

**IMPORTANT NOTICE TO CALIFORNIA POLICYHOLDERS
BROADENINGS AND POTENTIAL REDUCTIONS OF COVERAGE
Property Extension Plus for Construction (CP 89 00 12 12)**

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. We are in the process of implementing policy administration system improvements. As a result, we are replacing certain coverage forms and endorsements with other forms, which may result in changes to your coverage.

This notice contains a brief summary of coverage changes organized by individual endorsements. Please note that not all of the endorsements noted may apply to your specific policy. In addition, this notice does not reference every editorial change made to the endorsement or coverage form, only significant coverage changes.

Please read your policy and review your Declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

Expiring Form	Expiring Form Number	New Form	New Form Number
Contractors Platinum Endorsement	GECP 917 10 10	Property Extension Plus for Construction	CP 89 00 12 12

BROADENINGS OF COVERAGE

- Accounts Receivable – Away from the Described Premises: Coverage up to \$25,000 per occurrence is provided.
- Appurtenant Structures: Coverage per location for Buildings (up to \$50,000) and Business Personal Property (up to \$5,000) is provided.
- Arson or Theft Reward: The limit of insurance is increased from \$10,000 to \$25,000 per location.
- Business Income and Extra Expense: Coverage up to \$50,000 per location is provided, subject to its terms and conditions.
- Coinsurance: The coinsurance condition (if applicable) in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is waived on loss or damage of \$10,000 or less per occurrence.
- Computer Equipment (including Laptop/Portable Computers): Coverage up to \$30,000 per location is provided, which includes coverage based on removing the exclusions for Earth Movement, Utility Services, Water, artificially generated electrical current, and mechanical breakdown, subject to its terms and conditions.
- Computer Equipment – Extra Expense: Coverage up to \$7,500 per location is added.
- Consequential Loss: Coverage up to \$25,000 per location is provided for the consequential loss of undamaged business personal property. Consequential Loss is the loss of value of an undamaged part or parts of a product that become unmarketable due to a physical loss or damage caused by a Covered Cause of Loss to another part or parts of the same product.
- Extended Business Income: Coverage for up to 60 consecutive days is added as part of the Business Income Coverage Extension.

- Extra Expense: The limit of insurance is changed to \$50,000 per location.
- Fine Arts: The limit of insurance is increased to \$25,000 per location.
- Fire Department Service Charge: The limit of insurance is changed from \$10,000 to \$25,000 per location.
- Fire Protective Equipment: The limit of insurance is changed from \$5,000 per occurrence to \$25,000 per each separate 12-month policy period.
- Forgery or Alteration: The limit of insurance is increased from \$10,000 to \$25,000.
- Leasehold Interest: This coverage now applies (up to \$25,000) on a per location basis.
- Lost Key Coverage: \$10,000 per occurrence Lost Key coverage is added if key is lost or damaged due to a Covered Cause of Loss.
- Lock Replacement: Coverage up to \$2,500 per occurrence is provided.
- Loss Adjustment Expenses: The limit of insurance is increased from \$5,000 to \$10,000.
- Ordinance or Law – Demolition Costs and Increased Cost of Construction: The combined limit of insurance is now \$200,000 per location.
- Preservation of Property: The number of days associated with this coverage is increased to 90 days.
- Property Off-Premises: The limit of insurance is increased to \$50,000 per location, with coverage up to a limit of insurance of \$5,000 coverage in any one policy year added for electronic data in transit.
- Real Property of Others Required by Contract: This coverage now applies to all Covered Causes of Loss, up to a limit of insurance of \$50,000 in any one occurrence.
- Salesperson Samples: \$5,000 per salesperson in any one occurrence coverage is added.
- Business Personal Property Limit – Seasonal Increase: The limit of insurance for covered Business Personal Property will now automatically increase by 25%, up to a limit of insurance of \$250,000 per occurrence, to provide for seasonal variations provided the limit of insurance in the Declarations for Business Personal Property is at least 90% of your average monthly value during the 12-month period immediately preceding the covered loss (or, if less, the period of time you have been in business as of the covered loss).
- Special Valuation Provision: The limit of insurance for this coverage is increased from \$2,500 to \$5,000.
- Water Seepage: Coverage up to a limit of insurance of \$10,000 in any one policy year is added.

POTENTIAL REDUCTIONS OF COVERAGE

- Additional Property Not Covered: Bridges exceeding 30 feet in length are excluded. Retaining walls two feet or higher used to contain water or protect against wave action or storm surges are also excluded.
- Back-up of Sewers or Drains: The limit of insurance is reduced to \$25,000 per location, and coverage only applies to direct physical loss or damage, with losses due to flood expressly excluded.
- Business Income and Extra Expense - Actual Loss Sustained: Coverage applies up to 12, 18 or 24 consecutive months, as applicable, if the 12-month, 18-month or 24-month Business Income and Extra Expense Changes – Actual Loss Sustained endorsement is attached to your replacement policy respectively. Business Income and Extra Expense - Actual Loss Sustained coverage, including any Extended Period Of Indemnity Optional Coverage, applies only to such loss that occurs within the applicable 12, 18 or 24 consecutive months after the date of the covered direct physical loss or damage, subject to all of the other terms and conditions of that Additional Coverage (including the 30-day limitation).
- Employee Tools: The value of employee tools will be determined at actual cash value at the time of loss or damage.

- Money Orders and Counterfeit Money: Coverage is subject to the policy deductible.
- Utility Services Interruption – Business Income: Losses due to above ground power transmission or distribution lines are excluded, and a 72-hour waiting period applies.
- Utility Services Interruption – Direct Damage: Losses due to above ground power transmission or distribution lines are excluded.