

The 2013 Changes to the ISO BusinessOwners Policy (BOP)



Presented by

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John Eubank

John O. Eubank, CPCU, ARM is CEO and President of Professional Insurance Education, Inc. in Nashville, Tennessee. He was previously employed by the Insurance Services Office, Inc. and ISO Commercial Risk Services, Inc. as the Regional Operations Manager for the Southern Region. He left ISO in 1987 to form PIE, Inc. and since has logged 14.72 gazillion miles in his insurance-manual-laden Cadillac.

John's professional affiliations include past Regional Vice President of the Society of Chartered Property & Casualty Underwriters (CPCU), PMLG of the Honorable Order of Blue Goose, International (HOBGI), member of the National Fire Protection Association (NFPA), and member of the Society of Fire Protection Engineers (SFPE).

John is recognized as one of the nation's premier insurance education instructors, having served as a National Faculty member of the Society of Certified Insurance Counselors since 1976, and is a recipient of the Professional Leadership Scroll from the American Institute for Property & Liability Underwriters and the Insurance Institute of America.

Since forming Professional Insurance Education, Inc. in 1987, he has served as a speaker and instructor for a wide variety of educational seminars for insurance associations in Alabama, California, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Ohio, North & South Carolina, and Tennessee; Hoosier Ins. Co.; Society of CIC and the CPCU Society; National Association of Insurance Women (NAIW); and the North American Retail Dealers Association.

John is available for association-sponsored and in-house training programs, though he is usually booked over a year in advance. He can be contacted at 408 Page Road, Nashville, TN 37205, 615-383-5443, insspeak1@bellsouth.net.



Bill Wilson

William C. Wilson, Jr., CPCU, ARM is director of the Virtual University of the Independent Insurance Agents & Brokers of America (IIABA). He was the Director of Education & Technical Affairs for the Insurors of Tennessee from 1988-1999. Prior to 1988, he was employed by Insurance Services Office, Inc. as the manager of their field operations in Tennessee and Kentucky. Before that time, he was a bag boy at H.G. Hill food store #25.

Bill is a graduate of the Illinois Institute of Technology with a B.S. degree in Fire Protection & Safety Engineering. He was a licensed insurance and surplus lines agent, and his professional affiliations have included past president of the Middle Tennessee Chapter of CPCU, board member of the national CPCU Society, PMLG of the Honorable Order of Blue Goose, International, member of the Independent Insurance Agents of America (IIABA) National Education Committee, member of the Certified Insurance Service Representative (CISR) National Advisory Committee, member of the Society of Insurance Trainers and Educators (SITE) and its SITE Journal editorial committee, member of the National Writers Association, chairman of the Tennessee Insurance Commissioner's Education Advisory Committee, member of the Middle Tennessee State University Insurance Liaison Committee, member of the Nashville State Technical Institute's Financial Services Advisory Committee, member of the National Underwriter's FC&S Editorial Advisory Board, and an instructor for insurance and risk management programs for Tennessee State University and Nashville State Technical Institute. He is listed in the International Who's Who of Professionals™.

He has served as a trainer and speaker for various organizations, including the Independent Insurance Agents of America (IIABA national conventions and state convention programs and seminars), the CPCU Society national convention, National Leadership Conference and chapter programs, the National Association of Insurance Women (NAIW), the Southern Agents Conference, and the Risk & Insurance Managers Society (RIMS).

Bill has conducted hundreds of technical seminars, workshops and convention presentations—from Hawaii to Rhode Island—as well as programs on time management, presentation and public speaking skills, seminar development, and many others. He was the recipient of the 1996 L.P. McCord National Education Award for having the #1 ranked IIABA insurance education program in America. Bill was the 2010 recipient of the George M. Gottheimer Memorial Award which is presented annually to a CPCU Society member who has made an outstanding contribution to the field of insurance education, risk management or insurance consulting.

He has researched, developed, written, and published dozens of technical articles and manuals, and has authored articles in business and industry trade periodicals such as Presentations magazine, American Agent & Broker magazine, Independent Agent magazine, Tennessee Insuror magazine, Tennessee Business magazine, the CPCU Journal, and the SITE Journal.

