

State: New York Filing Company: CLEAR SPRING PROPERTY AND CASUALTY COMPANY

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: TowMAX Program

Project Name/Number: /

### Filing at a Glance

Company: CLEAR SPRING PROPERTY AND CASUALTY COMPANY

Product Name: TowMAX Program

State: New York

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Form/Rate/Rule

Date Submitted: 07/21/2020

SERFF Tr Num: PERR-132427042

SERFF Status: Closed-Approved

State Tr Num: R2020002441

State Status: Closed

Co Tr Num: CSPCC-TP-CP-NY-2001

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal):

Author(s): Neresia Torres, Paula Rossman, Stephanie Joe

Reviewer(s): Esther Ihueze (primary)

Disposition Date: 09/17/2020

Disposition Status: Approved

Effective Date (New): 09/17/2020

Effective Date (Renewal):

**This filing was provided as part of  
The New York Insurance ADVISOR  
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or call 800-896-8000**

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

**General Information**

Project Name: Status of Filing in Domicile:  
 Project Number: Domicile Status Comments:  
 Reference Organization: Insurance Services Office ("ISO") Reference Number:  
 Reference Title: Advisory Org. Circular:  
 Filing Status Changed: 09/17/2020  
 State Status Changed: 09/17/2020 Deemer Date:  
 Created By: Paula Rossman Submitted By: Paula Rossman  
 Corresponding Filing Tracking Number:

**Filing Description:**

On behalf of Clear Spring Property and Casualty Company ("the Company"), we are submitting this filing to introduce its new TowMAX Program – Commercial Property, filed under the Fire and Allied line of business. Please refer to Exhibit RF-1 for complete details.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company contact. The Company's response will be submitted to your attention as soon as we receive it.

**Company and Contact**

**Filing Contact Information**

Paula Rossman, State Filings Analyst prossman@perrknight.com  
 401 Wilshire Blvd 310-893-0033 [Phone]  
 Suite 300  
 Santa Monica, CA 90401

**Filing Company Information**

(This filing was made by a third party - perrandknightactuaryconsultants)

CLEAR SPRING PROPERTY AND CASUALTY COMPANY	CoCode: 15563	State of Domicile: Texas
1999 Bryan Street Suite 900	Group Code: 4794	Company Type:
Dallas, TX 75201	Group Name: Group One Thousand One	State ID Number:
(888) 636-1580 ext. [Phone]	FEIN Number: 43-1436329	

**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

**State Specific**

Speed-To-Market Field: enter code "98" for Speed-To-Market filings. Enter "0" for N/A.: 0  
 Terrorism Exclusion Field: enter code "46-01" for filings which includes forms, rates or rules for the Terrorism Exclusion. Enter "0" for N/A.: 0  
 Mold (Fungi, Bacteria, Virus) Exclusion Field: enter code "46-02" for filings which includes forms, rates or rules for the Mold

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**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
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Exclusion. Enter "0" for N/A.: 0

On the Rate/Rule Schedule Tab, the "Add Rate Data" button must be changed to "yes" for all rating rules and rate filings in order for the appropriate fields to be completed. Please enter "Yes" for filings with the rate data fields completed and "No" for all other filings.: Yes

State: New York

Filing Company:

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: TowMAX Program

Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Esther Ihueze	09/16/2020	09/17/2020

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending	Esther Ihueze	09/08/2020	09/08/2020
Pending	Esther Ihueze	08/05/2020	08/05/2020

#### Response Letters

Responded By	Created On	Date Submitted
Paula Rossman	09/15/2020	09/15/2020
Paula Rossman	08/20/2020	08/20/2020

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Extension Request	Note To Reviewer	Paula Rossman	09/15/2020	09/15/2020
Status Inquiry	Note To Reviewer	Paula Rossman	09/04/2020	09/04/2020

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Disposition

Disposition Date: 09/17/2020

Effective Date (New): 09/17/2020

Effective Date (Renewal):

Status: Approved

Comment: This is in reference to the captioned filing. Reference is also made to your subsequent correspondence providing additional information and amending same.

The forms are hereby approved pursuant to Section 2307(b) of the New York Insurance Law.

The rates/rules are hereby acknowledged pursuant to Section 2305(a) of the New York Insurance Law.

We also acknowledge the adoption of ISO Reference Filing Document Numbers reflected on the Exhibit RSO-1.

Very truly yours,

Linda A. Lacewell  
 Superintendent of Financial Services

By:

Esther Ihueze  
 Senior Insurance Examiner  
 Property Bureau  
 (212) 480-5470 (tel.)  
 (212) 709-1571 (fax)  
 Esther.Ihueze@dfs.ny.gov

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
CLEAR SPRING PROPERTY AND CASUALTY COMPANY	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Highly Protected Risks		Yes
Supporting Document (revised)	Minimum Premium/Return Premium and Minimum Earned Premium Rules		Yes
Supporting Document	Side-By-Side Comparisons		Yes
Supporting Document (revised)	Property Review Standards Checklist		Yes
Supporting Document (revised)	Rates and/or Rating Plans		Yes
Supporting Document	Forced Fire Insurance Filing Compliance Questionnaire		Yes
Supporting Document	Consent-to-rate requirements		Yes
Supporting Document	ISO List		Yes
Supporting Document	Authorization Letter		Yes
Form	PROPERTY COVERAGE EXTENSION ENDORSEMENT		Yes
Form	BUSINESS INCOME AND EXTRA EXPENSE – ACTUAL LOSS SUSTAINED ENDORSEMENT		Yes
Form	BUSINESS INCOME (WITHOUT EXTRA EXPENSE) – ACTUAL LOSS SUSTAINED ENDORSEMENT		Yes
Form	ADDITIONAL PROPERTY COVERAGE ENDORSEMENT		Yes
Form	GOLF COURSE ADDITIONAL COVERAGE ENDORSEMENT - NEW YORK		Yes
Form	GOLF COURSE ENDORSEMENT		Yes
Rate (revised)	New York State Exception Page		Yes

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**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending
Objection Letter Date	09/08/2020
Submitted Date	09/08/2020
Respond By Date	09/15/2020

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Dear Paula Rossman,

### **Introduction:**

This is in reference to the captioned filing.

### **Objection 1**

Comments: 1. With reference to CMP 2, please note that in accordance with the Rate Filing Sequence Checklist Detailed Instructions, the competitor must be New York approved.

2. Please note that every filing of ISO approved by this Department has a Department file number. However, please confirm that all the ISO filings listed on the Exhibit RSO 1 with no corresponding Department file number(s) are actually approved for use for ISO by this Department.

### **Conclusion:**

We await your prompt reply. In the meantime, the captioned filing is not approved for use in New York State. Pursuant to the Department's 2nd Supplement to Circular Letter No. 11(1998) dated December 20, 1999, a substantive reply must be submitted within 7 days. If such response is not received, this file will be considered withdrawn and closed accordingly. Thereafter, to request further review of the subject matter of this filing, a new filing will be required, in accordance with the provisions of Department Circular Letter No. 5 (2009) and SERFF filing submission guidelines, addressing the issue(s) discussed above and/or included in any previous Objection Letter(s) and/or Note(s) To Filer.

Please provide notification by e-mail at [Esther.ihueze@dfs.ny.gov](mailto:Esther.ihueze@dfs.ny.gov) when you have responded to an objection letter or sent a Note to Reviewer via SERFF. This will help expedite review of this filing. This e-mail address should not be used for any correspondence other than for notification that the company has sent correspondence through SERFF.

Sincerely,

Esther Ihueze

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Pending
Objection Letter Date	08/05/2020
Submitted Date	08/05/2020
Respond By Date	08/20/2020

Dear Paula Rossman,

### **Introduction:**

This is in reference to the captioned filing.

### **Objection 1**

*Comments: Please provide support for the rates (i.e. minimum premium of \$250) in accordance with the Rate Filing Sequence Checklist Detailed Instructions. With respect to the proposed minimum premium, please be advised that by definition, the minimum premium should equal the fixed and variable costs associated with issuance of a policy. Kindly provide us with a detailed breakdown of your projected fixed and variable costs for this policy.*

### **Objection 2**

*Comments: 1. We note your statement that "The Company will be automatically adopting future ISO filings of loss costs, rules or forms, if allowable in the state". Please be advised that if the company decides in future to adopt a prospective loss cost, rule or form, the company will complete a state filing advising the Department of such adoption. In addition, the company will inform this Department when an approved ISO forms filing will not be adopted.*

*2. Please note that for all the filings (form, rate, rule, rating plans) listed on the RSO-1 or other, must include the corresponding Department file number(s) under which they were approved/acknowledged. This should be provided on the RSO exhibits in accordance with the detailed instructions contained in the Rate Filing Sequence Checklist.*

*3. In addition, please submit a copy of all the Rating Plan(s) that the company intend to adopt.*

*4. Please note that Exhibits CMP-2 and CMP-3 must be submitted in accordance with the Detailed Instructions of the Rate Filing Sequence Checklist. Please comply.*

*5. All forms that restricts or broadens coverage and is optional - Please be advised that where a form is used on an optional basis, there must be a rate impact. Otherwise, the company would be treating its insureds in an unfairly discriminatory manner, which is in violation of Section 2303 of the New York Insurance Law. Please comply.*

### **Objection 3**

*Comments: Please submit a forms list indicating which forms are mandatory or optional.*

### **Conclusion:**

*We await your prompt reply. In the meantime, the captioned filing is not approved for use in New York State. Pursuant to the Department's 2nd Supplement to Circular Letter No. 11(1998) dated December 20, 1999, a substantive reply must be submitted within 15 days. If such response is not received, this file will be considered withdrawn and closed accordingly. Thereafter, to request further review of the subject matter of this filing, a new filing will be required, in accordance with the provisions of Department Circular Letter No. 5 (2009) and SERFF filing submission guidelines, addressing the issue(s) discussed above and/or included in any previous Objection Letter(s) and/or Note(s) To Filer.*

*Please provide notification by e-mail at Esther.ihueze@dfs.ny.gov when you have responded to an objection letter or sent a Note to*



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**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

Reviewer via SERFF. This will help expedite review of this filing. This e-mail address should not be used for any correspondence other than for notification that the company has sent correspondence through SERFF.

