured's Name;

b. Insured's Mailing Address;

c. Policy Number;

d. Company;

e. Effective/Expiration Date;

f. Insured's Legal Status/Business of Insured;

g. Payment Plan;

h. Premium Determination;

i. Additional Interested Parties;

j. Coverage Forms and Endorsements;

k. Limits/Exposures;

l. Deductibles;

m. Covered Property/Located Description;

n. Classification/Class Codes;

o. Rates; or

p. Underlying Insurance,
36. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

A. Additional Optional Endorsements

In addition to endorsements referenced in other rules under Division Six - General Liability or in the Classification Table, the endorsements in this rule may be used with various Commercial General Liability Coverage Parts. The endorsements are listed under the line of insurance identification and category identification. The descriptions are for ease of identification. Refer to each endorsement to determine its content and applicable coverage parts. With regard to these optional endorsements, refer to company for rating.

B. Termination And Suspension Endorsements

The number of days' notice required for cancellation for any statutorily permitted reason (other than nonpayment of premium) may be increased to an amount that is mutually agreed upon by the insurer and the insured by attaching Earlier Notice Of Cancellation Provided By Us Endorsement CG 02 24. Any applicable state cancellation endorsement must still be attached to the policy. The same amendment is available on the Owners And Contractors Protective Liability Coverage Form by attaching Earlier Notice Of Cancellation Provided By Us Endorsement CG 28 04.

C. Exclusion Endorsements

1. Liability arising out of any specific premises may be excluded by attaching Exclusion - All Hazards In Connection With Designated Premises Endorsement CG 21 00.

2. Liability arising out of the products/completed operations hazard may be excluded by attaching Exclusion - Products-completed Operations Hazard Endorsement CG 21 04.

3. Liability arising out of designated products may be excluded by attaching Exclusion - Designated Products Endorsement CG 21 33.

4. Liability arising out of a specific project performed by or on behalf of the insured may be excluded by attaching Exclusion - Designated Work Endorsement CG 21 34.

5. The automatic coverage for newly acquired or formed organizations provided by the Commercial General Liability Coverage Form may be deleted by attaching Exclusion - New Entities Endorsement CG 21 36.
6. The coverage for employees provided by the Commercial General Liability Coverage Form may be deleted by attaching Exclusion - Employees As Insureds Endorsement CG 21 37.

7. Coverage B Personal And Advertising Injury may be excluded by attaching Exclusion - Personal And Advertising Injury Endorsement CG 21 38.

8. Contractual liability coverage may be limited by attaching Contractual Liability Limitation Endorsement CG 21 39.

9. Liability coverage for property damage included within the explosion hazard, the collapse hazard or the underground property damage hazard may be limited to specified operations by attaching Exclusion - Explosion, Collapse And Underground Property Damage Hazard (Specified Operations) Endorsement CG 21 42. Liability coverage for property damage included within these hazards may be deleted except for specified operations and certain other liabilities by attaching Exclusion - Explosion, Collapse And Underground Property Damage Hazard (Specified Operations Excepted) Endorsement CG 21 43.

10. Coverage may be limited to specific premises and/or projects by attaching Limitation Of Coverage To Designated Premises Or Projects Endorsement CG 21 44 to the Commercial General Liability Coverage Part.

11. Coverage for damage to premises rented to you may be deleted from the Commercial General Liability Coverage Part by attaching Exclusion - Damage To Premises Rented To You Endorsement CG 21 45.

12. Liability arising out of the abuse or molestation of a person in the care, custody or control of the insured may be excluded by attaching Abuse Or Molestation Exclusion Endorsement CG 21 46.

13. If the Employment-related Practices Coverage Form is not being written, liability arising out of employment-related practices not otherwise precluded by the Commercial General Liability Coverage Part may be specifically excluded by attaching Employment-related Practices Exclusion Endorsement CG 21 47. The same exclusion is available for the Owners And Contractors Protective Liability and Pollution Liability Coverage Parts by attaching Employment-related Practices Exclusion Endorsement CG 29 51.

14. Liability arising out of any pollution exposure not otherwise precluded by the pollution exclusion contained in the Commercial General Liability Coverage Part:

   a. May be totally excluded by attaching Total Pollution Exclusion Endorsement CG 21 49;
b. May be totally excluded, with the exception of liability arising out of a hostile fire, by attaching Total Pollution Exclusion With A Hostile Fire Exception Endorsement CG 21 55; or

c. May be totally excluded, with the exception of liability arising out of building heating equipment or a hostile fire, by attaching Total Pollution Exclusion With A Building Heating, Cooling And Dehumidifying Equipment Exception And A Hostile Fire Exception Endorsement CG 21 65.

To provide pollution liability coverage refer to Rule 47.

15. The Liquor Liability Exclusion under Coverage A - Bodily Injury And Property Damage Liability of the Commercial General Liability Coverage Part may be replaced by either of the following endorsements:


This endorsement replaces the liquor liability exclusion in the basic CGL policy. While the intent is the same, this exclusion avoids the phrase "in the business of...". The same amendment is available for the Products/Completed Operations Coverage Part by attaching Amendment Of Liquor Liability Exclusion Endorsement CG 29 52.

b. Amendment Of Liquor Liability Exclusion - Exception For Scheduled Activities Endorsement CG 21 51.

As with Amendment Of Liquor Liability Exclusion Endorsement CG 21 50, this endorsement also replaces the liquor liability exclusion in the basic CGL policy. It exempts, however, scheduled activities from the application of the exclusion. The same amendment is available for the Products/Completed Operations Coverage Part by attaching Amendment Of Liquor Liability Exclusion - Exception For Scheduled Activities Endorsement CG 29 53.

16. Liability resulting from the rendering of or the failure to render financial services by any insured to others may be excluded by attaching Exclusion - Financial Services Endorsement CG 21 52 to a policy issued to risks such as:

a. Accountants;

b. Banks or other lending institutions;

c. Credit card companies or credit reporting agencies;

d. Credit unions;

e. Securities brokers or dealers;

f. Financial investment services firms; or
g. Tax preparation and/or tax planning agencies.

Use Exclusion - Financial Services Endorsement CG 21 52 in conjunction with Exclusion - Fiduciary Or Representative Liability Of Financial Institutions Endorsement CG 22 38 when fiduciary coverage is also being excluded.

17. Liability arising out of a specific ongoing operation maintained or operated by an insured may be excluded by attaching Exclusion - Designated Ongoing Operations Endorsement CG 21 53.

18. To address operations that are covered by a consolidated (wrap-up) insurance program, the following endorsements are available:

a. Liability arising out of a specific operation where a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which the named insured is involved may be excluded by attaching Exclusion - Designated Operations Covered By A Consolidated (Wrap-up) Insurance Program Endorsement CG 21 54.

b. Limited coverage may be provided for certain specified operation(s) covered under a consolidated (wrap-up) insurance program if such program has been cancelled, nonrenewed or otherwise no longer applies for reasons other than the exhaustion of all available limits, whether such limits are available on a primary, excess or on any other basis, by attaching Limited Exclusion - Designated Operations Covered By A Consolidated (Wrap-up) Insurance Program Endorsement CG 21 31. The specific operation(s) that are addressed by this endorsement must be described in the schedule of the endorsement.

c. To provide commercial liability umbrella coverage arising out of a specific operation covered under a consolidated (wrap-up) insurance program if such program has been cancelled, nonrenewed or otherwise no longer applies for reasons other than the exhaustion of all available limits, whether such limits are available on a primary, excess or on any other basis, refer to the Commercial Liability Umbrella Section of CLM Division Thirteen - Commercial Liability Umbrella.

d. To provide excess liability coverage arising out of a specific operation covered under a consolidated (wrap-up) insurance program when the retained limit of such wrap-up has been exhausted, refer to the Commercial Excess Liability Section of CLM Division Thirteen - Commercial Liability Umbrella.

19. Liability arising out of the rendering of or failure to render professional services may be excluded by attaching Exclusion - Designated Professional Services Endorsement CG 21 16.

20. Volunteer workers may be excluded by attaching Exclusion - Volunteer Workers Endorsement CG 21 66.
21. Liability arising out of fungi or bacteria on or within a building or structure, including its contents, may be totally excluded by attaching Fungi Or Bacteria Exclusion CG 21 67.

22. To exclude liability arising out of a tort liability for which the named insured or anyone acting on behalf of the named insured did not contribute, in whole or in part, to the bodily injury or property damage, attach Amendment Of Insured Contract Definition Endorsement CG 24 26.

This endorsement may be attached in conjunction with an additional insured endorsement, when applicable.

23. Liability arising out of the design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any exterior insulation and finish system or any part thereof may be excluded by attaching Exclusion - Exterior Insulation And Finish Systems Endorsement CG 21 86.

24. Liability arising out of silica or silica-related dust may be excluded by attaching Silica Or Silica-related Dust Exclusion Endorsement CG 21 96.

25. Liability arising out of the abuse or molestation of a person in the care, custody or control of the insured, during the rendering of a specific professional service, may be excluded by attaching Abuse Or Molestation Exclusion - Specified Professional Services Endorsement CG 21 97.

26. Liability arising out of any pollution exposure not otherwise precluded by the Products/Completed Operations Liability Coverage Parts may be totally excluded by attaching Total Pollution Exclusion Endorsement CG 21 98.

27. Liability arising out of the actual or alleged transmission of a communicable disease may be excluded by attaching Communicable Disease Exclusion Endorsement CG 21 32.

D. Special Provisions For Certain Types Of Risks Endorsements

1. Liability arising out of riot, civil commotion or mob action, or any act or omission in connection with the prevention or suppression of these activities by the insured governmental entity may be excluded by attaching Exclusion - Riot, Civil Commotion Or Mob Action - Governmental Subdivisions Endorsement CG 22 31.

2. Liability arising out of any professional services related to testing, evaluation, advice or consulting performed by or on behalf of the insured may be excluded by attaching Exclusion - Testing Or Consulting Errors And Omissions Endorsement CG 22 33.
3. Certain liabilities arising out of professional services of an insured contractor who, in addition to performing construction projects, also serves as a construction manager for others may be excluded by attaching Exclusion - Construction Management Errors And Omissions Endorsement CG 22 34.

4. Liability arising out of streets, roads or highways and bridges owned, maintained, constructed or controlled by an insured governmental subdivision may be excluded by attaching Exclusion - Existence Or Maintenance Of Streets, Roads, Highways Or Bridges Endorsement CG 22 42.

5. Liability arising out of acts or omissions of an insured governmental entity's law enforcement agencies may be excluded by attaching Exclusion - Law Enforcement Activities Endorsement CG 22 51.

6. Limited coverage for liability arising out of property damage included in the underground resources and equipment hazard may be provided by attaching Underground Resources And Equipment Coverage Endorsement CG 22 62.