He has been cited as an expert resource/interviewee for local television and radio media, and has served as an expert witness in litigation. According to Nashville NBC television affiliate WSMV, *"Bill Wilson is an expert when it comes to insurance."* Dr. William T. Hold, president of the Society of Certified Insurance Counselors in Austin, Texas has said that, *"Bill Wilson is recognized by his peers as one of the premier insurance educators in America."*

Finally, not that it has anything whatsoever to do with this program, Bill is also an avid (notice we didn't say 'good') electric blues guitar player. He can be emailed at bill.wilson@iaba.net. You can visit IIABA's Virtual University by going to <http://www.bigivu.com>.

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*The 2013 Changes To The ISO
Businessowners Policy (BOP)*



Presenters:
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• **John Eubank, CPCU, ARM**
Revised May 3, 2013



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**BACKGROUND AND
HISTORY OF THE BOP**

**First introduced by Allstate Insurance
Company in the mid 1970's**

- Alternative to the SMP (Special Multi-Peril Policy)
- Patterned after the Homeowners policy
 - Must have property & liability coverage
 - Limited optional coverages available



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History of BOP

- Introduced by ISO in 1976 however, limited eligibility; major revisions in 1986, 2002, 2006, 2010 and July 2013 in most states
- AAIS Forms - We will not discuss
- Independent company filings



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Why ISO makes policy changes

- To match changes in CPP
- Events and emerging issues
- Case law
- ISO staff
- Liaison committee
- Big "I" National Technical Affairs Committee
- Mid-America Insurance Conference (www.matcinsurance.com)



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2013 Filing Changes

- 33 major property form changes
- 4 major liability changes
- 30 endorsement changes
- 16 new endorsements
- Many of these changes are the same as, or very similar to, the CPP 2012 Property Form and 2013 CGL Form revisions, both effective in most states 4/1/2013



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Policy Form Property Changes

- | | |
|------------------------|-----------------------------|
| 1. Earth Movement | 9. Entrusted Property |
| 2. Debris Removal | 10. Vegetated Roofs |
| 3. FD Service Charge | 11. Electronic Data |
| 4. BPP in Structures | 12. Newly Acquired Property |
| 5. Extended BI | 13. Ordinance or Law |
| 6. Coverage Radius | 14. Wear and Tear |
| 7. Water Exclusion | 15. Specified Limits |
| 8. Property in Storage | 16. Business Income |



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More Changes

PROPERTY

- Dishonesty
- Loss Payment
- Money & Securities
- Employee Dishonesty
- Period of Restoration
- Definition "Specified Cause of Loss"

LIABILITY

- Liquor Liability
- War Liability
- Personal & Advertising Injury
- Electronic Data



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BPP in Described Structures

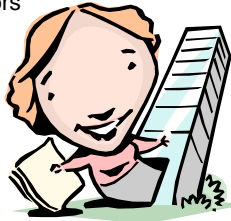
- Clarifies that Business Personal Property is covered while in/on *structures* as well as in/on buildings at the described premises.
- Note that, BPP is also covered while in the open or a vehicle within 100 feet of the described premises.
- The CP form says "...located in or on the building or structure described in the Declarations..."
- The BOP says "located in or on the buildings or structures at the described premises or..."



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Coverage Radius

- ISO property forms currently cover BPP within 100 feet of the described premises
- This gives greater coverage to tenants on the lower floors of a high rise building than those on the upper floors
- The revised forms provide coverage within 100 feet of the described premises or the building, whichever is greater



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Vegetated Roofs

- The Property Not Covered is revised to make an exception for lawns, trees, shrubs, and plants that are part of a vegetated "green" roof subject to all applicable covered perils, limits of insurance and all other applicable policy terms. The Limitations, Outdoor Property Coverage Extension and the Limited coverage for "Fungi" Additional Coverage are also revised.