Sincerely,  
Esther Ihueze

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 09/15/2020  
 Submitted Date 09/15/2020

Dear Esther Ihueze,

### Introduction:

### Response 1

#### Comments:

We have submitted a revised Exhibit CMP-2 to support the Property Coverage Extension Endorsement with an approved New York competitor. We also confirm that all ISO filings listed on Exhibit RSO-1 are approved for use in the state of New York.

### Related Objection 1

Comments: 1. With reference to CMP 2, please note that in accordance with the Rate Filing Sequence Checklist Detailed Instructions, the competitor must be New York approved.

2. Please note that every filing of ISO approved by this Department has a Department file number. However, please confirm that all the ISO filings listed on the Exhibit RSO 1 with no corresponding Department file number(s) are actually approved for use for ISO by this Department.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Rates and/or Rating Plans
<b>Comments:</b>	
<b>Attachment(s):</b>	Clear Spring CP ROE (NY).pdf NY Rate Filing Sequence Checklist 0915.pdf

No Form Schedule items changed.

SERFF Tracking #:

PERR-132427042

State Tracking #:

R2020002441

Company Tracking #:

CSPCC-TP-CP-NY-2001

State: New York

Filing Company:

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: TowMAX Program

Project Name/Number: /

**Rate Schedule Item Changes**

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	New York State Exception Page	Pages 1-2	New		09/15/2020 By: Paula Rossman

**Conclusion:**

Should you have any further concerns, please do not hesitate to contact us.

Sincerely,

Paula Rossman

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 08/20/2020  
 Submitted Date 08/20/2020

Dear Esther Ihueze,

### Introduction:

### Response 1

#### Comments:

The document Minimum Premium Support (CP) has been submitted to support the minimum premium.

### Related Objection 1

Comments: Please provide support for the rates (i.e. minimum premium of \$250) in accordance with the Rate Filing Sequence Checklist Detailed Instructions. With respect to the proposed minimum premium, please be advised that by definition, the minimum premium should equal the fixed and variable costs associated with issuance of a policy. Kindly provide us with a detailed breakdown of your projected fixed and variable costs for this policy.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Minimum Premium/Return Premium and Minimum Earned Premium Rules
<b>Comments:</b>	
<b>Attachment(s):</b>	Minimum Premium Support (CP).pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

#### Comments:

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<b>State:</b>	New York	<b>Filing Company:</b>	CLEAR SPRING PROPERTY AND CASUALTY COMPANY
<b>TOI/Sub-TOI:</b>	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)		
<b>Product Name:</b>	TowMAX Program		
<b>Project Name/Number:</b>	/		

1. Acknowledged

2. The ISO loss cost and rule circulars prior to 2008 do not reference a corresponding New York Department file number. We do not have this information available to list on Exhibit RSO-1.

3. The Company does not intend to adopt any Rating Plans.

4. We have submitted a revised Exhibit CMP-2 to comply with the Rate Filing Sequence Checklist. Since all endorsement rates and rating factors are identical to those of the competitor, no modification to Exhibit CMP-3 is necessary.

5. The Golf Course endorsements themselves are not broadening or restricting coverage. The Golf Course Additional Coverage Endorsement is amending ISOs Building and Personal Property Coverage section to define golf course-related property items that could be covered under this program. The rating of these items also follows ISOs rating plan, using the base loss cost for their respective class codes. The Golf Course Endorsement is only describing a higher maximum limit that is available to be purchased for Tees and Greens or Golf Course Accessories. If Golf Course related property is covered by the policy, the premium for the property would be in the policy's base premium. These coverages are not issued for free, they are rated like any other Commercial Property item in the ISO manual, per \$100 of insured value. The Business Income endorsements themselves also do not broaden or restrict coverage. The basis of the coverage is the same as ISOs coverage form actual loss of business income sustained due to a covered event. However, these endorsements remove the requirement to elect limits on the Declarations page. We believe this has a nominal effect, if any, on the indemnity for an insured if a covered event occurs. Therefore, no premium adjustment should be required as a result of these endorsements.

### **Related Objection 2**

Comments: 1. We note your statement that "The Company will be automatically adopting future ISO filings of loss costs, rules or forms, if allowable in the state". Please be advised that if the company decides in future to adopt a prospective loss cost, rule or form, the company will complete a state filing advising the Department of such adoption. In addition, the company will inform this Department when an approved ISO forms filing will not be adopted.

2. Please note that for all the filings (form, rate, rule, rating plans) listed on the RSO-1 or other, must include the corresponding Department file number(s) under which they were approved/acknowledged. This should be provided on the RSO exhibits in accordance with the detailed instructions contained in the Rate Filing Sequence Checklist.

3. In addition, please submit a copy of all the Rating Plan(s) that the company intend to adopt.

4. Please note that Exhibits CMP-2 and CMP-3 must be submitted in accordance with the Detailed Instructions of the Rate Filing Sequence Checklist. Please comply.

5. All forms that restricts or broadens coverage and is optional - Please be advised that where a form is used on an optional basis, there must be a rate impact. Otherwise, the company would be treating its insureds in an unfairly discriminatory manner, which is in violation of Section 2303 of the New York Insurance Law. Please comply.

### **Changed Items:**

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

### Response 3

#### Comments:

*The Company includes a revised NY Commercial Property Checklist, adding the forms on page 2 and completing the columns.*

### Related Objection 3

*Comments: Please submit a forms list indicating which forms are mandatory or optional.*

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Property Review Standards Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	Commercial Property Standards.pdf Cancellation and Nonrenewal checklist.pdf NY Standard Fire checklist.pdf NY Comm Prop checklist updated.pdf

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

### Conclusion:

*Please let me know you have any questions or need additional information from us. Thank you.*

*Sincerely,*

*Paula Rossman*

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Note To Reviewer

**Created By:**

Paula Rossman on 09/15/2020 04:40 PM

**Last Edited By:**

Esther Ihueze

**Submitted On:**

09/17/2020 02:47 PM

**Subject:**

Extension Request

**Comments:**

At this time we are respectfully requesting few extra days to respond this objection. Please advise if this request is acceptable and what will be the new due date. Thank you.

---

**State:** New York **Filing Company:** CLEAR SPRING PROPERTY AND CASUALTY COMPANY  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** TowMAX Program  
**Project Name/Number:** /

## Note To Reviewer

**Created By:**

Paula Rossman on 09/04/2020 01:51 PM

**Last Edited By:**

Esther Ihueze

**Submitted On:**

09/17/2020 02:47 PM

**Subject:**

Status Inquiry

**Comments:**

Thank you for your continued review of this filing. We are contacting you today to inquire on the current review status of this filing. Please relay any concerns you may have for the Company to address at your earliest convenience. Thank you.