7. Contractual liability coverage for limited personal and advertising injury offenses may be provided by attaching Limited Contractual Liability Coverage For Personal And Advertising Injury Endorsement CG 22 74.

8. Liability arising out of incidental application of "over the counter" herbicides or pesticides on lawns under the insured's regular care may be covered by attaching Lawn Care Services Endorsement CG 22 93.

9. Liability for damages to the insured's work arising out of work performed by subcontractor for a contractor or subcontractor may be excluded by attaching Exclusion - Damage To Work Performed By Subcontractors On Your Behalf Endorsement CG 22 94 or Exclusion - Damage To Work Performed By Subcontractors On Your Behalf - Designated Sites Or Operations Endorsement CG 22 95.

10. Personal and advertising injury arising out of the rendering or failure to render professional services by a lawyer may be excluded by attaching Limited Exclusion - Personal And Advertising Injury - Lawyers Endorsement CG 22 96.

When this endorsement is attached to a policy, do not attach Exclusion - Personal And Advertising Injury Endorsement CG 21 38.

11. Liability arising out of the rendering or failure to render Internet service or Internet access by or on behalf of any insured may be excluded by attaching Exclusion - Internet Service Providers And Internet Access Providers Errors And Omissions Endorsement CG 22 98.

12. Liability arising out of the rendering or failure to render web-site designer or consultant services by the insured or anyone for whom the insured has responsibility may
be excluded by attaching Professional Liability Exclusion - Web-site Designers Endorsement CG 22 99.

13. Liability coverage arising out of snow plow operations performed by an auto within the products/completed operations hazard may be provided by attaching Snow Plow Operations Coverage Endorsement CG 22 92.

14. Liability coverage arising out of any canoe or rowboat owned or used by or rented to the insured may be provided by attaching Canoes Or Rowboats Endorsement CG 24 16.

E. Coverage Amendment Endorsements

1. Pollution Exclusion Options:

   a. To provide limited named perils pollution coverage for "bodily injury" and "property damage" arising out of the release of pollutants, from an insured's premises or at a contractor's job site, which begin and end within 48 hours, use Pollution Exclusion - Named Peril Limited Exception For A Short-term Pollution Event Endorsement CG 04 28.

   b. To provide limited pollution coverage for "bodily injury" and "property damage" arising out of the release of pollutants, from an insured's premises or at a contractor's job site, which begin and end within 48 hours, use Pollution Exclusion - Limited Exception For A Short-term Pollution Event Endorsement CG 04 29.

   c. To provide limited pollution coverage for "bodily injury" and "property damage" arising out of the release of a specific pollutant designated in the schedule of the endorsement and used as a part of the insured's operations, from an insured's premises or at a contractor's job site, use Pollution Exclusion - Limited Exception For Designated Pollutant(s) CG 04 30.

2. Coverage disputes between the company and an insured may be submitted to arbitrators when either party requests it. When there is prior agreement that arbitration of a dispute will be binding on both parties, attach Binding Arbitration Endorsement CG 24 02. When, by prior agreement, the decision of the arbitrators may be appealed to a court, attach Non-binding Arbitration Endorsement CG 24 01.

3. The company agrees that its right to use charitable immunity, where applicable as a defense for liability suits, will be waived unless the insured requests otherwise, by attaching Waiver Of Charitable Immunity Endorsement CG 24 03.

4. The company's right of subrogation against designated persons or organizations may be waived under certain circumstances, prior to a loss, by attaching Waiver Of Transfer Of Rights Of Recovery Against Others To Us Endorsement CG 24 04.
5. To make coverage under a Commercial General Liability Coverage Part issued to a vendor excess when the vendor is named as an additional insured under a policy issued to a manufacturer or distributor for products manufactured, sold, handled or distributed by the vendor, attach Excess Provision - Vendors Endorsement CG 24 10.

6. The company agrees that its right to use governmental immunity, where applicable as a defense for liability against an insured governmental entity, will be waived, unless the insured requests otherwise, by attaching Waiver Of Governmental Immunity Endorsement CG 24 14.

7. To provide coverage for liability of a railroad assumed by the insured when a Railroad Protective Liability Policy has not been purchased by the insured nor requested by the railroad:
   a. Attach Contractual Liability - Railroads Endorsement CG 24 17; or
   b. Attach Limited Contractual Liability - Railroads Endorsement CG 24 27 to exclude liability arising out of a tort liability for which the named insured or anyone acting on behalf of the named insured did not contribute, in whole or in part, to the bodily injury or property damage.

8. To extend the coverage territory beyond the United States of America, including its territories and possessions, Puerto Rico and Canada:
   a. Attach Amendment Of Coverage Territory - Worldwide Coverage Endorsement CG 24 22 to extend the coverage territory to anywhere in the world;
   b. Attach Amendment Of Coverage Territory - Additional Scheduled Countries Endorsement CG 24 23 to extend the coverage territory to any other country specified in the Schedule of the endorsement; or
   c. Attach Amendment Of Coverage Territory - Worldwide Coverage With Specified Exceptions Endorsement CG 24 24 to extend the coverage territory to anywhere in the world except those countries listed in the Schedule of the endorsement.

9. To provide coverage for loss of computerized or electronically stored data or software which results from physical injury to tangible property, attach Electronic Data Liability Endorsement CG 04 37.

10. To provide limited coverage for liability arising out of fungi or bacteria on or within a building or structure, including its contents, attach Limited Fungi Or Bacteria Coverage Endorsement CG 24 25. Coverage provided under this endorsement is subject to a Fungi Or Bacteria Aggregate Limit.

F. Amendment Of Limits Endorsements
1. The limits of insurance may be changed after policy inception by attaching Amendment Of Limits Of Insurance Endorsement CG 25 02.

2. For an insured construction contractor, the policy General Aggregate Limit may be changed for certain occurrences and accidents from a per policy basis to a per construction project basis. The policy General Aggregate Limit, with respect to certain Coverage A occurrences and Coverage C accidents, may be replaced for each designated construction project with a Designated Construction Project General Aggregate Limit which is equal to the amount of the General Aggregate Limit shown in the Declarations of the policy, by attaching Designated Construction Project(s) General Aggregate Limit Endorsement CG 25 03.

3. For certain insureds, the policy General Aggregate Limit may be changed for certain occurrences and accidents from a per policy basis to a per location basis. The policy General Aggregate Limit, with respect to certain Coverage A occurrences and Coverage C accidents, may be replaced for each designated location with a Designated Location General Aggregate Limit which is equal to the amount of the General Aggregate Limit shown in the Declarations of the policy, by attaching Designated Location(s) General Aggregate Limit Endorsement CG 25 04.

G. Interline Endorsements

1. To change the premium calculations and payments provision of the Retrospective Premium Endorsement attached to the policy, attach Supplement To Retrospective Premium Endorsement (Final Premium Computation) IL 09 11.

2. To provide for the retrospective rating of a policy under a one-year plan, attach Retrospective Premium Endorsement - One Year Plan - Multiple Lines IL 09 18.

3. To provide for the retrospective rating of a policy under a three-year plan, attach Retrospective Premium Endorsement - Three Year Plan - Multiple Lines IL 09 19.

4. To provide for the retrospective rating of long term construction projects, attach Retrospective Premium Endorsement - Long Term Construction Project - Multiple Lines IL 09 20.

5. To add a policy to an existing retrospective premium rating procedure, attach Retrospective Premium Endorsement - Short Form IL 09 21.

6. To exempt scheduled aviation exposures from the application of the retrospective rating agreement, attach Retrospective Premium Endorsement - Exclusion Of Aviation Exposures IL 09 22.

8. To state the manner in which combined loss limitations apply to loss amounts
associated with claims-made policies, attach Retrospective Premium Endorsement - One
(Or Three) Year Plan - Multiple Lines - Supplementary Agreements Regarding The
Retrospective Rating Of CGL Policies IL 09 30.

9. To change the following items of a policy:
   a. Insured's Name;
   b. Insured's Mailing Address;
   c. Policy Number;
   d. Company;
   e. Effective/Expiration Date;
   f. Insured's Legal Status/Business of Insured;
   g. Payment Plan;
   h. Premium Determination;
   i. Additional Interested Parties;
   j. Coverage Forms and Endorsements;
   k. Limits/Exposures;
   l. Deductibles;
   m. Covered Property/Located Description;
   n. Classification/Class Codes;
   o. Rates; or
   p. Underlying Insurance,

use Policy Changes Endorsement IL 12 01.
42. ELECTRONIC DATA LIABILITY COVERAGE

Paragraph A.2.c. is replaced by the following:

c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 02 20.

42. ELECTRONIC DATA LIABILITY COVERAGE

A. Description Of Electronic Data Liability Coverage

1. The Electronic Data Liability Coverage Form provides coverage, on a claims-made basis, against damages because of loss of electronic data that is caused by an electronic data incident. Loss of electronic data means damage to, loss of, loss of use of, corruption of, inability to access, or inability to properly manipulate, electronic data. Electronic data incident means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts, or errors or omissions, which results in loss of electronic data.

2. For details of coverage:

a. Refer to Coverage Form

Electronic Data Liability Coverage Form CG 00 65.

b. Refer to Mandatory Multistate Endorsements

Broad Form Nuclear Energy Liability Exclusion Endorsement CG 31 99.

c. Refer to Mandatory State Endorsement in the state exceptions.

3. The appropriate:
a. Coverage Form;
b. Mandatory endorsements (including those required for use in a particular state);
c. Other applicable endorsements;
d. The Declarations; and
e. The Common Policy Conditions IL 00 17.

make up a Coverage Part.

B. Premium Determination

Refer to company.

C. Extended Reporting Period Option

This option is available if the Electronic Data Liability Coverage Form is cancelled or not renewed for any reason or the company replaces this coverage form with other insurance that provides claims-made coverage for loss of electronic data arising out of an electronic data incident and has a retroactive date later than the one shown in the Coverage Form Declarations. It provides for a three year extension for the reporting of claims because of loss of electronic data which occurred before the end of the policy period or on or before the effective date of cancellation.

If the Extended Reporting Period is purchased, use Extended Reporting Period Endorsement CG 31 73.

Refer to company for rating. However, the premium charged for the Extended Reporting Period may not exceed 100% of the annual premium for this policy.

D. Retroactive Date

The retroactive date is a specific date entered on the Declarations page of the policy. Any loss of electronic data which occurred prior to the retroactive date is not covered, even if a claim for such loss is first made during the policy period or any applicable extended reporting period. Once a retroactive date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

1. If there is a change in carrier;
2. If there is a substantial change in the insured's operations which results in an increased exposure to loss;
3. If the insured fails to provide the company with information:
   a. The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
   b. Which was requested by the company; or
4. At the request of the insured.

Prior to the advancement of the retroactive date under any of these conditions, the company must obtain the written acknowledgment of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Extended Reporting Period Endorsement.