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Electronic Data



- Currently the BOP limit coverage for most electronic data to \$10,000 on an annual aggregate basis (unless a higher limit of insurance is shown on the Declaration.)
- This limit will no longer apply to electronic data “which is integrated in and operates or controls the building’s elevator, lighting, heating, ventilation, air conditioning or security system”



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Electronic Data - Additional Coverage

- The BOP is also revised to state that the Additional Coverage does not apply to "stock" of prepackaged software, because an exception is made for "electronic data" which is "stock" of prepackaged software under Paragraph **A.2.i. Property Not Covered.**
- **SAY WHAT?** "Stock" of prepackaged software is not subject to \$10,000 limit



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Covered Causes of Loss

- In the Covered Causes Of Loss wording the term "risk of" is deleted and will now read “**direct physical loss**”. The actual wording will be:
- Direct physical loss unless the loss is excluded or limited under Section I - Property.



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Interior of the Building Coverage

- Paragraph **A.4.a.(5)** of the Limitations is revised to extend the **limitation** to personal property in the building. This change was already in the CP 00 10. It will now say:

We will not pay for loss of or damage to:

- (5) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; ...



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Specified Dollar Limits \$\$\$

- The BOP includes various specified dollar limits, some of which may be increased via entry of a higher limit in the Declarations. Paragraph **A.4.c. will now say:**
- **c.** For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):



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Debris Removal and Plants

- Debris Removal
 - Additional limit increased from \$10,000 to \$25,000
 - Now covers removal of debris of the property of others (limited to \$5,000 if no direct physical loss to Covered Property)
- Outdoor Property Coverage Extension now includes debris removal of trees, shrubs and plants not owned by the insured



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Fire Dept. Service Charge

- Clarifies that the \$2,500 limit, applies to **each premises** described in the Declarations
- Clarifies that only that limit applies, regardless of the number of fire departments that respond
- The limit can be increased by a Declarations page entry



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Business Income & Extra Expense

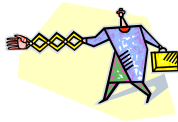
- The BI & EE Additional Coverages are revised to achieve more consistency between the radius outlined for insureds who are occupants of the entire building and those who occupy only part of a multiple-occupancy building. The revised form provide coverage within 100 feet of the described premises or the building, whichever is greater.



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Extended BI Coverage

- The current business income forms extend coverage for 30 days beyond the end of the period of restoration
- The new forms broaden this to 60 days.
- **NOTE** - The CP 00 30 has an option to go to up to 2 years



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Business Income Dependent Properties

- The BOP is revised to provide coverage with respect to secondary dependent properties.
- New definition of *secondary dependent property*
- *Subject to \$5,000 limit*



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Ordinance or Law Exclusion

- This exclusion is clarified so that it applies to "The enforcement of or compliance with any ordinance or law"
- The "compliance" language is also added other policy provisions related to the ordinance or law exclusion



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Newly Acquired Property

- Current property forms provide up to \$100K for newly acquired BPP for a limited period of time at:
 - The described premises
 - New buildings at the described location
 - Newly acquired locations
- Coverage for newly acquired BPP at the described premises is being removed so that increases in values at the premises must be covered by a Policy Changes endorsement.
- This is a coverage reduction



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Coverage Extension – Personal Effects

- The Personal Effects Coverage Extension is clarified that employee includes temporary or leased employees. The revised wording (in part) says:
- You may extend the insurance that applies to Business Personal Property to...your employees, including temporary or leased employees.



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Property in Storage Units

- New Coverage Extension provides \$10,000 coverage for BPP in portable storage units within 100 feet of the premises for up to 90 days. But it doesn't apply IF the storage unit has been at the premises for more than 90 days
- These limitations apply regardless of the number of storage units
- Subject to a \$10,000 limit but it can be increased



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Earth Movement Exclusion

- "This exclusion is revised to reinforce that earth movement is excluded regardless of whether it is caused by an act of nature or is otherwise caused."
- Earthquake now includes tremors and aftershocks
- Volcanic action that occur within any 168-hour period constitutes a single occurrence



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Entrusted Property

- The Dishonesty Exclusion in the current BOP “Dishonest or criminal acts by...anyone to whom you entrust the property for any purpose....”
- The new exclusion for entrusted property only applies to *theft*.
- *This exclusion does not apply to coverage that is provided by the Employee Dishonesty Optional Coverage.*



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Money & Securities

- Under the optional coverage for Money & Securities there is a revision to clarify the employee includes temporary and leased workers.