State: New York

Filing Company:

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: TowMAX Program

Project Name/Number: /

## Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		PROPERTY COVERAGE EXTENSION ENDORSEMENT	49CXP-0004	04 20	END	New			49CXP-0004 04 20 Property Coverage Extension Endorsement.pdf
2		BUSINESS INCOME AND EXTRA EXPENSE – ACTUAL LOSS SUSTAINED ENDORSEMENT	49CXP-0006	04 20	END	New			49CXP-0006 04 20 Business Income and Extra Expense - Actual Loss Sustained.pdf
3		BUSINESS INCOME (WITHOUT EXTRA EXPENSE) – ACTUAL LOSS SUSTAINED ENDORSEMENT	49CXP-0007	04 20	END	New			49CXP-0007 04 20 Business Income (Without Extra Expense) - Actual Loss Sustained.pdf
4		ADDITIONAL PROPERTY COVERAGE ENDORSEMENT	49CXP-0008	04 20	END	New			49CXP-0008 04 20 Additional Property Coverage Endorsement.pdf
5		GOLF COURSE ADDITIONAL COVERAGE ENDORSEMENT - NEW YORK	49CXP-0009 NY	06 20	END	New			49CXP-0009 NY 06 20 Golf Course Additional Coverage Endorsement - Final.pdf
6		GOLF COURSE ENDORSEMENT	49CXP-0010	04 20	END	New			49CXP-0010 04 20 Golf Course Endorsement.pdf

### Form Type Legend:

<b>ABE</b>	Application/Binder/Enrollment	<b>ADV</b>	Advertising
<b>BND</b>	Bond	<b>CER</b>	Certificate
<b>CNR</b>	Canc/NonRen Notice	<b>DEC</b>	Declarations/Schedule
<b>DSC</b>	Disclosure/Notice	<b>END</b>	Endorsement/Amendment/Conditions

**SERFF Tracking #:**

PERR-132427042

**State Tracking #:**

R2020002441

**Company Tracking #:**

CSPCC-TP-CP-NY-2001

**State:**

New York

**Filing Company:**

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

**TOI/Sub-TOI:**

01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

**Product Name:**

TowMAX Program

**Project Name/Number:**

/

**ERS**

Election/Rejection/Supplemental Applications

**OTH**

Other

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GOLF COURSE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**GOLF COURSE ADDITIONAL COVERAGE ENDORSEMENT**

This Schedule replaces coverage limits under the Golf Course Additional Coverage Endorsement. If no limits are shown on this Schedule, the coverage limits listed on the Golf Course Additional Coverage Endorsement apply.

### **SCHEDULE**

<b>Tees and Greens</b>	<b>\$250,000</b>
<b>Golf Course Accessories</b>	<b>\$50,000</b>
<b>Golf Carts and Ground Maintenance Equipment</b>	<b>\$</b>

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

All other terms and conditions remain unchanged.

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GOLF COURSE ADDITIONAL COVERAGE ENDORSEMENT – NEW YORK**

This endorsement modifies coverage provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE PART  
CAUSES OF LOSS – SPECIAL FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE PART  
EXTRA EXPENSE COVERAGE PART

This endorsement modifies insurance provided under the following:

### **SUMMARY OF COVERAGE AND INDEX**

This is a summary of the various coverages and causes of loss provided by this endorsement. No coverage is provided by this summary.

Coverage	Coverage Limits	Page
Golf Carts and Grounds Maintenance Equipment	\$50,000	2
Golf Course Accessories*	\$50,000	2
Hole-In-One Expense Reimbursement	\$1,000	2
Tees and Greens*	\$150,000	1

\* Refer to the Golf Course Increased Limits Schedule if higher limits have been purchased.

**BUILDING AND PERSONAL PROPERTY COVERAGE PART** is amended as follows:

**A. Coverage, 1. Covered Property** is amended to add the following:

#### **Tees and "Greens"**

We will pay for accidental loss of or damage to the real property portion of your golf course known as the:

- (1) "Teeing Ground"
- (2) "Fairway" and
- (3) "Green"

Tees and "Greens" does not include:

- (a) Trees, plants or shrubs;
- (b) Out-of-bounds areas as defined by the golf facility; or
- (c) Ponds, lakes or any other bodies of water

We will pay for loss or damage caused only by: fire; lightning; explosion; aircraft or vehicles; riot; riot attending

POLICY NUMBER:

a strike; wind or hail; civil commotion; vandalism or malicious mischief.

### **Golf Course Accessories**

We will pay for accidental loss of or damage to flags, ball washers, benches, tee markers, tee monuments, tee signs, exterior light fixtures, poles, landscape sprinklers and related underground wiring, "bridges" and bells at a premises described in the Declarations.

We will pay for loss or damage caused only by: fire; lightning; explosion; aircraft or vehicles; riot; riot attending a strike; wind or hail; civil commotion; vandalism or malicious mischief.

### **"Golf Carts" and Grounds Maintenance Equipment**

- (1) We will pay for accidental loss of or damage to "golf carts" leased to or borrowed by the insured. If there is another insurance policy which would cover the same loss, this insurance may be applied as excess over the other valid and collectible insurance policy.
- (2) We will pay for accidental loss or damage to "golf carts" of members while in the care, custody or control of the insured while on the golf course premises.
- (3) We will pay for accidental loss of or damage to mowers, sprayers, tractors, aerators and Any other pieces of equipment used to maintain "fairways", "greens", and "teeing grounds" while on the golf course premises unless covered under another coverage form of this or any other policy in which it is specifically described.

A deductible of \$500 per occurrence applies to this coverage.

### **"Hole-In-One" Expense Reimbursement**

We will reimburse you up to 50% of prize up to \$1,000 for credits at the pro shop operated by you or your licensees, which have been awarded to a participant scoring a "hone-in-one" in a member-guest tournament sponsored by you.

We will not reimburse you for a "hole-in-one" made during a practice round. The "hole-in-one" must be witnessed by the other three members of the foursome. The score card must be signed by the course professional, the golfer scoring the "hole-in-one", and the other three members of the foursome. The score card must be sent to us within 30 days of the date of the "hole-in-one."

No deductible applies to this Additional coverage.

**B. D. Deductible** is amended to add the following:

#### **Deductible Applicable to Tees and "Greens" and "Golf Course Accessories"**

We will not pay for loss in any one occurrence until the amount of the loss exceeds the greater of 10 percent of the insured value, or \$250, unless a separately stated deductible applies. We will then pay the amount of the loss in excess of the Deductible, up to the applicable "Limit" of Insurance. When the occurrence involves loss to more than one item Covered Golf Course Property and more than one "Limit" of Insured applies, the Deductible will reduce the total amount of loss payable if loss to at least one item is less than the sum of (1) the "Limit" of Insurance applicable to that item plus (2) the Deductible. \$1,000 Deductible applies to wind or hail peril.

**C. G. Optional Coverages** is amended to add the following:

#### **Replacement Cost Optional Coverage**

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:

POLICY NUMBER:

- (1) Contents of a residence;
  - (2) Manuscripts;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 365 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
- (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
- (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with:
    - (a) New Building property of comparable material and quality and used for the same purpose or, at your option, a less costly building that is functionally equivalent to the damaged building;
    - (b) New personal property of comparable material and quality and used for the same purpose or, at your option, the most closely equivalent personal property available; or
    - (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

**D. H. Definitions** is amended to add the following:

"Bridge" means a concrete, metal or wood structure located on the golf course carrying a pathway or roadway over a depression or obstacle.

"Fairways" means all ground specifically prepared and cut between the teeing area and the putting "green."

"Golf Carts" means self-propelled vehicles designed for transport of golfers and their golfing equipment including refreshment carts

"Green" means an area of short grass, which is a functional part of a golf course for the purpose of putting a golf ball into a cup, which is strategically placed in this area.

"Grounds Maintenance Equipment" means mowers, sprayers, tractors, aerators and any other pieces of Equipment used to maintain "fairways," "greens," and "teeing grounds."

"Teeing Ground" means the starting place that a golfer can tee off for a hole according to the United States Golf Association's Rules of Golf.

All other terms and conditions remain unchanged.

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL PROPERTY COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE EXTENSION ENDORSEMENT

This Schedule replaces coverage limits under the Property Coverage Extension Endorsement. If no limits are shown in this Schedule, the coverage limits listed on the Property Coverage Extension Endorsement apply.

### **SCHEDULE**

<b>Employee Dishonesty</b>	<b>\$</b>
<b>Computers and Computerized Equipment</b>	<b>\$</b>

(If no entry appears above, information required to complete this endorsement may be shown in the Declarations as applicable to this endorsement.)

All other terms and conditions remain unchanged.

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) – ACTUAL LOSS SUSTAINED ENDORSEMENT**

This endorsement modifies coverage provided under the following:

### **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE PART**

**I. A. Coverage, 1. Business Income** is replaced by the following:

#### **1. Business Income**

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (1) The portion of the building which you rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

**II. A. Coverage, 4. Additional Coverages, c. Alterations And New Buildings** is deleted in its entirety.

**III. A. Coverage, 5. Coverage Extension** is replaced by the following:

#### **5. Coverage Extension**

You may extend the insurance provided by this Coverage Part as follows:

##### **Newly Acquired Locations**

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;



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(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

**IV. B. Limits Of Insurance** is replaced by the following:

**B. Limits Of Insurance**

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

**V. D. Additional Condition** is deleted in its entirety.

**VI. E. Optional Coverages, 1. Maximum Period Of Indemnity, 2. Monthly Limit Of Indemnity, and 3. Business Income Agreed Value** are deleted in their entirety.

All other terms and conditions remain unchanged.

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS INCOME AND EXTRA EXPENSE – ACTUAL LOSS SUSTAINED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART**

**I. A. Coverage, 1. Business Income** is replaced by the following:

#### **1. Business Income**

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (1) The portion of the building which you rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

**II. A. Coverage, 5. Additional Coverages, b. Alterations and New Buildings** is deleted in its entirety.

**III. A. Coverage, 6. Coverage Extension** is replaced by the following:

#### **6. Coverage Extension**

You may extend the Insurance provided by this Coverage Part as follows:

##### **Newly Acquired Locations**

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first

occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

**IV. B. Limits Of Insurance** is replaced by the following:

**B. Limits of Insurance**

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

**V. D. Additional Condition** is deleted in its entirety.

**VI. E. Optional Coverages, 1. Maximum Period Of Indemnity, 2. Monthly Limit Of Indemnity, and 3. Business Income Agreed Value** are deleted in their entirety.