If "none" is entered on the Declarations page of the policy, there is no retroactive date. If there is no retroactive date, coverage may be afforded for loss of electronic data occurring prior to the inception date of the policy.

43. EMPLOYEE BENEFITS LIABILITY COVERAGE

A. Description Of Employee Benefits Liability Coverage
   1. This endorsement may be attached to the Commercial General Liability Coverage Form to provide coverage against claims for damages because of the insured's negligent acts, errors or omissions committed in the administration of an employee benefit program. The coverage under the endorsement is provided on a claims-made basis.
   2. For details of coverage:
      a. Refer to Multistate Endorsement:
         Employee Benefits Liability Coverage Endorsement CG 04 35.

B. Extended Reporting Period Option
   1. This option is available if the Employee Benefits Liability Coverage Endorsement is cancelled or not renewed by the company or the company renews or replaces the endorsement with insurance that has a Retroactive Date later than the date shown in the Schedule of the endorsement or does not apply to a negligent act, error or omission on a claims-made basis. It provides for a five year extension for the reporting of claims for negligent acts, errors or omissions that were first committed before the end of
the policy period but not before the Retroactive Date, if any, shown in the endorsement's Schedule. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period.

2. If the Extended Reporting Period is purchased, use Extended Reporting Period Endorsement For Employee Benefits Liability Coverage CG 27 15.

3. Refer to company for rating. However, the premium charged for the Extended Reporting Period may not exceed 1.00 times the annual premium for the Employee Benefits Liability Coverage Endorsement.

4. If the Extended Reporting Period is in effect, an Extended Reporting Period Aggregate Limit will be provided, but only for claims first received and recorded during the Extended Reporting Period. The Extended Reporting Period Aggregate Limit will be equal to the Aggregate Limit entered on the Schedule of the Employee Benefits Liability Coverage Endorsement in effect at the end of the policy period.

C. Retroactive Date

The Retroactive Date is a specific date entered in the Schedule of the endorsement. Any negligent act, error or omission first committed prior to the Retroactive Date is not covered, even if a claim is first received and recorded during the policy period or any applicable Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

1. If there is a change in carrier;

2. If there is a substantial change in the insured's operations which results in the increased exposure to loss;

3. If the insured fails to provide the company with information:
   a. The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
   b. Which was requested by the company; or

4. At the request of the insured.

Prior to the advancement of the Retroactive Date under any of these conditions, the company must obtain the written acknowledgment of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Extended Reporting Period Endorsement For Employee Benefits Liability Coverage.
If "none" is entered in the Schedule of the endorsement, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for damages because of negligent acts, errors or omissions occurring prior to the inception date of the endorsement.

D. Company Rates

For rates, refer to company.

44. PRODUCT WITHDRAWAL COVERAGE

Paragraph A.1.b.(3) is replaced by the following:

(3) Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 02 20.

44. PRODUCT WITHDRAWAL COVERAGE

A. Product Withdrawal Coverage Form

1. Description Of Coverage

a. The Product Withdrawal Coverage Form provides coverage for:

   (1) Reimbursement for certain expenses incurred because of a product withdrawal due to a recall or tampering (Coverage A); and

   (2) Liability coverage for damages, including defense costs, arising out of a product withdrawal due to recall or tampering (Coverage B).

b. For details of coverage:

   (1) Refer to Coverage Form:

Product Withdrawal Coverage Form CG 00 66.

   (2) Refer to mandatory multistate endorsement:

Broad Form Nuclear Energy Liability Endorsement CG 31 99.
(3) Refer to mandatory state endorsements in the state exceptions.

c. The appropriate:

(1) Coverage Form;

(2) Mandatory endorsements;

(3) Other applicable endorsements;

(4) Declarations; and

(5) Common Policy Conditions IL 00 17

make up a Coverage Part.

d. To exclude product withdrawal expenses that are provided under Coverage A of the Product Withdrawal Coverage Form, attach Exclusion - Coverage A - Product Withdrawal Expense Endorsement CG 31 68.

e. To exclude liability arising out of a product withdrawal covered under Coverage B of the Product Withdrawal Coverage Form, attach Exclusion - Coverage B - Product Withdrawal Liability Endorsement CG 31 69.

f. To exclude coverage for a product withdrawal which results from known or suspected product tampering from the Product Withdrawal Coverage Form, attach Exclusion - Product Tampering Endorsement CG 31 70.

g. To exclude the costs of replacement, repair or repurchase of the insured's product from the list of reasonable and necessary product withdrawal expenses, attach Exclusion - Product Replacement, Repair Or Repurchase Endorsement CG 31 71.

h. Coverage may be extended to apply to reasonable and necessary extra costs incurred to regain good will, market share, profit and costs to redesign your product by attaching Coverage Extension - Coverage A - Product Restoration Expense Endorsement CG 31 72.

i. To exclude, as an insured, any organization the insured newly acquires or forms under the Product Withdrawal Coverage Form, attach Exclusion Of Newly Acquired Organizations As Insureds Endorsement CG 31 74.

2. Premium Determination

a. Calculate the premium for Coverage A - Product Withdrawal Expenses and Coverage B - Products Withdrawal Liability separately as follows:
(1) Determine the applicable classification(s).

(2) Determine the premium base applicable to the classification(s).

(3) Select the products/completed operations basic limits rate(s) from the appropriate state company rates.

(4) Multiply the products/completed operations basic limit rate by the Product Withdrawal Factor in Table 44.A.2.a.(4).

<table>
<thead>
<tr>
<th>Products/Completed Operations Increased Limits Table Assignment</th>
<th>Product Withdrawal Expense Factor</th>
<th>Product Withdrawal Liability Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.25</td>
<td>.13</td>
</tr>
<tr>
<td>B</td>
<td>.19</td>
<td>.10</td>
</tr>
<tr>
<td>C</td>
<td>.13</td>
<td>.07</td>
</tr>
</tbody>
</table>

Table 44.A.2.a.(4) Product Withdrawal Factors

(5) Determine the appropriate products/completed operations Increased Limits Table Assignment for the classification, and select the increased limits factor for the limit of insurance indicated in the Declarations.

(6) See Rule 15. to adjust the selected increased limits factor for coverage written on a deductible basis. Use the products/completed operations bodily injury and property damage combined deductible discount factors based on the appropriate increased limits table assignment.

(7) Multiply the basic limit Product Withdrawal rate by the increased limits factor developed in Paragraph (6).

(8) Multiply the number of units of exposure developed under the premium base for each classification by the corresponding adjusted rate developed in Paragraph (7).

b. Combine the premium for Coverage A and Coverage B.

c. Determine the application of any minimum premium.

d. The Product Withdrawal premium is the greater of the premium developed in Paragraph b. or the minimum premium determined in Paragraph c.
The premium determination steps assume that the insured is not participating in the loss other than any deductible amount that may apply. Therefore, no Participation Percentage is indicated on the Declarations. If a Participation Percentage is indicated on the Declarations, refer to company to determine the premium discount associated with such Participation Percentage.

B. Description Of Limited Product Withdrawal Expense Endorsement

1. Description Of Coverage

Reimbursement for certain expenses incurred because of a product withdrawal due to a recall or tampering may also be provided under the Commercial General Liability Coverage Form or the Products/Completed Operations Liability Coverage Form by attaching Limited Product Withdrawal Expense Endorsement CG 04 36.

2. Premium Determination

a. The Product Withdrawal premium for a risk is calculated as follows:

   (1) Determine the applicable classification(s).

   (2) Determine the premium base applicable to the classification(s).

   (3) Select the products/completed operations basic limits rate(s) from the appropriate state company rates.

   (4) Multiply the products/completed operations basic limit rate by the Product Withdrawal Factor in Table 44.B.2.b.

   (5) Determine the appropriate products/completed operations Increased Limits Table Assignment for the classification, and select the increased limits factor for the limit of insurance indicated in the Schedule.

   (6) See Rule 15. to adjust the selected increased limits factor for coverage written on a deductible basis. Use the products/completed operations bodily injury and property damage combined deductible discount factors based on the appropriate increased limits table assignment.

   (7) Multiply the basic limit Product Withdrawal rate by the increased limits factor developed in Paragraph (6).

   (8) Multiply the number of units of exposure developed under the premium base for each classification by the corresponding adjusted rate developed in Paragraph (7).

   (9) Determine the application of any minimum premium.
(10) The Product Withdrawal premium is the greater of the premium developed in Paragraph (7) or the minimum premium determined in Paragraph (9).

b. The premium determination steps assume that the insured is not participating in the loss other than any deductible amount that may apply. Therefore, no Participation Percentage is indicated on the Declarations. If a Participation Percentage is indicated on the Declarations, refer to company to determine the premium discount associated with such Participation Percentage.

<table>
<thead>
<tr>
<th>Products/Completed Operations Increased Limits Table Assignment</th>
<th>Product Withdrawal Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.20</td>
</tr>
<tr>
<td>B</td>
<td>.15</td>
</tr>
<tr>
<td>C</td>
<td>.10</td>
</tr>
</tbody>
</table>

Table 44.B.2.b. Product Withdrawal Factors

SECTION III

MISCELLANEOUS RULES

SECTION III- MISCELLANEOUS RULES

45. LIQUOR LIABILITY COVERAGE (Subline Code 332)
Paragraph B.3.c. is replaced by the following:

B. Description Of Liquor Liability Coverage

3. For details of coverage:

c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 02 20.

Paragraph G.5. is replaced by the following:

G. Liquor Liability Grades

5. The Liquor Liability Numerical Grade is 3.

Citation of Statute: FLA. STAT. Section 768.125

Comments:

The statute states:

A person who sells or furnishes alcoholic beverages to a person of lawful drinking age shall not thereby become liable for injury or damage caused by or resulting from the intoxication of such person, except that a person who willfully and unlawfully sells or furnishes alcoholic beverages to a person who is not of lawful drinking age or who knowingly serves a person habitually addicted to the use of any or all alcoholic beverages may become liable for injury or damage caused by or resulting from the intoxication of such minor or person.

The Supreme Court of Florida ruled in Ellis v. N.G.N. of Tampa, Inc., 586 So.2d 1042 (Fla. 1991) that the written notice required to establish the criminal offense of sale of alcohol to an habitual drunkard was not a requisite to proving a claim against an alcoholic beverage vendor for the alleged negligent sale (that is, "knowingly" serving) of alcohol to an habitual drunkard.

45. LIQUOR LIABILITY COVERAGE (Subline Code 332)

A. Minimum Premium
To determine the basic limit minimum premium, refer to company for the minimum premium developed for classifications using Products/Completed Operations increased limits table assignment C.

B. Description Of Liquor Liability Coverage

1. Two standard coverage forms are available for Liquor Liability Insurance. One Coverage Form provides coverage for injury on an occurrence basis and one Coverage Form provides that coverage on a claims-made basis.