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Employee Dishonesty

- Under the optional coverage for Employee Dishonesty there will be a new exclusion to address acts of employees learned by the insured prior to the policy period.
- **(4)** Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy...
- **NOTE- Any dishonest act? BP 14 83 :-)**



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Wear and Tear Exclusion

- The BOP is revised to cover damage that results from accidental discharge or leakage from a municipal water or sewer pipe off the described premises if breakage or cracking is caused by wear and tear
- This is found in the Definition of "Specified causes of loss" 12.c.(1) and (2)



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Section II - Liability

- Liquor Liability Exclusion
- The Liability '**host liquor**' coverage has been revised in two ways. The first change expands the exclusion to include additional claims which are alcohol-related, but which some courts have held are outside the current exclusion for *"manufacturing, distributing, selling, serving or furnishing alcoholic beverages."*



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Liquor (Continued)


- Given adverse court decisions which have held that these various types of alcohol-related claims are beyond the scope of the liquor exclusion, and therefore covered by the CGL and BOP, the 2013 edition of the CGL and BOP will include the following additional language:



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Liquor Exclusion added

- ...the liquor exclusion will include the following additional language:
- (a) *The supervision, hiring, employment, training or monitoring of others by that insured; or*
- (b) *Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;*

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BYOB

- The second change deals with whether or not establishments which allow patrons to "bring your own" (BYO) alcohol are considered to be "in the business of selling, serving or furnishing alcoholic beverages." This is a perennial gray area, given the practice common in many businesses that provide wine and cheese functions and similar social activities, where guests bring their own alcohol.
-

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More on BYO

- ISO states the impact of the BYO change "may be considered a broadening of coverage in that it contains an express exception to the exclusion with respect to allowing a person to bring alcoholic beverages for consumption on their premises."
- *Thanks to Mike Edwards, CPCU*

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BYO

- Some experts caution that the “broadening of coverage” is not a blanket exemption from the liquor exclusion. The revised language says that BYO activity ***“is not by itself considered the business of selling, serving or furnishing alcoholic beverages.”***



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BYO

- One scenario put forth by some experts is when an establishment is conducting or sponsoring a BYO event, and employees are circulating among guests with platters of cheese, crackers, etc. An employee notices that a bottle of wine is almost empty, and offers to pour the last small amount into the glass for a customer, so the bottle can be taken off the table and disposed of. The concern is that this might constitute *“in the business of serving alcohol.”* The language is not court-tested yet, time will tell.



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Now The Rest Of The Story

In the 2013 changes ISO is revising BP 04 19 – Amendment – Liquor Liability Exclusion – Exception for Scheduled Activities to **exclude** coverage for Liquor Liability **if** an insured permits any person to bring any alcoholic beverages on the Named Insured's premises, for consumption on the Named Insured's premises, except for the premises described in the Schedule of the endorsement for consumption on such premises.



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IF IT IS EXCLUDED

- **YOU CAN ADD A NEW ENDORSEMENT**

BP 14 89 – Liquor Liability Coverage
Endorsement. It will extend coverage to insureds who permit persons to bring alcoholic beverages on their premises for consumption on the premises whether or not a fee is charged for such activity.

See ISO Rule 29.B.13



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Exclusion - Personal & Advertising Injury

- The wording in the Personal & Advertising Injury exclusion is revised to add "... in any manner..." to address Internet and other electronic publications and their impact on personal and advertising offenses that may arise from publication via e-mail or a web-site.