All other terms and conditions remain unchanged.

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PROPERTY COVERAGE EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE PART  
CAUSES OF LOSS – SPECIAL FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE PART  
EXTRA EXPENSE COVERAGE PART

All coverages and causes of loss provided by this endorsement apply on a per location basis, as shown in the Declarations, unless specifically described in the coverage description.

All coverages provided by this endorsement are subject to the underlying property deductibles unless specifically described in the coverage description.

### **SUMMARY OF COVERAGE AND INDEX**

This is a summary of the various coverages and causes of loss provided by this endorsement. No coverage is provided by this summary. Only the provisions of Parts One, Two and Three determine the scope of your insurance protection.

<b>Blanket Coverages</b>	<b>Blanket Coverage Limit</b>	<b>Page</b>
Accounts Receivable	\$500,000	3
Debris Removal Increased Limit*		2
Personal Effects and Property of Others		2
Refrigerated Goods Spoilage		3
Valuable Papers and Records (Other Than Electronic Data)		3

<b>Other Coverages</b>	<b>Coverage Limits</b>	<b>Page</b>
Back Up of Sewer or Drain and Underground Water Seepage	\$25,000	16
Brands and Labels	\$25,000	6
Computers and Computerized Equipment	\$50,000	9
Computer Fraud	\$5,000	7
Electronic Data	\$25,000	5
Electrical Injury / Utility Services (Combined Limit)	\$50,000	16
Employee Dishonesty	\$50,000	9
Extra Expense	\$25,000	5
Fine Arts	\$25,000	10
Fire Department Service Charge Increased Limit*	\$5,000	4
Fire Protection Equipment Recharge	Included	6
Forgery or Alteration	\$25,000	6

**SUMMARY OF COVERAGE AND INDEX (continued)**

<b>Other Coverages</b>	<b>Coverage Limits</b>	<b>Page</b>
Money and Securities	\$25,000	11
Newly Acquired or Constructed Property Increased Limit*		8
Building	\$500,000	
Personal Property	\$250,000	
Ordinance or Law Coverages		4
Loss to Undamaged Portion of the Building	Included	
Demolition	\$100,000	
Increased Costs of Construction	\$100,000	
Outdoor Property	\$50,000	9
Premises Boundary Increased Distance*	1,000 feet	11
Preservation of Property	90 days	4
Replacement Cost Optional Coverage – Redefined	If Shown on Declarations	12
Trees, Shrubs and Plants*	\$25,000	11

The following apply only when the Business Income or Extra Expense Coverage Parts are a part of this policy.

Extended Business Income Increased Time Period*	365 Days	16
Newly Acquired Locations Increased Limits*	\$250,000	17
Utility Services	\$25,000	17
Premises Boundary Increased Distance*	1,000 feet	17

\* This includes or replaces limits or time periods provided in the Building and Personal Property Coverage Part.

**I. BLANKET COVERAGES**

We will pay up to a \$500,000 Blanket Limit of Insurance in any one occurrence for covered loss under the coverages shown below. The \$500,000 Blanket Limit may be apportioned among these coverages as deemed appropriate. This Blanket Limit of Insurance is in addition to the Limit of Insurance shown in the policy for these coverages.

**A. BUILDING AND PERSONAL PROPERTY COVERAGE PART** is amended as follows:

**1. A. Coverage, 4. Additional Coverages, a. Debris Removal** is amended as follows:

In subparagraph **a.(4)**, the additional limit for debris removal is included in the Blanket Limit of Insurance stated above.

**2. A. Coverage, 5. Coverage Extensions, b. Personal Effects And Property Of Others** is replaced by the following:

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1)** Personal effects owned by you or your employees.
- (2)** Personal property of others that is in your care custody or control.

The Personal Effects and Property of Others Additional Coverage Extension is to be included in the Blanket Limit of Insurance stated above.

Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

This is additional insurance. It is in addition to coverage for property of others included in the Computer

and Computerized Equipment; Fine Arts; and Valuable Papers and Records Coverage Extensions.

3. **A. Coverage, 5. Coverage Extensions, c. Valuable Papers and Records (Other Than Electronic Data)** is amended as follows:

In subparagraph (4), the additional limit for the cost to replace or restore the lost information is to be included in the Blanket Limit of Insurance stated above.

4. **A. Coverage, 5. Coverage Extensions** is amended to add the following:

**Accounts Receivable**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from loss or damage to your records of accounts receivable.

- (2) The amount of accounts receivable will be determined based on the following method:

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss the following method will be used:
  - (i) Determine the total average monthly accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
  - (i) The amount of the accounts for which there is no loss;
  - (ii) The amount of the accounts that you are able to re-establish or collect;
  - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.

The Accounts Receivable Additional Coverage Extension is to be included in the Blanket Limit of Insurance stated above.

- B. CAUSES OF LOSS - SPECIAL FORM** is amended as follows:

1. **F. Additional Coverage Extensions** is amended to add the following:

**Refrigerated Goods Spoilage**

We will pay for loss or damage to Covered Property caused by any of the following causes of loss:

- a. A change in temperature or humidity resulting from a mechanical breakdown or mechanical failure of refrigerating, cooling, or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
- b. Contamination by refrigerant.

The Refrigerated Goods Spoilage Coverage Extension is to be included in the Blanket Limit of Insurance stated above.

## II. OTHER COVERAGES

### A. BUILDING AND PERSONAL PROPERTY COVERAGE PART is amended as follows:

- 1. **A. Coverage, 2. Property Not Covered** does not apply to the Employee Dishonesty Coverage Extension.
- 2. **A. Coverage, 2. Property Not Covered**, paragraph a. does not apply to the following:
  - (a) Accounts Receivable Coverage Extension; and
  - (b) Money and Securities Coverage Extension.
- 3. **A. Coverage, 2. Property Not Covered**, paragraphs d., j., and l. do not apply to the Outdoor Property Coverage Extension.
- 4. **A. Coverage, 4. Additional Coverages, b. Preservation Of Property** is amended as follows:

The time period referred to is increased to 90 days.

- 5. **A. Coverage, 4. Additional Coverages, c. Fire Department Service Charge** is amended as follows:

The most we will pay is increased to \$5,000.

- 6. **A. Coverage, 4. Additional Coverages, e. Increased Cost of Construction** is replaced by the following:

#### e. Ordinance or Law Coverage

If a Covered Cause of Loss occurs to covered Building property at the described premises, we will pay:

##### (1) Loss to the Undamaged Portion of the Building

For loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss.

This Loss to the Undamaged Portion of the Building Coverage is included within the Limit of Insurance applicable to the Covered Property. This is not additional insurance.

Payment for the undamaged portion of the building will be on the same valuation basis applicable to the damaged portion of the building.

## **(2) Demolition Cost**

The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of any building, zoning or land use ordinance or law.

The most we will pay for loss or damage under Demolition Cost Coverage is \$100,000 at each described premises. This Limit of Insurance is in addition to any other Limit of Insurance provided by this policy for Demolition Cost Coverage.

## **(3) Increased Cost Of Construction**

The increased cost to repair, rebuild or construct the damaged property caused by enforcement of building, zoning or land use ordinance or law. The repaired or rebuilt property must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

We will not pay for increased construction costs:

- (a)** When Actual Cash Value applies under the Valuation Loss Condition, or
- (b)** Unless the property is actually repaired or replaced, at the same or another premises, as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

The most we will pay for loss under this Increased Cost of Construction Coverage is \$100,000 at each described premises. This Limit of Insurance is in addition to any other Limit of Insurance provided by this policy for Increased Cost of Construction Coverage.

We will not pay under this Ordinance or Law Coverages Extension for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The terms of this Ordinance or Law Coverages Extension apply separately to each building.

### **7. A. Coverage, 4. Additional Coverages, f. Electronic Data** is amended as follows:

The most we will pay referred to in subparagraph **(4)** is increased to \$25,000.

### **8. A. Coverage, 4. Additional Coverages** is amended to add the following:

#### **Extra Expense**

We will pay the actual and necessary "Extra Expense" you sustain due to direct physical loss of or damage to property at the described premises, caused by or resulting from any Covered Cause of Loss.

As used in this Extra Expense Additional Coverage:

- (1)** "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - (a)** To avoid or minimize the suspension of business and to continue "operations";
  - (b)** To minimize the suspension of business if you cannot continue "operations" or
  - (c)** To repair or replace any property to the extent it reduces the amount of loss that otherwise would have been payable under this Extra Expense Additional Coverage.
- (2)** "Operations" means your business activities occurring at the described premises.
- (3)** "Period of Restoration" means the period of time that:



- (a) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the earlier of:
  - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (ii) The date when business is resumed at a new permanent location.

“Period of Restoration” does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

The expiration date of this policy will not cut short the “Period of Restoration”.