2. These Coverage Forms provide coverage against claims for injury sustained by any person or organization if liability for such injury is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

3. For details of coverage:
   a. Refer to Coverage Forms
      (1) Liquor Liability Coverage Form (Occurrence Version) CG 00 33.
      (2) Liquor Liability Coverage Form (Claims-Made Version) CG 00 34.
   b. Refer to Mandatory Multistate Endorsements

   Broad Form Nuclear Exclusion Endorsement IL 00 21.
   c. Refer to Mandatory State Endorsements in the state exceptions.

4. The appropriate:
   a. Coverage Form;
   b. Mandatory endorsements (including those required for use in a particular state);
   c. Other applicable endorsements;
   d. The Declarations; and
   e. The Common Policy Conditions IL 00 17

make up a Coverage Part.

5. Liability Coverage may be limited to designated insured premises by attaching Limitation Of Coverage To Insured Premises Endorsement CG 28 06.
6. Liquor Liability Coverage may also be provided by amending the CGL policy. Use Liquor Liability Endorsement CG 24 08.

C. Company Rates

For rates, refer to company.

D. Increased Limits

Increased limits factors are found in Rule 56. Refer to the state exceptions. Use Products Liability Increased Limits Table C.

E. Bases Of Premium

For the "Temporary Licensees" classification refer to Rule 24.C.

For all other classifications refer to Rule 24.D.

F. Classifications

<table>
<thead>
<tr>
<th>Code No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>70412</td>
<td>Clubs</td>
</tr>
<tr>
<td>50911</td>
<td>Manufacturers, Wholesalers and Distributors selling alcoholic beverages for consumption off premises</td>
</tr>
<tr>
<td>59211</td>
<td>Package Stores and other retail establishments selling alcoholic beverages for consumption off premises</td>
</tr>
<tr>
<td>58161</td>
<td>Restaurants, Taverns, Hotels, Motels, including package sales</td>
</tr>
<tr>
<td>58168</td>
<td>Temporary Licensees</td>
</tr>
</tbody>
</table>

Table 45.F. Classifications
G. Liquor Liability Grades

1. A state designated with a 0 is one in which there is no cause of action against one who supplies, furnishes, vends or sells liquor (the "liquor vendor") for injury, property damage or death caused by an intoxicated person.

2. A state designated with a number from 1 to 9 imposes moderate liability for the liquor vendor. A cause of action for injury, property damage or death caused by an intoxicated person may be brought against the liquor vendor under certain circumstances. For example, a cause of action may exist if the liquor vendor supplies liquor to a minor, or to a person the liquor vendor knew or should have known was intoxicated, or to a person the liquor vendor has been advised is a known alcohol abuser, or in violation of the state liquor control laws. A special provision (most commonly a limitation on liability) may also apply.

3. A state designated with the number 10 imposes strict liability for the liquor vendor. A cause of action for injury, property damage or death caused by an intoxicated person may be brought against the liquor vendor, without limitation, because he or she provided liquor to the intoxicated person and death, injury or property damage was the result. In other words, the mere act of furnishing the liquor is deemed the proximate cause of the injury.

4. Unless stated otherwise in the state exceptions, Code 50911 is assigned a grade of 0.

5. Refer to the state exceptions for the applicable grade.

H. Special Rules Applicable To The Claims-Made Coverage Form

1. Extended Reporting Periods

a. If the circumstances relating to the termination, renewal or replacement of the claims-made coverage specified in Section V - Extended Reporting Periods of the Claims-Made Liquor Liability Coverage Form CG 00 34 are met, an extended reporting period will be provided. Under the extended reporting period, a claim first received and recorded during the extended reporting period will be deemed to have been made on the last day of the policy period. The claim must be for damages because of injury which occurred before the end of the policy period, but not before the applicable Retroactive Date.

A Basic Extended Reporting Period is automatically provided at no additional charge. This period begins with the end of the policy period and lasts for:

(1) 5 years, with respect to claims arising from injury reported and given to the company between the applicable Retroactive Date and 60 days after the end of the policy period; and
The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

b. The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

c. A Supplemental Extended Reporting Period of unlimited duration is available by attaching Supplemental Extended Reporting Period endorsement CG 28 03 for an additional charge. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period. This Supplemental Extended Reporting Period starts:

(1) 5 years after the end of the policy period for claims arising out of an injury reported to the company not later than 60 days after the policy period, in accordance with Paragraph 2.a. of the Duties In The Event Of Injury, Claim Or Suit Condition of Section IV - Liquor Liability Conditions; and

(2) 60 days after the end of the policy period with respect to claims arising from injury not previously reported or given to the company.

d. Refer to company for rating the Supplemental Extended Reporting Period Endorsement. However, the premium to be charged for the Supplemental Extended Reporting Period Endorsement shall not exceed 2.00 times the annual premium for the Liquor Liability Coverage being terminated and will be fully earned when the endorsement takes effect.

e. If the Supplemental Extended Reporting Period is in effect, a supplemental aggregate limit will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limit will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

2. Retroactive Date

The Retroactive Date is a specific date entered on the Declarations Page of the policy. Any injury which occurred prior to the Retroactive Date is not covered, even if a claim for such injury is first made during the policy period or any applicable Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

a. If there is a change in carrier;
b. If there is a substantial change in the insured's operations which results in an increased exposure to loss;

c. If the insured fails to provide the company with information:

(1) The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or

(2) Which was requested by the company; or

d. At the request of the insured.

Prior to the advancement of the Retroactive Date under any of the preceding conditions, the company must obtain the written acknowledgment of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Supplemental Extended Reporting Period Endorsement.

If "none" is entered on the Declarations Page of the policy, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for injury occurring prior to the inception date of the policy.

I. Premium Determination

The premium for a risk is calculated as follows:

1. Determine the applicable classification(s).

2. Determine the premium base applicable to the classification(s).

3. Select the basic limits rate(s) for the classification(s).

4. Adjust the basic limits rate(s) to reflect any coverage change (other than deductibles).

5. Adjust the resulting basic limits rate(s) by the appropriate increased limits factors and any other applicable rate modification(s). Adjust for coverage written on a deductible basis.

6. Multiply the number of units of exposure developed under the premium base for each classification by the corresponding adjusted rate(s) developed in 5.

7. Determine the application of any minimum premiums.

8. Determine any other additional premiums.
9. Add the premium determined in 6. or 7., whichever is greater, to the premium determined in 8. to obtain the total policy premium.

10. Use the premium developed in 9. or the policy writing minimum premium, whichever is greater.

J. Deductibles

1. Definition

This is a method of coverage under which the insured agrees to contribute up to a specific sum, either per claim or per common cause, towards the amount paid to claimants as damages.

2. Application

When deductible insurance is selected by the insured, either on a per claim or per common cause basis, the company's obligation under the Liquor Liability Coverage to pay damages on behalf of the insured applies only to the amount of damages in excess of any deductible amount stated as applicable.

3. Deductible Discount Factors

All risks written on this basis must be referred to the company.

4. Deductible Amounts

Deductible insurance can be written with any one of the deductible amounts listed in the following table:

<table>
<thead>
<tr>
<th>Deductible Amount</th>
<th>Statistical Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 250</td>
<td>04</td>
</tr>
<tr>
<td>500</td>
<td>05</td>
</tr>
<tr>
<td>750</td>
<td>06</td>
</tr>
<tr>
<td>1,000</td>
<td>07</td>
</tr>
<tr>
<td>2,500</td>
<td>08</td>
</tr>
<tr>
<td>5,000</td>
<td>09</td>
</tr>
<tr>
<td>10,000</td>
<td>10</td>
</tr>
<tr>
<td>15,000</td>
<td>11</td>
</tr>
<tr>
<td>20,000</td>
<td>11</td>
</tr>
<tr>
<td>25,000</td>
<td>11</td>
</tr>
<tr>
<td>All Other</td>
<td>90</td>
</tr>
</tbody>
</table>
Table 45.J.4. Deductible Amounts

5. Endorsement

Use Deductible Liability Insurance Endorsement CG 03 05.

46. OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE AND PRINCIPALS PROTECTIVE LIABILITY INSURANCE (Subline Code 335)

Paragraph B.2.c. is replaced by the following:

B. Description Of Owners Or Contractors Protective Liability Coverage

2. For details of coverage:

   c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 28 61.

46. OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE AND PRINCIPALS PROTECTIVE LIABILITY INSURANCE (Subline Code 335)

A. Exceptions To General Rules

Rule 15. Deductibles does not apply.

B. Description Of Owners Or Contractors Protective Liability Coverage

1. This coverage affords protection for claims for bodily injury or property damage arising out of operations performed for the insured by independent contractors whether the insured is an owner of property or is another contractor.

2. For details of coverage:

   a. Refer to Coverage Form
Owners And Contractors Protective Liability Coverage Form - Coverage For Operations Of Designated Contractor CG 00 09.

b. Refer to Mandatory Multistate Endorsements

Broad Form Nuclear Exclusion Endorsement IL 00 21.

c. Refer to Mandatory State Endorsements in the state exceptions.

3. The appropriate:

a. Coverage Form;

b. Mandatory endorsements (including those required for use in a particular state);

c. Other applicable endorsements; and

d. The Declarations

make up a Coverage Part.

Do not attach Common Policy Conditions IL 00 17 to this Coverage Part. These conditions are contained in the Coverage Form itself.

4. The Owners And Contractors Protective Liability Coverage Part may not be written in conjunction with other Coverage Parts. It is used only when an owner or contractor requires a contractor or subcontractor to furnish protective liability.

5. For certain operations, coverage is excluded for Underground Resources and Equipment. Refer to Exclusion - Underground Resources And Equipment Endorsement CG 22 57.

6. Coverage may be extended to apply to injury arising out of false arrest, detention or imprisonment by attaching Personal Injury Liability Endorsement CG 28 05.

7. Limited coverage for liability arising out of the use of pesticides or herbicides may be provided by attaching Pesticide Or Herbicide Applicator Coverage Endorsement CG 28 12.

8. To provide limited coverage for liability arising out of fungi or bacteria on or within a building or structure, including its contents, attach Limited Fungi Or Bacteria Coverage Endorsement CG 31 32. Coverage provided under this endorsement is subject to a Fungi or Bacteria Aggregate Limit.
Liability arising out of fungi or bacteria on or within a building or structure, including its contents, may be totally excluded by attaching Fungi Or Bacteria Exclusion CG 31 31.

9. Liability arising out of the design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any exterior insulation and finish system or any part thereof may be excluded by attaching Exclusion - Exterior Insulation And Finish Systems Endorsement CG 31 66.

10. Liability arising out of silica or silica-related dust may be excluded by attaching Silica Or Silica-Related Dust Exclusion Endorsement CG 33 70.