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Exclusions - Electronic Data

- The BOP will introduce an exception to the Electronic Data Exclusion to provide the exclusion does not apply to liability because of bodily injury. The new wording will be in Exclusion q:
- *However, this exclusion does not apply to liability for damages because of "bodily injury".*



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Other Insurance

- Currently the BOP 'Other Insurance Condition' provides in part that Business Liability Coverage is excess any other primary insurance available to the named insured by attachment of an endorsement.
- ISO is striking that language so now the paragraph will read:



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Other Insurance (Continued)

- **2.** Business Liability Coverage is excess over:
 - b.** Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured. ~~by attachment of an endorsement.~~



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Endorsements

- There are numerous BP endorsements that are revised for editorial reasons. They will not be discussed today.
- 8 endorsements are revised to reinforce that employee includes a temporary and leased worker
- 16 Additional Insured Endorsements are revised



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Endorsements

- According to ISO some of these endorsements provide broader coverage and some reductions in coverage. These will be pointed out where necessary but the presenters and IIABA do not agree or disagree with these ISO evaluations. Any determinations will be up to the insurers and/or the courts.



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BROADENINGS OF COVERAGE

- [BP 04 57](#) - Utility Services - Time Element
- This endorsement is revised to provide the means to select a new category of utility service: wastewater removal property. With respect to the coverage provided under this endorsement, wastewater removal property is a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water.



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BROADENINGS OF COVERAGE

- [BP 10 79](#) - Flood Coverage 
- Under the Flood Coverage endorsement, there is no coverage for loss resulting from a flood which begins before or within 72 hours after the inception date of the endorsement. This endorsement is revised to provide that the aforementioned 72-hour waiting period will not apply when the prior policy included flood coverage and the policy periods are consecutive without a break in coverage. Further, the similar 72-hour waiting period for an increase in the Limit of Insurance will not apply to an increase executed at the time of renewal.
- Also, this endorsement is revised to add drains and sumps to the provision which covers back-up and overflow from a sewer when such discharge occurs within 72 hours after a flood recedes.



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BROADENINGS OF COVERAGE

- **BP 14 79** - Specified Business Personal Property Temporarily Away From Premises
- This new endorsement provides coverage for business personal property temporarily away from the described premises in the course of daily business activities while in the care, custody or control of the insured or an employee of the insured.



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BROADENINGS OF COVERAGE

- **BP 14 82** - Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis)
- This new endorsement provides limited coverage for the situation in which the cost of repair/replacement of property exceeds the Limit of Insurance due to increases in the cost of labor and/or materials following a disaster.



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BROADENINGS OF COVERAGE

- **BP 14 83** - Employee Dishonesty - Named Employee(s)
- This new endorsement provides an exception to an exclusion contained in the Employee Dishonesty Optional Coverage. It may be used to schedule a certain employee(s) that is known to have previously committed theft or any other dishonest act prior to the effective date of the policy. The scheduled employee(s) would no longer be subject to the exclusion under the Employee Dishonesty Optional Coverage.



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BROADENINGS OF COVERAGE

- **BP 14 87** - Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement For Other Parties In Construction Contract
- This endorsement provides additional insured status to those parties whom the Named Insured is obligated in writing in a contract or agreement to name as an additional insured under their policy.



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BROADENINGS OF COVERAGE

- **BP 17 03** - Condominium Commercial Unit-owners Optional Coverages
- This endorsement is revised to provide the means for selecting a limitation (sub-limit) over \$1,000 for assessments that result from a deductible in the insurance purchased by the condominium association. Coverage is broadened if a sub-limit over \$1,000 is entered in the Schedule of the endorsement.



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REDUCTION OF COVERAGE

- **BP 14 81** - Limitations On Coverage For Roof Surfacing
- This new endorsement includes provisions for covering roof surfacing at actual cash value on a building otherwise subject to replacement cost valuation and for excluding cosmetic damage by windstorm or hail to roof surfacing. One or both of these limitations may be indicated on the Schedule of the endorsement.



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More On BP 14 81

- We will not pay for cosmetic damage to roof surfacing caused by windstorm or hail. For the purpose of this endorsement, cosmetic damage means that the windstorm or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.



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Even More On BP 14 81

- For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing. Rule 29.A.36



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REDUCTION OF COVERAGE

- [BP 14 84](#) - Windstorm Or Hail Exclusion
- This endorsement generally excludes loss or damage caused directly or indirectly by windstorm or hail.