The most we will pay for loss under this Extra Expense Additional Coverage is \$25,000 at each described premises. Coinsurance or Deductible does not apply to this Extra Expense Additional Coverage.

#### **Fire Protection Equipment Recharge**

- (1) We will pay expenses you incur to recharge automatic fire protection equipment when such equipment is discharged to fight a fire or is the result of a Covered Cause of Loss.
- (2) Payment of these expenses is included within the applicable Limit of Insurance. No deductible applies to this Fire Protection Equipment Recharge Additional Coverage.

#### **Brands and Labels**

- (1) If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we will take all or any part of the property at an agreed or appraised value. If so, you may:
  - (a) Stamp the word “salvage” on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
  - (b) Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.
- (2) We will pay reasonable costs you incur to perform the activity described in **A.4.i.(1)(a)** or **A.4.i.(1)(b)** above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

The most we will pay for loss under this Brands and Labels Coverage is \$25,000 at each location as shown on the declarations. This Limit of Insurance is in addition to any other Limit of Insurance provided by this policy for Brands and Labels Coverage.

#### **Forgery or Alteration**

- (1) We will pay for loss involving “Covered Instruments” resulting directly from the Covered Causes of Loss.
  - (a) “Covered Instruments” means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are:
    - (i) made or drawn by or drawn upon you;

- (ii) made or drawn by one acting as your agent;  
or that are purported to have been so made or drawn.
  - (b) Covered Causes of Loss under this Forgery or Alteration Additional Coverage means forgery or alteration of, on or in any "Covered Instrument".
  - (c) Coverage Extension – Legal Expenses: If you are sued for refusing to pay any "Covered Instrument" on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in the defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this Forgery or Alteration Additional Coverage.
- (2) We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:
- (a) Whether acting alone or in collusion with other persons; or
  - (b) Whether while performing services for you or otherwise.
- (3) The following Conditions apply to this Forgery or Alteration Additional Coverage:
- (a) We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
  - (b) You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and the cause of loss.
  - (c) We will cover loss you sustain anywhere in the world.
- (4) We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount of \$500. We will then pay the amount of loss in excess of the \$500 Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under this Forgery or Alteration Additional Coverage.
- (5) The most we will pay for loss under this Forgery or Alteration Additional Coverage is \$25,000 for any one "occurrence". This Limit of Insurance is in addition to any other Limit of Insurance provided by this policy for Forgery or Alteration Coverage.
- (6) "Occurrence" under this Forgery or Alteration Additional Coverage means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

### **Computer Fraud**

- (1) We will pay for loss of, and loss from damage to, "Money", "Securities" and "Property Other Than Money and Securities" resulting from "Computer Fraud".
- (2) We will not pay for loss as specified below:
- (a) Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
    - (i) Acting alone or in collusion with other persons; or
    - (ii) While performing services for you or otherwise.
  - (b) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (i) An inventory computation; or

- (ii) A profit and loss computation.
- (3) If you have reason to believe that any loss of, or loss from damage to, "Money", "Securities" and "Property Other Than Money and Securities" involves a violation of law, you must notify the police.
- (4) As used in this Computer Fraud Additional Coverage:
- (a) "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
  - (b) "Computer fraud" means "theft" of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises" to a person (other than a "messenger") outside those "premises" or to a place outside those "premises".
  - (c) "Messenger" means you, any of your partners or any employee while having care and custody of the property outside the premises.
  - (d) "Money" means:
    - (i) Currency, coins and bank notes in current use and having a face value; and
    - (ii) Travelers checks, register checks and money orders held for sale to the public.
  - (e) "Premises" means the interior of that portion of any building you occupy in conducting your business.
  - (f) "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value. "Property Other Than Money and Securities" does not include computer programs, electronic data or any property specifically excluded under this insurance.
  - (g) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
    - (i) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
    - (ii) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
  - (h) "Theft" means any act of stealing.
- (5) The most we will pay for loss under this Computer Fraud Additional coverage is \$5,000 for any one "occurrence". This Limit of Insurance is in addition to any other Limit of Insurance provided by this policy for Computer Fraud Coverage.

"Occurrence" means an:

- (a) Act or series of related acts involving one or more persons; or
- (b) Act or event, or a series of acts or events not involving any person.

**9. A. Coverage, 5. Coverage Extensions, a. Newly Acquired or Constructed Property** is amended as follows:

In subparagraph **(1) Buildings**, the most we will pay for loss or damage at each building is changed to read \$500,000.

In subparagraph **(2) Your Business Personal Property**, the most we will pay for loss or damage at each building is changed to read \$250,000.

In subparagraph **(3) Period of Coverage**, the time period referred to is increased to 180 days.

**10. A. Coverage, 5. Coverage Extensions, e. Outdoor Property** is replaced by the following:

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Part to apply to:

- (1) Bridges, roadways, walks, patios or other paved surfaces;
- (2) In-ground sprinkler systems and piping;
- (3) Outdoor fences, light and flag poles, and awnings;
- (4) Pilings, piers, wharves or docks
- (5) Radio, microwave or television towers, antennas or satellite dishes, including their lead-in wiring and masts;
- (6) Retaining walls that are not part of the building;
- (7) Signs (whether or not attached to buildings or structures); and
- (8) Swimming pools:

which you own or which you may legally remove as a tenant.

This coverage extension does not apply to your use interest, as a tenant, in improvements and betterments.

The most we will pay for loss or damage under this Outdoor Property Coverage Extension is \$50,000 at each covered premises.

**11. A. Coverage, 5. Coverage Extensions** is amended to add the following:

**Computers and Computerized Equipment (EDP)**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Your computer equipment and related component parts, including such property of others that is in your care, custody or control;
- (2) Your instructional material and prepackaged software programs purchased for use with your computer system; and
- (3) Your blank electronic or magnetic media.

The most we will pay for loss or damage under this Computers and Computerized Equipment Coverage Extension is \$50,000 at each described premises. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

**Employee Dishonesty**

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to any property, other than contraband or property in the course of illegal transportation or trade, resulting from "employee dishonesty".

As used in this Employee Dishonesty Coverage Extension:

(1) "Employee" means any natural person:

- (a) While in your service (and for 30 days after termination of service); and
- (b) Whom you compensate directly by salary, wages or commissions; and
- (c) Whom you have the right to direct and control while performing services for you; or
- (d) Who is furnished to you to:

- (i) Substitute for a permanent "employee" on leave; or
- (ii) Meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises.

(2) "Employee" does not mean any:

- (a) Agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (b) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

(3) "Employee Dishonesty" means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

- (a) Cause you to sustain a loss: and also
- (b) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
  - (i) The "employee" or
  - (ii) Any person or organization intended by the "employee" to receive that benefit.

(4) "Occurrence" means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period not more than 90 days.

The most we will pay for loss in any one "occurrence" of Employee Dishonesty under this Employee Dishonesty Coverage Extension is \$50,000.

### **Fine Arts**

You may extend the insurance that applies to Your Business Personal Property to apply to "fine arts" that are your property or the property of others that are in your care, custody or control.

As used in this Fine Arts Coverage Extension, "fine arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

The most we will pay for loss or damage under this Fine Arts Coverage Extension is \$25,000 at each

described premises. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

### **Money and Securities**

- (1) You may extend the Insurance that applies to Your Business Personal Property to apply to loss of your "money" and "securities" resulting directly from "theft", disappearance or destruction while:
  - (a) Inside your premises;
  - (b) Inside the premises of a banking institution or similar safe depository; or
  - (c) Outside your premises in the custody of:
    - (i) A "messenger"; or
    - (ii) An armored motor vehicle company.
- (2) As used in this Money and Securities Coverage Extension:
  - (a) "Messenger" means you, any of your partners or any "employee" while having care and custody of "money" and "securities" outside your premises.
  - (b) "Money" means currency, coins and bank notes in current use and having a face value and travelers checks, register checks and money orders held for sale to the public.
  - (c) "Occurrence" means an:
    - (i) Act or series of related acts involving one or more persons; or
    - (ii) Act or event, or a series of related acts or events not involving any person.
  - (d) "Securities", means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
    - (i) Tokens, tickets, revenue and other stamps or unused value (whether represented by actual stamps or unused value in a meter) in current use; and
    - (ii) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
  - (e) "Theft" means any act of stealing.
- (3) The most we will pay for loss in any one occurrence under this Money and Securities Coverage Extension is \$25,000.

### **Premises Boundary Increased Distance**

The references in the Building and Personal Property Coverage Part to distances from the described premises are increased to 1,000 feet.

### **Trees, Shrubs and Plants**

You may extend the insurance provided by this Coverage Part to apply to loss or damage to your outdoor trees, shrubs and plants (other than stock, or lawns) including debris removal expenses, caused by or resulting from the following causes of loss:

- (1) Fire;

- (2) Lightning;
- (3) Explosion;
- (4) Aircraft;
- (5) Riot or Civil Commotion;
- (6) Vandalism; or
- (7) Falling Objects.

The most we will pay for loss or damage under this Trees, Shrubs and Plants Coverage Extension is \$25,000 at each described premises.