C. Company Rates And Minimum Premiums

1. Rates and minimum premiums provide a basic limit of $100,000 for the sum of damages because of bodily injury and property damage sustained by one or more persons or organizations as a result of any one occurrence. Either company rates or ISO loss costs are shown in the state company rates/ISO loss costs and apply to the first $1,000,000 of Total Cost (OCP) or the first 100 Newscarriers (Principals Protective). Refer to company for rating exposures in excess of $1,000,000 of Total Cost or 100 Newscarriers.

2. The limits provided in Paragraph 1 are subject to a $200,000 aggregate limit.

The aggregate limit applies separately to:

a. Each year of the policy; and

b. Each project away from the insured's premises.

3. Minimum premiums apply for one year or less and to the term of the project and are not subject to adjustment on cancellation by the insured.

4. To determine the basic limit minimum premium, refer to company for the minimum premium developed for classifications using Premises/Operations increased limits table assignments.

D. Increased Limits

Increased limits of liability may be provided in accordance with Table 56.B.2. Premises/Operations (Subline Code 334) Table 2. - $100/200 Basic Limit in Rule 56.

E. Bases Of Premium
1. The basis of premium for Owners and Contractors Protective Liability Insurance is the total cost of all work let or sublet in connection with each specific project including:

   a. The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work, however, do not include the cost of finished equipment installed but not furnished by the subcontractor if the subcontractor does no other work on or in connection with such equipment; and

   b. All fees, bonuses or commissions made, paid or due.

The rates apply per $1,000 of Total Cost.

2. The basis of premium for Principals Protective Liability Insurance For Newspaper Publishers - Liability For Independent Contractors is per newscarrier.

F. Additional Interests

The following additional interests may be added to the policy:

1. Additional Insured - Architects, Engineers Or Surveyors Endorsement CG 20 31 with the Owners And Contractors Protective Liability Coverage Form.

2. Additional Insured - State Or Political Subdivisions - Permits Endorsement CG 29 35 with the Owners And Contractors Protective Liability Coverage Form.

G. Principals Protective Liability

The Owners And Contractors Protective Liability Coverage Form CG 00 09 may be converted into a Principals Protective Liability Coverage Form by attaching Principals Protective Liability Coverage Endorsement CG 28 07 to the OCP Coverage Form.

When a Principals Protective Liability Coverage Part is provided, it may be written in conjunction with other coverage parts issued to the named insured.

H. Construction Project Management Protective Liability

The Owners And Contractors Protective Liability Coverage Form CG 00 09 may be converted into a Construction Project Management Protective Liability Coverage Form by attaching Construction Project Management Protective Liability Coverage Endorsement CG 31 15 to the OCP Coverage Form. When this endorsement is attached to the OCP policy, CG 28 05 Personal Injury Liability Endorsement should not be issued.

I. Classifications
1. Construction Operations - Contractor (Not Railroads) - Excluding
   Operations On Board Ships (Code 16291)

2. Construction Operations - Federal, State Or Local Housing Authorities
   (Code 91181)

   This classification applies to the Public Housing Administration (or the U.S. Housing
   Authority or Federal Public Housing Authority) for the construction of housing projects
   owned by and constructed for the administration and to local housing authorities for the
   construction of housing projects owned by and constructed for such authorities and
   financed in whole or in part by the Public Housing Administration (or the U.S. Housing
   Authority or Federal Public Housing Authority) or a state government or any department
   or division thereof.

   This classification does not apply to veterans emergency housing projects.

3. Construction Operations - Owner (Not Railroads) - Excluding Operations
   On Board Ships (Code 16292)

   This is an NOC classification.

   Coverage for maintenance and repairs at premises owned by or rented to the named
   insured or structural alterations at such premises which do not involve changing the size of
   or moving buildings are normally included in premises operations coverage. This
   classification is used when a contractor is required by an owner or lessee to provide
   protective liability insurance for the owner or lessee as named insured with respect to such
   exposures.

4. Operations (Code 17982)

   This is an NOC classification.

   Coverage for maintenance and repairs at premises owned by or rented to the named
   insured or structural alterations at such premises which do not involve changing the size of
   or moving buildings are normally included in premises operations coverage. This
   classification is used when a contractor is required by an owner or lessee to provide
   protective liability insurance for the owner or lessee as named insured with respect to such
   exposures.

   This classification applies to risks illustrated by the following:

   a. Interests for whom miscellaneous contracting operations, such as freight
      handling and hauling work are performed by independent contractors independently of
      construction or demolition operations.
b. Interests for whom installation, removal, servicing or demonstration of goods or products are performed by independent contractors.

c. Owners, contractors or municipalities for demolition of structures other than buildings.

d. Ship owners or ship operators for operations performed on board ships or in connection with the loading or unloading of ships.

e. Contractors for shipwright and other work on board ships.

5. Permits - Building Demolition Operations - Municipalities (Code 93161)

This classification applies for municipalities in connection with permits issued for demolition work not performed for the municipality.


This classification applies for municipalities in connection with permits issued for construction or erection work not performed for the municipality, such as the construction, erection or repair of buildings or other structures, sidewalks, streets, highways, sidewalk or street openings; cleaning or renovating fronts of buildings; window cleaning, remodeling or rebuilding of store fronts, replacement of plate glass windows.

This classification does not apply for municipalities in connection with permits issued for the construction, erection or repair of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, elevators, hoistway openings, manholes, marquees, sidewalk vaults, street banners, street decorations or similar types of exposures. Such permits shall be classified and rated under Premises/Operations.

7. Principals Protective Liability - Newspaper Publishers - Liability To Independent Contractors - (Coverage A) (Code 27111)

This classification applies to the following operations:

Newspaper distribution by direct sale and delivery to, and collection from, subscribers and other individuals by independent contractors, whose sole remuneration is the difference between the purchase and selling prices of the newspapers, and who may employ others to help or substitute in the performance of such operations.

This classification excludes coverage for the operations of a transportation agent, a distributor, servicing dealer, news agent or news dealer, except where the operations are as defined in this paragraph.

The footnotes under classification "Principals Protective Liability - Newspaper Publishers - Liability To Independent Contractors - (Coverage A)" apply also to this classification.

9. Principals Protective Liability - Liability To Independent Contractors - (Coverage A) (Code 15191)

This is an NOC classification.

10. Principals Protective Liability - Liability For Independent Contractors - (Coverage B) (Code 15192)

This is an NOC classification.

11. Construction Project Management Protective Liability (Code 93040)

47. POLLUTION LIABILITY COVERAGE (Subline Code 350)

Paragraph B.2.c. is replaced by the following:

B. Description Of Pollution Liability Coverage

2. For details of coverage:

   c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 02 20 .

47. POLLUTION LIABILITY COVERAGE (Subline Code 350)

   A. Exception To General Rules

Rule 14. Minimum Premiums

Refer to company for the minimum premium.

Rule 15. Deductibles
Refer to company for deductible discounts.

B. Description Of Pollution Liability Coverage

1. Two standard coverage forms are available for Pollution Liability coverage. Both coverage forms provide bodily injury and property damage liability, arising out of a pollution incident, on a claims-made basis; one of the coverage forms also provides coverage for clean-up costs.

2. For details of coverage:
   a. Refer to Coverage Forms
      (1) Pollution Liability Coverage Form CG 00 39.
      (2) Pollution Liability Limited Coverage Form CG 00 40. This coverage form does not provide coverage for clean-up and associated costs.
   b. Refer to Mandatory Multistate Endorsement

Broad Form Nuclear Exclusion Endorsement IL 00 21.

   c. Refer to Mandatory State Endorsements in the state exceptions.

3. The appropriate:
   a. Coverage Form;
   b. Mandatory endorsements (including those required for use in a particular state or as required by a footnote in the Classification Table);
      c. Other applicable endorsements;
   d. The Declarations; and
e. The Common Policy Conditions IL 00 17

make up a Coverage Part.

4. Pollution Liability Coverage may also be provided by amending the CGL policy in accordance with the following:
   a. Delete Paragraph 1. of the Pollution Exclusion. Use Pollution Liability Coverage Extension Endorsement CG 04 22.
b. Amend the Pollution Exclusion. Use Limited Pollution Liability Extension Endorsement CG 24 15.

Refer to company for rates.

5. Limited coverage for additional voluntary clean-up costs incurred by the insured may be provided by attaching Voluntary Clean-Up Costs Reimbursement Endorsement CG 28 33 to Pollution Liability Coverage Form CG 00 39.

6. The definition of "insured site" may be amended so that all locations the insured is performing operations at are covered, on an excess basis, by attaching Insured Site Definition (Contractors) Endorsement CG 28 02.

7. If the insured is subject to the financial responsibility requirements imposed on underground storage tank owners or operators under the United States Environmental Protection Agency's regulations, Pollution Liability Coverage does not adequately comply with such regulations. Use Exclusion - Underground Storage Tank Incidents Endorsement CG 29 78 on all Pollution Liability policies to exclude coverage for any injury, damage or expense caused by an underground storage tank incident.

Coverage for underground storage tank incidents is available under the Underground Storage Tank Policy, CG 00 42. Refer to Rule 53. for this coverage.

C. Rates

Refer to company.

D. Pollution Liability Classifications

<table>
<thead>
<tr>
<th>For statistical reporting purposes use:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollution Liability Coverage Form Code 90100</td>
</tr>
<tr>
<td>Pollution Liability Limited Coverage Form Code 90105</td>
</tr>
<tr>
<td>Pollution Liability Coverage Extension Endorsement Code 90110</td>
</tr>
<tr>
<td>Limited Pollution Liability Extension</td>
</tr>
</tbody>
</table>
Table 47.D. Pollution Liability Classifications

E. Extended Reporting Period Option

This option is available if the Pollution Liability Coverage Part is cancelled or not renewed by the company for any reason except non-payment of premium or the company replaces this coverage form with other insurance that provides claims-made coverage for bodily injury and property damage arising out of a pollution incident and has a retroactive date later than the one shown in the Coverage Form Declarations. It provides for a one year extension for the reporting of claims because of injury or damage which occurred before the end of the policy period or on or before the effective date of cancellation.

If the Extended Reporting Period is purchased, use Extended Reporting Period Endorsement CG 28 01.

Refer to company for rating. However, the premium charged for the Extended Reporting Period may not exceed one half of the full year premium for the coverage being terminated.

48. PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE (Subline Code 336)

Paragraph A.3.c. is replaced by the following:

A. Description Of Products/Completed Operations Liability Coverage

3. For details of coverage:

c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 02 20.

48. PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE (Subline Code 336)

A. Description Of Products/Completed Operations Liability Coverage
1. Two standard coverage forms are available to provide coverage for products/completed operations liability only. One coverage form provides the coverage on an occurrence basis and one coverage form provides that coverage on a claims-made basis.