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REDUCTION OF COVERAGE

- **BP 14 86** - Communicable Disease Exclusion
- This endorsement excludes coverage for liability arising out of the actual or alleged transmission of a communicable disease.



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REDUCTION OF COVERAGE

- **BP 14 91** - Amendment Of Personal And Advertising Injury Definition
- This endorsement **deletes the offense** of *oral or written publication, in any manner, of material that violates a person's right of privacy* from the definition of personal and advertising injury.



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Other Endorsement Changes

- In these changes, according to ISO, there is no impact on coverage. Once again the authors and IIABA do not have an opinion on the endorsement's coverages.



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BP 04 30 - Protective Safeguards

- This endorsement is revised by the addition of a symbol and description to recognize hood-and-duct fire extinguishing systems.



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BP 04 31 - Food Contamination

- This endorsement is revised for consistency with the CPP and to reinforce certain provisions, as follows:
- Paragraph **A.1.c.** is revised to indicate that covered expenses include necessary medical tests or vaccinations for your employees (including temporary or leased employees) who are **potentially** infected by the food contamination
- The definition of "food contamination" is revised.



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BP 04 53 - Water Back-up And Sump Overflow

- This endorsement is revised to reinforce that coverage under this endorsement does not apply when sump pump failure is caused by or results from power failure unless the policy is endorsed to cover power failure.
- It is also revised to indicate that, for the purposes of this endorsement, the term drain includes a roof drain and related fixtures.



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Utility Services Coverage Endorsements - Overhead Transmission Lines



- [BP 04 56](#) - Utility Services - Direct Damage
- [BP 04 57](#) - Utility Services - Time Element
- These endorsements are revised to make it explicit that transmission lines include all lines which serve in the transmission of power or communication service, including lines which may be identified as distribution lines.



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[BP 05 98](#) - Amendment Of Insured Contract Definition

- This endorsement is revised to reflect that the defined term insured contract addresses certain liability assumed by the Named Insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law. When this endorsement is attached the insured will **not** be provided coverage for tort liability such insured assumes of another party to the extent that the assumption of such liability is prohibited in a particular jurisdiction.



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Windstorm Endorsement

- [BP 14 04](#) - Windstorm Or Hail Losses To Roof Surfacing - Actual Cash Value Loss Settlement
- This endorsement is revised by the addition of a definition of roof surfacing.



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Debris Removal

- **BP 14 09** - Debris Removal Additional Insurance
- This endorsement is revised to reference the \$25,000 underlying amount of additional insurance.



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Green Upgrades

- **BP 14 75** - Increased Cost Of Loss And Related Expenses For Green Upgrades
- The Schedule of this endorsement is revised to facilitate identification of personal property (when not all personal property is to be covered for Green Upgrades) and to facilitate the entry of different percentage selections for the building and personal property.



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BP 14 78 - Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties)

- This new endorsement, which applies to policies issued to owners and tenants of rental premises, reinforces that "property damage" and "business interruption" coverages do not apply to loss or damage to the described premises caused by or resulting from smoke, vapor, gas or **any substance released in the course of production operations or processing operations performed at the rental units identified in the Schedule of the endorsement.** (Cont'd Next Slide)



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BP 14 78 (Cont'd)

- But loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation is not excluded.
- **NOTE TO INSURER (Direct from ISO):** There is no change in intended coverage. With respect to individual insurers, impact may vary based on past claims and loss settlement history. (Cont'd next slide)



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BP 14 78 Rule

- The ISO Rule 16.B.8.b says:
- **BP 14 78 must be attached to policies covering rental properties regardless of whether the policy is issued to the owner or tenant.**
- **Translation it is MANDATORY for rental properties!!!!!!!!!!**



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BP 14 80 - Higher Limits

- This new endorsement increases certain specified dollar limitations.
- **NOTE TO INSURER (Direct from ISO):** The Declarations or this endorsement can be used to increase certain dollar limitations. Refer to Rule **29.A.35.** in CLM Division Ten for additional information.