**12. A. Coverage, C. Limits Of Insurance** is amended as follows:

The limitation for outdoor signs attached to buildings does not apply to the Outdoor Property Coverage Extension.

**13. A. Coverage, G. Optional Coverages, 3. Replacement Cost** is replaced by the following:

**3. Replacement Cost Optional Coverage**

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Part.
- b. This Optional Coverage does not apply to:
  - (1) Contents of a residence;
  - (2) Manuscripts;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 365 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with:
    - (a) New Building property of comparable material and quality and used for the same purpose or, at your option, a less costly building that is functionally equivalent to the damaged building;

(b) New personal property of comparable material and quality and used for the same purpose or, at your option, the most closely equivalent personal property available; or

(3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

**B. CAUSES OF LOSS – SPECIAL FORM** is amended as follows:

1. **B. Exclusions**, exclusion **1.a. Ordinance Or Law** does not apply to the Ordinance or Law Additional Coverage.
2. **B. Exclusions**, exclusion **1.b. Earth Movement** does not apply to the following Coverage Extensions:
  - (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;
  - (4) Money and Securities Coverage Extension; or
  - (5) Valuable Papers and Records Coverage Extension.
3. **B. Exclusions**, exclusion **1.e. Utility Services** does not apply to the following Coverage Extensions:
  - (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;
  - (4) Money and Securities Coverage Extension;
  - (5) Valuable Papers and Records Coverage Extension;
  - (6) Refrigerated Goods Spoilage Coverage Extension; or
  - (7) Electrical Injury and Utility Services Coverage Extension.
4. **B. Exclusions**, exclusion **1.g. Water** does not apply to the following Coverage Extensions:
  - (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;
  - (4) Money and Securities Coverage Extension; or
  - (5) Valuable Papers and Records Coverage Extension.
5. **B. Exclusions**, exclusion **2.a.** does not apply to the following Coverage Extensions:
  - (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;



- (4) Money and Securities Coverage Extension;
  - (5) Valuable Papers and Records Coverage Extension;
  - (6) Refrigerated Goods Spoilage Coverage Extension; or
  - (7) Electrical Injury and Utility Services Coverage Extension.
6. **B. Exclusions**, exclusion **2.b.** does not apply to the following Coverage Extensions:
- (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;
  - (4) Money and Securities Coverage Extension; or
  - (5) Valuable Papers and Records Coverage Extension.
7. **B. Exclusions**, exclusion **2.d.(1)** does not apply to the Money and Securities Coverage Extension.
8. **B. Exclusions**, exclusion **2.d.(4)** does not apply to the following Coverage Extensions:
- (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;
  - (4) Money and Securities Coverage Extension; or
  - (5) Valuable Papers and Records Coverage Extension.
9. **B. Exclusions**, exclusion **2.d.(5)** does not apply to the following Coverage Extensions:
- (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Money and Securities Coverage Extension; or
  - (4) Valuable Papers and Records Coverage Extension.
10. **B. Exclusion**, exclusion **2.d.(6)** does not apply to the following Coverage Extensions:
- (1) Accounts Receivable Coverage Extension;
  - (2) Computers and Computerized Equipment Coverage Extension;
  - (3) Fine Arts Coverage Extension;
  - (4) Money and Securities Coverage Extension;
  - (5) Valuable Papers and Records Coverage Extension;
  - (6) Refrigerated Goods Spoilage Coverage Extension; or

(7) Electrical Injury and Utility Services Coverage Extension.

11. **B. Exclusion**, exclusion **2.d.(7)** does not apply to the following Coverage Extensions:

(1) Accounts Receivable Coverage Extension; or

(2) Valuable Papers and Records Coverage Extension.

12. **B. Exclusions**, exclusions **2.d.(7)(a)** and **2.d.(7)(b)** do not apply to the following Coverage Extensions:

(1) Computers and Computerized Equipment Coverage Extension;

(2) Refrigerated Goods Spoilage Coverage Extension; or

(3) Electrical Injury and Utility Services Coverage Extension.

13. **B. Exclusions**, exclusion **2.h.** does not apply to Employee Dishonesty Coverage Extension.

14. **B. Exclusions**, exclusion **2.i.** does not apply to the following Coverage Extensions:

(1) Accounts Receivable Coverage Extension;

(2) Computers and Computerized Equipment Coverage Extension;

(3) Fine Arts Coverage Extension;

(4) Money and Securities Coverage Extension;

(5) Valuable Papers and Records Coverage Extension;

(6) Refrigerated Goods Spoilage Coverage Extension; or

(7) Electrical Injury and Utility Services Coverage Extension.

15. **B. Exclusions**, **4. Special Exclusions**, **a. Business Income (And Extra Expense) Coverage Form, Business income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**, subparagraph **(1)** does not apply if the loss is caused by or results from a Covered Cause of Loss.

16. **B. Exclusions**, **4. Special Exclusions** is amended to add the following:

**Accounts Receivable**

(1) We will not pay under the Accounts Receivable Coverage Extension for loss or damage caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of wrongful giving, taking or withholding.

(2) That requires any audit of records or any inventory computation to prove its factual existence.

(3) Caused by:

(a) Accounting, arithmetical, bookkeeping or billing errors or omissions; or

(b) Programming errors or faulty machine instructions.

**Money and Securities**

We will not pay under the Money and Securities Coverage Extension for loss:

- (1) Caused by accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

**17. F. Additional Coverage Extensions** is amended to add the following:

**Electrical Injury and Utility Services**

We will pay for loss or damage to Covered Property caused by any of the following causes of loss:

**a. Electrical Injury**

Artificially generated electric current, other than electrical arcing, that disturbs electrical devices, appliances or wires.

**b. Utility Services**

The interruption of service resulting from direct physical loss or damage, by a Covered Cause of Loss, to the following property not on the described premises:

- (1) Water supply services;
- (2) Communication supply services; or
- (3) Power supply services.

The most we will pay for loss or damage under the Electrical Injury and Utility Services Additional Coverage Extensions is a combined Limit of \$50,000. This limit will apply to all loss or damage proximately caused by the same event, whether such loss or damage results from electrical injury or interruption of utility services.

**Back Up of Sewer or Drain/Underground Water Seepage**

You may extend the insurance provided by this coverage part at each described premises to apply to loss or damage caused by or resulting from:

- a. Water which backs up or overflows from a sewer, drain, or sump; or
- b. Water under the ground surface pressing on or flowing or seeping through basements, foundations, walls, floors, or paved surfaces.

This Cause of Loss does not apply to loss or damage caused by or related to flood or conditions induced by flood.

The most we will pay for loss or damage under this Back Up of Sewer or Drain/Underground Water Seepage Coverage Extension is \$25,000.

**C. BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE PART** is amended as follows:

**1. A. Coverage, 5. Additional Coverages** is amended to add the following:

These changes do not apply to the Extra Expense Additional Coverage Extension in **II. A. 8.** of this Additional Coverage Endorsement.

**2. A. Coverage, 5. Additional Coverages, c. Extended Business Income** is amended as follows:

The time period referred to in paragraphs **(1) (b) (ii)** and **(2) (b) (ii)** is increased to 365 days.

**3. A. Coverage, 6. Coverage Extension, Newly Acquired Locations** is amended as follows:

- a. In subparagraph **b.**, the most we will pay for loss at each location is changed to read \$250,000.
- b. In subparagraph **c.(2)**, the time period referred to is increased to 180 days.

**D. BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE PART** is amended as follows:

**1. A. Coverage, 4. Additional Coverages** is amended to add the following:

These changes do not apply to the Extra Expense Additional Coverage Extension in **II. A. 8.** of this Additional Coverage Endorsement.

**2. A. Coverage, 5. Coverage Extension, Newly Acquired Locations** is amended as follows:

- a. In subparagraph **b.**, the most we will pay for loss at each location is changed to read \$250,000.
- b. In subparagraph **c.(2)**, the time period referred to is increased to 180 days.

**E. EXTRA EXPENSE COVERAGE PART** is amended as follows:

**1. A. Coverage, 5. Coverage Extension, Newly Acquired Locations** is amended as follows:

- a. In subparagraph **b.**, the most we will pay for loss at each location is changed to read \$250,000.
- b. In subparagraph **c.(2)**, the time period referred to is increased to 180 days.

**F. BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE PART, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE PART, and EXTRA EXPENSE COVERAGE PART** are amended as follows:

The following **Coverage Extensions** are added:

**Utility Services**

You may extend your Business Income and Extra Expense coverages to apply to the actual loss of Business Income or Extra Expense you sustain at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the following services:

- a. Water supply services;
- b. Communication supply services; or
- c. Power supply services.

We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the property at the described premises.

The most we will pay for loss or damage under this Extension is \$25,000. However, we will not pay more than \$25,000 in any one policy period.

**Premises Boundary Increased Distance**

The references in the Business Income Coverage Forms and Extra Expense Coverage Form to distances from the described premises are increased to 1,000 feet.

All other terms and conditions remain unchanged.