2. These coverage forms provide coverage against claims for bodily injury and property damage arising from products/completed operations in conjunction with the insured's business.

3. For details of coverage:
   a. Refer to coverage forms:
      (1) Products/Completed Operations Liability Coverage Form (Occurrence Version) CG 00 37.
      (2) Products/Completed Operations Liability Coverage Form (Claims-made Version) CG 00 38.
   b. Refer to mandatory multistate endorsement:
      Broad Form Nuclear Exclusion Endorsement IL 00 21.
   c. Refer to mandatory state endorsements in the state exceptions.

4. The appropriate:
   a. Coverage form;
   b. Mandatory endorsements (including those required for use in a particular state or as required by a footnote in the Classification Table);
   c. Other applicable endorsements;
   d. The Declarations; and
   e. The Common Policy Conditions IL 00 17

make up a Coverage Part.

5. To make coverage under a Products/Completed Operations Liability Coverage Part issued to a vendor excess when the vendor is named as an additional insured under a policy issued to a manufacturer or distributor for products manufactured, sold, handled or distributed by the vendor, attach Excess Provision - Vendors Endorsement CG 24 10.
6. To provide limited coverage for liability arising out of fungi or bacteria on or within a building or structure, including its contents, attach Limited Fungi Or Bacteria Coverage Endorsement CG 31 32. Coverage provided under this endorsement is subject to a Fungi Or Bacteria Aggregate Limit.

Liability arising out of fungi or bacteria on or within a building or structure, including its contents, may be totally excluded by attaching Fungi Or Bacteria Exclusion CG 31 31.

7. Liability arising out of the design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any exterior insulation and finish system or any part thereof may be excluded by attaching Exclusion - Exterior Insulation And Finish Systems Endorsement CG 31 67.

8. Liability arising out of silica or silica-related dust may be excluded by attaching Silica Or Silica-related Dust Exclusion Endorsement CG 33 70.

9. Liability arising out of the actual or alleged transmission of a communicable disease may be excluded by attaching Communicable Disease Exclusion Endorsement CG 33 76.

B. Rates/ISO Loss Costs

1. Location

Either company rates or ISO loss costs appear under the products/completed operations columns in the state company rates/ISO loss costs opposite the identifying code number of the classification.

2. Basic Limits

a. Company rates or ISO loss costs are shown at a $100,000 limit for each occurrence, subject to the $200,000 Aggregate Limit.

b. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued). The Aggregate Limit may be reinstated when exhausted. Refer to company.

3. Increased Limits

Products/Completed Operations Increased Limits Tables are found in Rule 56. Refer to the state exceptions. To determine the appropriate assignment, refer to the state company rates/ISO loss costs or the state increased limits table assignment section following Rule 56.C.
4. Refer To Company

Classifications which show the Symbol (a) instead of a specific rate must be referred to company for rating.

5. Claims-made Rates

Claims-made rates must be adjusted to reflect the appropriate year in claims-made.

C. Bases Of Premium

Refer to Rule 24.D., E. and F.

D. Classifications


References to Building or Premises Category do not apply.

2. For the following classifications:

<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>16891</td>
<td>Seed Merchants - erroneous delivery or mixture and resulting failure to seed</td>
</tr>
</tbody>
</table>

Table 48.D.2.#1 Classifications

Use Seed Merchants - Coverage For Erroneous Delivery Or Mixture And Resulting Failure Of Seed To Germinate Endorsement CG 24 20.

<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>16892</td>
<td>Seed Merchants - erroneous delivery and error in mixture (excluding germination failure)</td>
</tr>
</tbody>
</table>

Table 48.D.2.#2 Classifications
Use Seed Merchants - Coverage For Erroneous Delivery Or Mixture (Resulting Failure Of Seed To Germinate Not Included) Endorsement CG 24 21.

E. Special Rules Applicable To The Claims-made Coverage Form

1. Extended Reporting Periods

   a. If the circumstances relating to the termination, renewal or replacement of the claims-made coverage specified in Section V - Extended Reporting Period of the Claims-made Products/completed Operations Liability Coverage Form CG 00 38 are met, an extended reporting period will be provided. Under the extended reporting period, a claim first received and recorded during the extended reporting period will be deemed to have been made on the last day of the policy period. The claim must be for damages because of bodily injury or property damage liability which occurred before the end of the policy period, but not before the applicable Retroactive Date.

A Basic Extended Reporting Period is automatically provided at no additional charge. This period begins with the end of the policy period and lasts for:

   (1) Five years, with respect to claims arising from occurrences reported and given to the company between the applicable Retroactive Date and 60 days after the end of the policy period; and

   (2) 60 days, with respect to claims arising from occurrences not previously reported or given to the company.

The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

   b. The Basic Extended Reporting Period does not reinstate or increase the limits under the policy.

   c. A Supplemental Extended Reporting Period of unlimited duration is available by attaching Supplemental Extended Reporting Period Endorsement CG 28 34 for an additional charge. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period. This Supplemental Extended Reporting Period starts:

      (1) Five years after the end of the policy period for claims arising out of an occurrence reported to the company not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Duties In The Event Of Occurrence, Claim Or Suit Condition of Section IV - Products/Completed Operations Liability Conditions; and
(2) 60 days after the end of the policy period with respect to claims arising from occurrences not previously reported or given to the company.

d. Refer to company for rating the Supplemental Extended Reporting Period endorsement. However, the premium to be charged for the Supplemental Extended Reporting Period endorsement shall not exceed 2.00 times the annual premium for the products/completed operations liability coverage being terminated and will be fully earned when the endorsement takes effect.

e. If the Supplemental Extended Reporting Period is in effect, supplemental aggregate limits will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period. The supplemental aggregate limits will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

2. Exclusion Of Specific Accident(s), Products, Work Or Location(s)

a. Coverage for bodily injury or property damage arising out of specific accidents, products, work or locations may be excluded by attaching Exclusion Of Specific Accidents, Products, Work Or Location Endorsement CG 27 05 to a new or renewal claims-made policy.

b. If the Exclusion Of Specific Accidents, Products, Work Or Location Endorsement CG 27 05 is attached to a renewal of a claims-made policy, and the preceding policy:

   (1) Was issued by your company; and

   (2) Provided coverage for the newly excluded accident, product, work or location;

Amendment of Section V - Extended Reporting Periods For Specific Accidents, Products, Work Or Location Endorsement CG 27 03 must be attached to that preceding policy. Endorsement CG 27 03 amends Section V - Extended Reporting Periods of the preceding policy so that a basic extended reporting period is provided for:

   (1) Five years with respect to claims arising from occurrences reported to the company between the applicable Retroactive Date and 60 days after the policy period; and

   (2) 60 days for all other claims arising out of the specific accidents, products, work or locations newly excluded on renewal.

The insured is also given the option of purchasing a supplemental extended reporting period of unlimited duration.
c. A Supplemental Extended Reporting Period for Specific Accidents, Products, Work or Locations may be provided. Use Supplemental Extended Reporting Period Endorsement For Specific Accidents, Products, Work Or Locations CG 28 35. Refer to company for rating. However, the premium to be charged for Endorsement CG 28 35 shall not exceed 2.00 times the annual premium for the Products/Completed Operations Coverage Part to which the endorsement is attached.

If the Supplemental Extended Reporting Period is in effect, supplemental aggregate limits will be provided, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limits will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

3. Retroactive Date

The Retroactive Date is a specific date entered on the Declarations of the policy. Any bodily injury or property damage which occurred prior to the Retroactive Date is not covered, even if a claim for such injury or damage is first made during the policy period or any applicable Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

a. If there is a change in carrier;

b. If there is a substantial change in the insured's operations which results in an increased exposure to loss;

c. If the insured fails to provide the company with information:

(1) The insured knew, or should have known, about the nature of the risk insured, which would have been material to the insurer's acceptance of the risk; or

(2) Which was requested by the company; or

d. At the request of the insured.

Prior to the advancement of the Retroactive Date under any of the preceding conditions, the company must obtain the written acknowledgment of the first Named Insured, acknowledging that the first Named Insured has been advised of the right to purchase the Supplemental Extended Reporting Period Endorsement.

If "none" is entered on the Declarations page of the policy, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for bodily injury or property damage occurring prior to the inception date of the policy.
F. Special Rule For Individual Risk Situations

Refer to Rule 34.

G. Premium Determination

The premium for a risk is calculated as follows:

1. Determine the applicable classification(s).

2. Determine the premium base applicable to the classification(s).

3. Select the basic limits rate(s) for the classification(s) from the appropriate state company rates.

4. Adjust the basic limits rate(s) to reflect any coverage change (other than deductibles).

5. Adjust the resulting basic limits rate(s) by the appropriate increased limits factors and any other applicable rate modification(s). Adjust for coverage written on a deductible basis; see Rule 15.

6. Multiply the number of units of exposure developed under the premium base for each classification by the corresponding adjusted rate(s) developed in 5.

7. Determine the application of any minimum premiums.

8. Determine any other additional premiums.

9. Add the premium determined in 6. or 7., whichever is greater, to the premium determined in 8. to obtain the total policy premium.

10. Use the premium developed in 9. or the policywriting minimum premium, whichever is greater.

49. RAILROAD PROTECTIVE LIABILITY (Subline Code 335)

Paragraph B.2.c. is replaced by the following:

B. Description Of Railroad Protective Liability Coverage
2. For details of coverage:
   c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 28 62.

49. RAILROAD PROTECTIVE LIABILITY (Subline Code 335)

   A. Exceptions To General Rules

   Rule 14. Minimum Premiums

   Refer to company for the minimum premium.

   Rule 15. Deductibles

   This rule does not apply.

   B. Description Of Railroad Protective Liability Coverage

      1. This coverage affords protection for claims for bodily injury or property
damage and for physical damage to certain property of the insured arising out of
operations performed by the designated contractor.

      2. For details of coverage:

        a. Refer to Coverage Form

           Railroad Protective Liability Coverage Form CG 00 35.

        b. Refer to Mandatory Multistate Endorsements

           Broad Form Nuclear Exclusion Endorsement IL 00 21.

        c. Refer to Mandatory State Endorsements in the state exceptions.

      3. The appropriate:

        a. Coverage Form;
b. Mandatory endorsements (including those required for use in a particular state);

c. Other applicable endorsements; and

d. The Declarations

make up a Coverage Part.

Do not attach Common Policy Conditions IL 00 17 to this Coverage Form in issuing the Coverage Part. The Conditions as contained in the Common Policy Conditions have been modified and are included in the Coverage Form itself.

4. Liability arising out of silica or silica-related dust may be excluded by attaching Silica Or Silica-Related Dust Exclusion CG 33 71.

C. Rates

1. Basic Limits

Refer to company.

2. Increased Limits

Refer to Rule 56.