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You Asked For It

- [BP 14 88](#) - Primary And Noncontributory - Other Insurance Condition
- This endorsement revises the Other Insurance Condition to indicate that coverage is provided to an additional insured on a primary and noncontributory basis.



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Condominium Endorsements



- [BP 17 01](#) - Condominium Association Coverage
- This endorsement is revised to make it explicit that Business Personal Property is covered when located in or on the buildings or **structures** at the described premises.
- [BP 17 02](#) - Condominium Commercial Unit-owners Coverage
- This endorsement is revised to make it explicit that Business Personal Property is covered when located in or on the buildings or **structures** at the described premises.



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Additional Insured Endorsements

- [BP 04 02](#) - Additional Insured - Managers Or Lessors Of Premises
- [BP 04 06](#) - Additional Insured - Controlling Interest
- [BP 04 07](#) - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises
- [BP 04 09](#) - Additional Insured - Mortgagee, Assignee Or Receiver
- [BP 04 10](#) - Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased
- [BP 04 11](#) - Additional Insured - Co-owner Of Insured Premises
- [BP 04 13](#) - Additional Insured - Engineers, Architects Or Surveyors
- [BP 04 16](#) - Additional Insured - Lessor Of Leased Equipment
- [BP 04 47](#) - Additional Insured - Vendors

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Additional Insured (Cont'd)

- [BP 04 48](#) - Additional Insured - Designated Person Or Organization
- [BP 04 49](#) - Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- [BP 04 50](#) - Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization
- [BP 04 51](#) - Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement In Construction Contract
- [BP 04 52](#) - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations
- [BP 14 02](#) - Additional Insured - Owners, Lessees Or Contractors - Completed Operations
- [BP 14 05](#) - Additional Insured - Grantor Of Franchise



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- These additional insured endorsements are revised to:
- Add language, in response to the growing number of states enacting anti-indemnification laws, to provide that the insurance afforded to an additional insured only applies to the extent permitted by law;
- Provide that, if coverage provided to the additional insured is required by contract or agreement, the insurance afforded to the additional insured will not be broader than that which the Named Insured is required by the contract or agreement to provide for the additional insured; and

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- Provide that, if coverage provided to the additional insured is required by contract or agreement, the most the insurer will pay on behalf of the additional insured is the amount of insurance required by the contract or agreement or the amount of insurance available under the applicable Limits Of Insurance shown in the Declarations, whichever is less. The provision also provides that the endorsement will not increase the applicable Limits Of Insurance shown in the Declarations.

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- **NOTE TO INSURER From ISO:** When these endorsements are attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the **extent permissible by law and to the extent the Named Insured is required by the contract or agreement to provide insurance for the additional insured.** Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the Named Insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits Of Insurance shown in the Declarations, **whichever is less.**



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State & Governmental Agencies

- **BP 04 07** - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises
- **BP 04 52** - Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations
- These endorsements are revised to explicitly allow for any governmental agency or subdivision (federal or state) to be named as an additional insured. Also, the endorsements are revised to address situations in which a permit may not be issued, but rather the governmental agency or subdivision authorizes the insured to perform operations.



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More Additional Insureds

- **BP 04 13** - Additional Insured - Engineers, Architects Or Surveyors
- **BP 04 49** - Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- **BP 04 51** - Additional Insured - Owners, Lessees Or Contractors - With Additional Insured Requirement In Construction Contract
- These additional insured endorsements are revised for consistency with **BP 04 50** - Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization by:
- Specifically excluding completed operations coverage for an additional insured; and/or
- Removing the Professional Services Exclusion, as a similar exclusion is already contained in the Businessowners Coverage Form.



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Professional Services

- **BP 08 01** - Barber Shops And Hair Salons Professional Liability
- **BP 08 03** - Optical And Hearing Aid Establishments
- **BP 08 07** - Pharmacists
- **BP 08 09** - Beauty Salons Professional Liability
- **BP 14 15** - Limited Exclusion - Personal And Advertising Injury - Lawyers
- To reinforce the Professional Services Exclusion in these endorsements, the exclusion is enhanced to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by an insured.



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