SERFF Tracking #:

PERR-132427042

State Tracking #:

R2020002441

Company Tracking #:

CSPCC-TP-CP-NY-2001

State: New York

Filing Company:

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: TowMAX Program

Project Name/Number: /

### Rate Information

Rate data applies to filing.

Filing Method: Prior Approval

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing: N/A, New Program

SERFF Tracking Number of Last Filing:

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
CLEAR SPRING PROPERTY AND CASUALTY COMPANY	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

**SERFF Tracking #:**

PERR-132427042

**State Tracking #:**

R2020002441

**Company Tracking #:**

CSPCC-TP-CP-NY-2001

**State:** New York**Filing Company:**

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)**Product Name:** TowMAX Program**Project Name/Number:** /

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		New York State Exception Page	Pages 1-2	New		Clear Spring TowMAX-CP SEP (NY) 2020-09.pdf

Clear Spring Property and Casualty Company  
Division Five – Fire and Allied Lines  
TowMAX Program – Commercial Property

New York State Exception Page

**MULTI-STATE RULES**

**Rule 1. APPLICATION OF THIS DIVISION**

The following forms are to be attached to all policies issues under this program:

Form 49CXP-0004 – Property Coverage Extension Endorsement

Form 49CXP-0008 – Additional Property Coverage Endorsement

**D. Company Rates/ISO Loss Costs**

**3. Loss Cost Conversion**

To convert the applicable loss costs to rates, multiply the loss costs by the Company Loss Cost Multiplier (LCM) of 1.560.

**Rule 8. POLICY WRITING MINIMUM PREMIUM**

**A.** For prepaid policies, the Company policy writing minimum premium is \$250.00 regardless of term.

**B.** For annual premium payment plan policies or continuous policies, the Company policy writing minimum premium is \$250.00 for each annual period.

**Rule 9. ADDITIONAL PREMIUM CHANGES**

Replace paragraph **A. Calculation of Premium** with the following:

**A. Calculation of Premium**

**1.** Prorate all changes requiring additional premium.

**2.** In computing the additional premium for:

**a.** Any changes made to a location included at policy inception, use the rates and rules in effect on the effective date of the policy. If the changes are made after an anniversary date of the policy, use the rates and rules in effect on that anniversary date.

**b.** Locations which are added after policy inception (including all coverages, options and causes of loss at that location) use the rates and rules in effect as of the date of the change. This does not apply to average rated policies.

**c.** Any changes made to a location which was added after policy inception, use the rates and rules in effect as of the date the location was added.

The additional premium developed is in addition to any applicable policy writing minimum premium.

**B. Waiver of Premium**

Additional premiums of \$15.00 or less shall be waived. This waiver applies only to that portion of the premium due on the effective date of the policy change.

**Rule 10. RETURN PREMIUM CHANGES**

**A. Premium Computation**

**1.** Compute return premium at the rates used to calculate the policy premium.

Clear Spring Property and Casualty Company  
Division Five – Fire and Allied Lines  
TowMAX Program – Commercial Property

New York State Exception Page

**B. Waiver of Premium**

Return premiums of \$15.00 or less shall be waived. Grant any return premium due if requested by the insured. This waiver applies only to that portion of the premium due on the effective date of the policy change.

**Section IV – COVERAGE FORM RULES TIME ELEMENT COVERAGE**

**Business Income and Extra Expense – Actual Loss Sustained**

The coverage afforded under the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM **CP 00 30** is revised to revise coverage to an actual loss sustained basis. No premium charge. Attach Form 49CXP-0006.

**Business Income Without Extra Expense – Actual Loss Sustained**

The coverage afforded under the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM **CP 00 32** is revised to revise coverage to an actual loss sustained basis. No premium charge. Attach Form 49CXP-0007.

**Section V – COVERAGE FORM RULES OTHER COVERAGE FORMS**

**Property Coverage Extension**

This program provides several coverage extensions through the mandatory attachment of the PROPERTY COVERAGE EXTENSION ENDORSEMENT. A flat premium charge of \$250 applies. Attach Form 49CXP-0004.

**Golf Course Additional Coverage**

This coverage is designed to provide specific coverage associated with golf course risks. It provides set limits of coverage for golf carts and grounds maintenance equipment, accessories, tees and greens. There is also a minimal \$1,000 included for hole-in-one awards. No premium charge. Attach Form 49CXP-0009.

**Golf Course Endorsement**

This endorsement is used to provide higher limits that are afforded under the GOLF COURSE ADDITIONAL COVERAGE ENDORSEMENT – Form 49CXP-0009. No premium charge. Attach Form 49CXP-0010.

**ADDITIONAL RULES**

The ISO Terrorism Supplement to the Commercial Lines Manual Rules is amended as follows:

**A#. TERRORISM PREMIUM DETERMINATION**

Paragraph **B.2. Premium Determination** of the TERRORISM PRICING – FEDERAL BACKSTOP in the Terrorism Supplement of the Commercial Lines Manual is amended to indicate that there is no charge for coverage provided under the Terrorism Risk Insurance Act including all subsequent amendments. Coverage will be provided automatically on all insureds qualified under these programs.



State: New York

Filing Company:

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: TowMAX Program

Project Name/Number: /

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Explanatory Memorandum
<b>Comments:</b>	Please refer to Exhibit RF-1.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Highly Protected Risks
<b>Comments:</b>	22/
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Minimum Premium/Return Premium and Minimum Earned Premium Rules
<b>Comments:</b>	
<b>Attachment(s):</b>	Minimum Premium Support (CP).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Side-By-Side Comparisons
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Property Review Standards Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	Commercial Property Standards.pdf Cancellation and Nonrenewal checklist.pdf NY Standard Fire checklist.pdf NY Comm Prop checklist updated.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Rates and/or Rating Plans
<b>Comments:</b>	

**SERFF Tracking #:**

PERR-132427042

**State Tracking #:**

R2020002441

**Company Tracking #:**

CSPCC-TP-CP-NY-2001

**State:**

New York

**Filing Company:**

CLEAR SPRING PROPERTY AND CASUALTY COMPANY

**TOI/Sub-TOI:**

01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

**Product Name:**

TowMAX Program

**Project Name/Number:**

/

<b>Attachment(s):</b>	Clear Spring CP ROE (NY).pdf NY Rate Filing Sequence Checklist 0915.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Forced Fire Insurance Filing Compliance Questionnaire
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consent-to-rate requirements
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	ISO List
<b>Comments:</b>	
<b>Attachment(s):</b>	NY ISO Commercial Property Forms List.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Authorization Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	LOA - TowMax program.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

April 9, 2020

Re: Clear Spring Property and Casualty Company, 15563(NAIC): 43-1436329  
TowMax Program

To Whom It May Concern:

Perr&Knight is hereby authorized to submit rate, rule, and form filings on behalf of Clear Spring Property and Casualty Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary.

Please direct all correspondences and inquiries related to this filing to Perr&Knight at the following address:

State Filings Department  
Perr&Knight  
401 Wilshire Blvd, Suite 300  
Santa Monica, CA 90401  
Phone: (310) 230-9339  
Fax: (310) 230-1061

Please contact me if you have any questions regarding this authorization.

Sincerely,



Nicole Beal  
AVP, Business Operations  
T: (561) 609-6270  
F: (561) 361-2764  
[Nicole.Beal@clearspringinsurance.com](mailto:Nicole.Beal@clearspringinsurance.com)

Clear Spring Property and Casualty Company  
 TowMAX Program - Commercial Property