D. Basis Of Premium

The basis of premium is the total cost of all work let or sublet in connection with each specific project. Total cost includes the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work, however, do not include the cost of finished equipment installed but not furnished by the subcontractor if the subcontractor does no other work on or in connection with such equipment. Where work trains or other railroad equipment is assigned by the insured exclusively to the contractor or his subcontractors for work in connection with the project, the cost to the contractor of his subcontractors for the use of that railroad equipment is to be used.

The rates for this coverage apply per $1,000 of Total Cost.

E. Classifications

<table>
<thead>
<tr>
<th>Code No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code No.</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>40011</td>
<td>Operations - Railroad NOC - Construction Operations - Operations Performed For Railroads</td>
</tr>
<tr>
<td>40012</td>
<td>Operations - Railroad NOC - Construction Operations - Operations Performed For Interests Other Than Railroads</td>
</tr>
<tr>
<td>40013</td>
<td>State or Federal Highway Projects</td>
</tr>
<tr>
<td>40014</td>
<td>Operations involving no work within 50 feet of tracks on which railroad trains run or which involve no exposure to actual railroad train hazards (railroads)</td>
</tr>
</tbody>
</table>

Table 49.E. Classifications

50. SPORTS PARTICIPANTS

A. Coverage

Coverage for injuries to participants engaged in athletic sports, games or contests may be excluded by the use of Exclusion - Athletic Or Sports Participants Endorsement CG 21 01.

Coverage for Injuries to Participants Engaged in Athletic Sports, Games or Contests may be provided for bodily injury claims resulting from an accidental injury to any person while practicing for or participating in any athletic sports, games or contests sponsored by the insured. This procedure applies to the classifications shown in Paragraph B.

B. Classifications
<table>
<thead>
<tr>
<th>Code No.</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>40061</td>
<td>Athletic Games Sponsored by the insured - Not-For-Profit Only</td>
</tr>
<tr>
<td>40059</td>
<td>Athletic Games Sponsored by the insured - Other Than Not-For-Profit</td>
</tr>
<tr>
<td>40067</td>
<td>Athletic Programs - amateur - Not-For-Profit Only</td>
</tr>
<tr>
<td>40066</td>
<td>Athletic Programs - amateur - Other Than Not-For-Profit</td>
</tr>
<tr>
<td>40064</td>
<td>Athletic or Sports Contests - in buildings - lessees - Not-For-Profit Only</td>
</tr>
<tr>
<td>40063</td>
<td>Athletic or Sports Contests - in buildings - lessees - Other Than Not-For-Profit</td>
</tr>
</tbody>
</table>
40069  Athletic Teams - professional
or semi-professional

63218  Exhibitions - in buildings -
NOC - Not-For-Profit Only

63217  Exhibitions - in buildings -
NOC - Other Than Not-For-Profit

63220  Exhibitions - in buildings -
no admission charged -
NOC - Not-For-Profit Only

63219  Exhibitions - in buildings -
no admission charged - Other Than Not-For-Profit

43421  Exhibitions - outside - in
stadiums or on premises
having grandstands or
bleachers not erected by or
for the insured - ushers or other attendants in stands not provided by the insured

43422 Exhibitions - outside - in stadiums or on premises having grandstands or bleachers - ushers or other attendants in stands provided by the insured

43424 Exhibitions - outside - no stadiums or grandstands

46911 Race Tracks - motorized vehicles - operators

46912 Race Tracks - operators - NOC

46915 Race Tracks - motorized vehicles - (sponsor's risk only)

46916 Racing - (sponsor's risk
47318  Rodeos

48441  Soap Box Derbies

Table 50.B. Classifications

C. Rates

1. Liability Coverage Only - Excluding Immediate Medical And Surgical Relief
   a. Contests conducted on premises owned or leased by the insured
      (1) Contact sports such as baseball, basketball, boxing, football, hockey, soccer and softball - Refer to company.
      (2) Other contests - Refer to company.
   b. Contests conducted on premises not owned or leased by the insured
      (1) Contact sports such as baseball, basketball, boxing, football, hockey, soccer and softball - Refer to company.
      (2) Other contests - Refer to company.

2. Coverage For Immediate Medical And Surgical Relief
   a. Contact sports such as baseball, basketball, boxing, football, hockey, soccer and softball - Refer to company.
   b. Other contests - Refer to company.

Rates shall be applied to the product of the number of contests multiplied by the number of players actively participating in the contest at any one time.

51. ELEVATOR OR ESCALATOR INSPECTION CHARGE (Subline Code 334)
Code 65210 applies for legally required inspections made by or for the company.

Refer to company for rates.

52. COVERAGE FOR INSUREDs FOR INJURY TO LEASED WORKERS

A. Coverage

Coverage for bodily injury sustained by a leased worker while performing duties related to the conduct of the named insured's business may be provided, by mutual agreement between the insurer and the insured, by attaching:

1. Coverage For Injury To Leased Workers Endorsement CG 04 24 with all policies except the Underground Storage Tank Coverage Part; or

2. Coverage For Injury To Leased Workers Endorsement CG 04 26 with the Underground Storage Tank Coverage Part.

Refer to company for rating.

B. Definition

Leased worker means a person leased to the named insured by a labor leasing firm under an agreement between the named insured and the labor leasing firm, to perform duties related to the conduct of the named insured's business. A leased worker does not include a temporary worker who is furnished to the named insured for a finite time period to support or supplement the named insured's work force in special work situations such as employee absences, temporary skill shortages and seasonal workloads.

53. UNDERGROUND STORAGE TANK (UST) COVERAGE (Subline Code 350)

Paragraph B.2.c. is replaced by the following:

B. Description Of UST Coverage

2. For details of coverage:
c. Refer to Mandatory State Endorsement

Florida Changes - Cancellation And Nonrenewal Endorsement CG 30 15.

53. UNDERGROUND STORAGE TANK (UST) COVERAGE (Subline Code 350)

A. Exception To General Rules

Rule 14. Minimum Premiums

Refer to company for the minimum premium.

Rule 15. Deductibles

Refer to company.

Rule 16. Additional Interests

Refer to company.

B. Description Of UST Coverage

1. The UST coverage is provided as follows:

   a. Coverage A provides liability coverage for third party claims because of bodily injury or property damage caused by an underground storage tank incident on a claims-made basis.

   b. Coverage B provides corrective action costs coverage for off-site cleanup as well as cleanup on the insured's premises on an incident-reported basis.

Payments for defense expense are subject to a predetermined amount. The duty to defend and to pay for defense expense ends when such amount is used up.

2. For details of coverage:

   a. Refer to Coverage Form

Underground Storage Tank Coverage Form CG 00 42.

This policy is self-sufficient and should not be used as a Coverage Part of the Commercial Package Policy.

   b. Refer to Mandatory Multistate Endorsement

Broad Form Nuclear Exclusion Endorsement IL 00 21.
c. Refer to Mandatory State Endorsements in the state exceptions.

C. Policy Limits, Defense Expense Amount And Rating

Refer to company for determination of Policy Limits, Defense Expense Amount and rating.

D. Classifications

1. Basis Of Premium

The basis of premium for all classifications is each insured tank.

2. Classification Description And Statistical Codes

An Underground Storage Tank is classified and coded in accordance with its content, construction, age and the detection and protective devices used with the tank as follows:

Classification Description And Statistical Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
<th>Contents:</th>
<th>Construction:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>First Digit Code</td>
<td>Underground Tanks - fiberglass or synthetic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Underground Storage Tank</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Second Digit Code</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contents:</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>Gasoline - all grades</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Oil - including kerosene, diesel and waste oil</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Third Digit Code</td>
<td>With suction pumping system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>With pressure pumping system</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>With suction pumping system</td>
</tr>
<tr>
<td>4</td>
<td>With pressure pumping system</td>
</tr>
<tr>
<td>5</td>
<td>With suction pumping system</td>
</tr>
<tr>
<td>6</td>
<td>With pressure pumping system</td>
</tr>
<tr>
<td>7</td>
<td>With suction pumping system</td>
</tr>
<tr>
<td>8</td>
<td>With pressure pumping system</td>
</tr>
<tr>
<td>9</td>
<td>Tanks - above ground Endorsement changing the terms of the UST policy is required for use of this classification</td>
</tr>
</tbody>
</table>

**Fourth Digit Code**

**Age:**
### Code Classification

<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>New to 5 years old</td>
</tr>
<tr>
<td>7</td>
<td>Over 5 years to 10 years</td>
</tr>
<tr>
<td>8</td>
<td>Over 10 years to 25 years</td>
</tr>
<tr>
<td>9</td>
<td>Over 25 years old</td>
</tr>
</tbody>
</table>

**Fifth Digit Code**

**Protection Devices:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Automatic leak detection only</td>
</tr>
<tr>
<td>5</td>
<td>Automatic overfill protection only (not collection wells)</td>
</tr>
<tr>
<td>6</td>
<td>Both automatic leak detection and automatic overfill protection</td>
</tr>
<tr>
<td>7</td>
<td>None</td>
</tr>
<tr>
<td>9</td>
<td>All Other</td>
</tr>
</tbody>
</table>

**Example**

A steel fiberglass coated UST with a suction pumping system and an automatic overfill protection device:

If the tank is 10 years old and is used for storage of gasoline, it will be coded 21375; and

If the tank is 5 years old and is used for storage of diesel, it will be coded 22365.

---

Table 53.D.2. Classification Description And Statistical Codes

3. **Statistical Reporting**

Use Subline Code 350 for statistical reporting purposes. Payments for defense expenses shall be reported separately as "Allocated Loss Adjustment Expenses" in accordance with the CSP.

E. **Extended Reporting Periods**
1. If the circumstances relating to the termination, renewal or replacement of the claims-made coverage specified in Section V - Extended Reporting Periods of the Underground Storage Tank Policy CG 00 42 are met, an extended reporting period will be provided. Under the extended reporting period, a claim first received and recorded, or an incident reported, during the extended reporting period will be deemed to have been made on the last day of the policy period. The claim must be for damages because of bodily injury or property damage liability caused by, or because of corrective action costs resulting from, an underground storage tank incident that commenced before the end of the policy period, but not before the applicable Retroactive Date.

A Basic Extended Reporting Period is automatically provided at no additional charge, unless a Supplemental Extended Reporting Period is purchased. This period begins with the end of the policy period and lasts for six months.

The Basic Extended Reporting Period does not apply to claims that are covered under subsequent insurance purchased, or to claims that would be covered but for the exhaustion of the amount of either the limits of the subsequent insurance or the subsequent defense expense amount.

2. The Basic Extended Reporting Period does not reinstate or increase the limits of insurance or the defense expense amount under the policy.

3. An optional Supplemental Extended Reporting Period is available by attaching Supplemental Extended Reporting Period Endorsement CG 30 57 for an additional charge. The Named Insured must request this endorsement in writing:
   a. No less than either 30 days before the end of the policy period or the date of termination, whichever comes first, if the insurer cancels or nonrenews.
   b. Prior to either the end of the policy period or the date of termination, whichever comes first, if the insurer cancels for any reason for which it is permitted to give less than 60 days notice.
   c. At the same time the insured notifies the insurer of its intent to cancel or nonrenew.

This Supplemental Extended Reporting Period begins with the end of the policy period and lasts for two years. If the Supplemental Extended Reporting Period is purchased, the Basic Extended Reporting Period does not apply.

4. Refer to company for rating the Supplemental Extended Reporting Period Endorsement.

5. If the Supplemental Extended Reporting Period is in effect, supplemental aggregate limits and a supplemental defense expense amount will be provided, but only for
claims first received and recorded, or incidents reported, during the Supplemental Extended Reporting Period.

The supplemental aggregate limits and supplemental defense expense amount will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period separately for the Aggregate Limit and the Defense Expense Amount.

F. Retroactive Date

The Retroactive Date is a specific date entered on the Declarations Page of the policy. Any bodily injury or property damage caused by or corrective action costs resulting from an underground storage tank incident which occurred prior to the Retroactive Date is not covered, even if a claim is first received and recorded, or an incident is reported, as a result of an underground storage tank incident that commenced during the policy period or any applicable Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

1. If there is a change in carrier;
2. If there is a substantial change in the insured's operations which results in the increased exposure to loss;
3. If the insured fails to provide the company with information:
   a. The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
   b. Which was requested by the company; or
4. At the request of the insured.

Prior to the advancement of the Retroactive Date under any of these conditions, the company must obtain the written acknowledgement of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Supplemental Extended Reporting Period Endorsement.

If "none" is entered on the Declarations Page of the policy, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for bodily injury or property damage caused by, or corrective action costs resulting from, an underground storage tank incident which commenced prior to the inception date of the policy.
54. YEAR 2000 COMPUTER-RELATED ENDORSEMENTS

Choose one of the following options:

A. Option One - Exclusion - Year 2000 Computer-Related And Other Electronic Problems Endorsement

To exclude coverage for all risks associated with the change to the year 2000, attach Exclusion - Year 2000 Computer-Related And Other Electronic Problems Endorsement CG 21 60 to the Commercial General Liability Coverage Part.

B. Option Two - Exclusion - Year 2000 Computer-Related And Other Electronic Problems - Products/Completed Operations Endorsement

1. Commercial General Liability Coverage Part

To exclude only products/completed operations coverage for computer or computer-related, actual or alleged failure, malfunction, inadequacy or inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond, attach Exclusion - Year 2000 Computer-Related And Other Electronic Problems - Products/Completed Operations Endorsement CG 21 61.

2. Products/Completed Operations Liability Coverage Part

To exclude products/completed operations coverage for all risks associated with a computer or computer-related, actual or alleged failure, malfunction, inadequacy or inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond, attach Exclusion - Year 2000 Computer-Related And Other Electronic Problems - Products/Completed Operations Endorsement CG 21 61.

C. Option Three - Year 2000 Computer-Related And Other Electronic Problems - Limited Coverage Options Endorsements

Optional coverage for liability arising out of computer-related problems due to the year 2000 may be provided by attaching Year 2000 Computer-Related And Other Electronic Problems - Limited Coverage Options Endorsement CG 04 31 to the Commercial General Liability Coverage Part or Year 2000 Computer-Related And Other Electronic Problems - Limited Coverage Options Endorsement CG 04 32 to the Products/Completed Operations Liability Coverage Part.

Insurers and insureds must agree on the type of coverage to be provided by checking the appropriate box(es) in Schedule A - Coverages To Be Provided and the location, operation, product or service that will receive coverage by filling in the proper information in Schedule B - Description Of Location, Operations, Products Or Services To Be Covered.
This coverage may be provided with a deductible by attaching an appropriate deductible liability endorsement.

This endorsement is not applicable for classifications which require the attachment of Professional Liability Exclusion - Computer Data Processing Endorsement CG 22 77, Professional Liability Exclusion - Electronic Data Processing Services And Computer Consulting Or Programming Services Endorsement CG 22 88, or Exclusion - Telecommunications Equipment Or Service Providers Errors And Omissions Endorsement CG 22 91.

"Refer to Company" for rating.

D. Option Four - Exclusion - Year 2000 Computer-Related And Other Electronic Problems - With Exception For Bodily Injury On Your Premises

To exclude coverage for risks associated with the change to the year 2000, other than bodily injury on your Premises, attach Exclusion - Year 2000 Computer-Related And Other Electronic Problems - With Exception For Bodily Injury On Your Premises Endorsement CG 21 62 to the Commercial General Liability Coverage Part.

E. Option Five - Year 2000 Computer-Related And Other Electronic Problems - Exclusion Of Specified Coverages For Designated Locations, Operations, Products Or Services

To exclude coverage for specific aspects of insured risks arising out of computer-related problems due to the change to the year 2000, for specified locations, operations, products or services, attach Year 2000 Computer-Related And Other Electronic Problems - Exclusion Of Specified Coverages For Designated Locations, Operations, Products Or Services Endorsement CG 21 63 to the CGL policy.

Insurers and insureds must agree on the type of coverage to be excluded by checking the appropriate box(es) in Schedule A - Coverages To Be Excluded and the location, operation, product or service that will be excluded by filling in the proper information in Schedule B - Description Of Location, Operations, Products Or Services To Be Excluded.

"Refer to Company" for rating.

F. Option Six - Year 2000 Computer-Related And Other Electronic Problems - Exclusion Of Specified Coverages For Designated Products Or Completed Operations

To exclude coverage for specific aspects of insured risks arising out of computer-related problems due to the change to the year 2000, for specified products or completed operations, attach Year 2000 Computer-Related And Other Electronic Problems - Exclusion Of Specified Coverages For Designated Products Or Completed Operations Endorsement CG 21 64 to the Products/Completed Operations policy.
Insurers and insureds must agree on the type of coverage to be excluded by checking the appropriate box(es) in Schedule A - Coverages To Be Excluded and the product or completed operation that will be excluded by filling in the proper information in Schedule B - Description Of Products/Completed Operations To Be Excluded.

"Refer to Company" for rating.

G. Option Seven - No Endorsements

If options A, B, C, D, E or F are not chosen, attach no endorsement, and

1. "Refer to Company" any risk that presents a unique or unusual year 2000 exposure, or

2. For all other risks, use the otherwise applicable rules and rates.

55. TERRORISM ENDORSEMENT OPTIONS - FEDERAL BACKSTOP

Refer to the Terrorism Supplement to the CLM.

55. TERRORISM ENDORSEMENT OPTIONS - FEDERAL BACKSTOP

Refer to the Terrorism Supplement to the CLM.

SECTION IV-INCREASED/DECREASED LIMITS

SECTION IV- INCREASED LIMITS
Paragraph B. is replaced by the following:

B. Tables

The increased limits tables follow.

1. Premises/Operations (Subline Code 334) Table 1 - $100/200 Basic Limit

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### Table 56.B.1. Premises/Operations (Subline Code 334) Table 1 - $100/200 Basic Limit

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### Table 56.B.1. Premises/Operations (Subline Code 334) Table 2 - $100/200 Basic Limit

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### Table 56.B.2. Premises/Operations (Subline Code 334) Table 3 - $100/200 Basic Limit

3. Premises/Operations (Subline Code 334) Table 3 - $100/200 Basic Limit

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Table 56.B.3. Premises/Operations (Subline Code 334) Table 3 - $100/200 Basic Limit

4. Products/Completed Operations (Subline Code 336) Table A - $100/200 Basic Limit

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</table>

Table 56.B.4. Products/Completed Operations (Subline Code 336) Table A - $100/200 Basic Limit

5. Products/Completed Operations (Subline Code 336) Table B - $100/200 Basic Limit
<table>
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The following factors MUST be referred to company before using.

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</tr>
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</table>

Table 56.B.5. Products/Completed Operations (Subline Code 336) Table B - $100/200 Basic Limit
### 6. Products/Completed Operations (Subline Code 336) Table C - $100/200 Basic Limit

<table>
<thead>
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<th>300</th>
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<td>1.96</td>
</tr>
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<td>1.46</td>
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<tr>
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<td>1.47</td>
<td>1.70</td>
<td>2.05</td>
<td></td>
</tr>
<tr>
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<td></td>
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The following factors MUST be referred to company before using.

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<th>5,000</th>
<th>10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,500</td>
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</tr>
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<td></td>
<td></td>
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</tr>
<tr>
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<td>2.28</td>
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<td>2.65</td>
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</tbody>
</table>
Table 56.B.6. Products/Completed Operations (Subline Code 336) Table C - $100/200 Basic Limit

7. Railroad Protective Liability (Subline Code 335) - $100/300 Basic Limit

These factors MUST be referred to company before using.

Table 56.B.7. Railroad Protective Liability (Subline Code 335) - $100/300 Basic Limit

C. Increased Limits Table Assignments (ILTAs)

The increased limits table assignments (ILTAs) are contained in the following ILTAs section.

The column in the following tables of Paragraph C. titled "Class Code" contains the applicable classification code number. The column titled "IL Table" contains first the applicable Premises/Operations increased limits table (1, 2 or 3) and then the applicable Products/Completed Operations increased limits table (A, B or C) assigned to that classification code number. A "**" in the IL Table column indicates the applicable increased limits table assignment(s) for that classification code is "refer to company". A "-"
" in the IL Table column for Products/Completed Operations indicates that there is no separate Products/Completed Operations increased limits table assignment for that classification code.

56. INCREASED LIMITS TABLES

A. Procedures

1. All limits are expressed in thousands in dollars.

2. Policy limit codes for Premises/Operations and Products/Completed Operations are in parenthesis.

3. The tables indicate which factors must be referred to company before using.

4. See state company rates/ISO loss costs or the state increased limits table assignment section following Rule 56.C. for applicable Premises/Operations and Products/Completed Operations increased limits table assignments by classification code.

5. The following interpolation procedure shall be used in determining either increased limits factors or combinations of limits not shown in the tables.

   a. Determine the higher factor in the increased limits table for the next lower and for the next higher limit or combination of limits.

   b. The factor for the limit or combination of limits desired shall be determined by interpolation. All fractions in the third decimal place shall be considered as an additional unit in the second decimal place.

   c. Where neither limit required appears in the table, refer to company.

B. Tables

The increased limits tables are displayed in the State Exceptions.

C. Increased Limits Table Assignments (ILTAs)

The increased limits table assignments are displayed in the state company rates/ISO loss costs section or the state increased limits table assignments section by classification code for the applicable Premises/Operations (Subline Code 334) and Products/Completed Operations (Subline Code 336) classes.
End of Section