State of New York  
 ISO Forms Adoption List

Form Number	Title	Circular	Filing ID
CP 00 10 10 12	BUILDING AND PERSONAL PROPERTY COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 17 10 12	CONDOMINIUM ASSOCIATION COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 18 10 12	CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 20 10 12	BUILDERS RISK COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 30 10 12	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 32 10 12	BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 40 10 12	LEGAL LIABILITY COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 50 10 12	EXTRA EXPENSE COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 60 06 95	LEASEHOLD INTEREST COVERAGE FORM		
CP 00 70 10 12	MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 80 10 12	TOBACCO SALES WAREHOUSES COVERAGE FORM	LI-CF-2012-222	CF-2011-OFR11
CP 00 90 07 88	COMMERCIAL PROPERTY CONDITIONS	CP-90-170	
CP 01 33 05 18	NEW YORK CHANGES	LI-CL-2018-001	CL-2017-OEND1
CP 01 64 09 17	NEW YORK CHANGES - FUNGUS, WET ROT AND DRY ROT	LI-CF-2018-072	CF-2016-OFR16
CP 01 78 08 08	NEW YORK - EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA	LI-CF-2008-307	CF-2008-O01FR
CP 03 20 04 18	MULTIPLE DEDUCTIBLE FORM	LI-CF-2018-119	CF-2017-OFLFR
CP 03 21 06 07	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE	LI-CF-2010-181	CF-2009-OFR07
CP 03 29 04 18	DEDUCTIBLES BY LOCATION	LI-CF-2018-119	CF-2017-OFLFR
CP 04 01 10 00	BRANDS AND LABELS	LI-CF-2000-271	CF-99-O99FR
CP 04 02 10 12	INCREASED COST OF LOSS AND RELATED EXPENSES FOR GREEN UPGRADES	LI-CF-2012-222	CF-2011-OFR11
CP 04 04 10 12	SPECIFIED BUSINESS PERSONAL PROPERTY TEMPORARILY AWAY FROM PREMISES	LI-CF-2012-222	CF-2011-OFR11
CP 04 05 09 17	ORDINANCE OR LAW COVERAGE	LI-CF-2018-072	CF-2016-OFR16
CP 04 07 10 91	POLLUTANT CLEAN UP AND REMOVAL ADDITIONAL AGGREGATE LIMIT OF INSURANCE	CP-94-54	
CP 04 08 10 12	HIGHER LIMITS	LI-CF-2012-222	CF-2011-OFR11
CP 04 09 10 12	INCREASE IN REBUILDING EXPENSES FOLLOWING DISASTER (ADDITIONAL EXPENSE COVERAGE ON ANNUAL AGGREGATE BASIS)	LI-CF-2012-222	CF-2011-OFR11
CP 04 10 06 07	ELECTRICAL APPARATUS	LI-CF-2010-181	CF-2009-OFR07
CP 04 11 09 17	PROTECTIVE SAFEGUARDS	LI-CF-2018-072	CF-2016-OFR16
CP 04 14 12 16	LIMITED COVERAGE FOR UNMANNED AIRCRAFT (SCHEDULED AND/OR BLANKET COVERAGE)	LI-CF-2018-072	CF-2016-OFR16
CP 04 15 10 12	DEBRIS REMOVAL ADDITIONAL INSURANCE	LI-CF-2012-222	CF-2011-OFR11
CP 04 17 10 12	UTILITY SERVICES - DIRECT DAMAGE	LI-CF-2012-222	CF-2011-OFR11
CP 04 18 10 12	CONDOMINIUM COMMERCIAL UNIT-OWNERS OPTIONAL COVERAGES	LI-CF-2012-222	CF-2011-OFR11
CP 04 25 10 90	NEWLY ACQUIRED OR CONSTRUCTED PROPERTY - INCREASED LIMIT	CP-94-54	
CP 04 26 09 17	ORDINANCE OR LAW COVERAGE FOR TENANT'S INTEREST IN IMPROVEMENTS AND BETTERMENTS (TENANT'S POLICY)	LI-CF-2018-072	CF-2016-OFR16
CP 04 30 06 07	ELECTRONIC COMMERCE (E-COMMERCE)	LI-CF-2010-181	CF-2009-OFR07
CP 04 32 04 02	BUSINESS PERSONAL PROPERTY LIMITED INTERNATIONAL COVERAGE	LI-CF-2008-307	CF-2008-O01FR
CP 04 33 04 02	PROPERTY IN PROCESS OF MANUFACTURE BY OTHERS LIMITED INTERNATIONAL COVERAGE	LI-CF-2008-307	CF-2008-O01FR
CP 04 38 09 17	FUNCTIONAL BUILDING VALUATION	LI-CF-2018-072	CF-2016-OFR16
CP 04 39 10 90	FUNCTIONAL PERSONAL PROPERTY VALUATION (OTHER THAN STOCK)	CP-94-54	
CP 04 40 06 07	SPOILAGE COVERAGE	LI-CF-2010-181	CF-2009-OFR07
CP 04 50 07 88	VACANCY PERMIT	CP-90-170	
CP 04 60 10 12	VACANCY CHANGES	LI-CF-2012-222	CF-2011-OFR11
CP 10 10 10 12	CAUSES OF LOSS - BASIC FORM	LI-CF-2012-222	CF-2011-OFR11
CP 10 20 10 12	CAUSES OF LOSS - BROAD FORM	LI-CF-2012-222	CF-2011-OFR11
CP 10 30 09 17	CAUSES OF LOSS - SPECIAL FORM	LI-CF-2018-072	CF-2016-OFR16
CP 10 33 10 12	THEFT EXCLUSION	LI-CF-2012-222	CF-2011-OFR11
CP 10 34 10 12	EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)	LI-CF-2012-222	CF-2011-OFR11
CP 10 35 06 95	WATERCRAFT EXCLUSION		
CP 10 36 10 12	LIMITATIONS ON COVERAGE FOR ROOF SURFACING	LI-CF-2012-222	CF-2011-OFR11
CP 10 37 10 00	RADIOACTIVE CONTAMINATION	LI-CF-2000-271	CF-99-O99FR
CP 10 38 10 12	DISCHARGE FROM SEWER, DRAIN OR SUMP (NOT FLOOD-RELATED)	LI-CF-2012-222	CF-2011-OFR11
CP 10 40 10 12	EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT	LI-CF-2012-222	CF-2011-OFR11
CP 10 41 08 99	EARTHQUAKE INCEPTION EXTENSION	LI-CF-1999-073	CF-99-O99EF
CP 10 44 10 12	THEFT OF BUILDING MATERIALS AND SUPPLIES (OTHER THAN BUILDERS RISK)	LI-CF-2012-222	CF-2011-OFR11
CP 10 45 10 12	EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)	LI-CF-2012-222	CF-2011-OFR11
CP 10 46 10 12	EQUIPMENT BREAKDOWN CAUSE OF LOSS	LI-CF-2012-222	CF-2011-OFR11
CP 10 47 10 12	SUSPENSION OR REINSTATEMENT OF COVERAGE FOR LOSS CAUSED BY BREAKDOWN OF CERTAIN EQUIPMENT	LI-CF-2012-222	CF-2011-OFR11
CP 10 51 07 88	GRAIN PROPERTIES - EXPLOSION LIMITATION	CP-90-170	
CP 10 52 06 07	BROKEN OR CRACKED GLASS EXCLUSION FORM	LI-CF-2010-181	CF-2009-OFR07
CP 10 55 06 07	VANDALISM EXCLUSION	LI-CF-2010-181	CF-2009-OFR07
CP 10 56 06 07	SPRINKLER LEAKAGE EXCLUSION	LI-CF-2010-181	CF-2009-OFR07
CP 10 60 07 88	MOLTEN MATERIAL	CP-90-170	
CP 10 65 10 12	FLOOD COVERAGE ENDORSEMENT	LI-CF-2012-222	CF-2011-OFR11
CP 10 70 07 88	PIER AND WHARF ADDITIONAL COVERED CAUSES OF LOSS	CP-90-170	
CP 11 05 04 02	BUILDERS RISK REPORTING FORM	LI-CF-2008-307	CF-2008-O01FR
CP 11 06 06 07	BUILDERS' RISK PREMIUM ADJUSTMENT FORM	LI-CF-2010-181	CF-2009-OFR07
CP 11 13 06 95	BUILDERS RISK RENOVATIONS		
CP 11 14 07 88	BUILDERS RISK - SEPARATE OR SUB-CONTRACTOR'S EXCLUSION	CP-90-170	
CP 11 15 07 88	BUILDERS RISK - SEPARATE OR SUB-CONTRACTORS COVERAGE	CP-90-170	
CP 11 20 06 07	BUILDERS RISK - COLLAPSE DURING CONSTRUCTION	LI-CF-2010-181	CF-2009-OFR07
CP 11 21 10 12	BUILDERS RISK - THEFT OF BUILDING MATERIALS, FIXTURES, MACHINERY, EQUIPMENT	LI-CF-2012-222	CF-2011-OFR11
CP 12 01 11 85	COMMERCIAL PROPERTY COVERAGE PART POLICY CHANGES	CF-85-144	
CP 12 06 02 00	NEW YORK CHANGES - WINDSTORM PROTECTIVE DEVICES	LI-CF-2000-042	CF-99-OWPD2

Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

State of New York  
ISO Forms Adoption List

Form Number	Title	Circular	Filing ID
CP 12 11 09 17	BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS	LI-CF-2018-072	CF-2016-OFR16
CP 12 18 10 12	LOSS PAYABLE PROVISIONS	LI-CF-2012-222	CF-2011-OFR11
CP 12 19 06 07	ADDITIONAL INSURED - BUILDING OWNER	LI-CF-2010-181	CF-2009-OFR07
CP 12 30 06 95	PEAK SEASON LIMIT OF INSURANCE		
CP 12 32 06 07	LIMITATION ON LOSS SETTLEMENT - BLANKET INSURANCE (MARGIN CLAUSE)	LI-CF-2010-181	CF-2009-OFR07
CP 12 70 09 96	JOINT OR DISPUTED LOSS AGREEMENT	CP-96-167	CL-96-O96MF
CP 13 10 04 02	VALUE REPORTING FORM	LI-CF-2008-307	CF-2008-O01FR
CP 13 20 07 88	ADDITIONAL LOCATIONS - SPECIAL COINSURANCE PROVISIONS	CP-90-170	
CP 13 30 06 07	AGRICULTURAL PRODUCTS STORAGE	LI-CF-2010-181	CF-2009-OFR07
CP 13 60 10 00	REPORT OF VALUES	LI-CF-2000-271	CF-99-O99FR
CP 13 61 11 85	SUPPLEMENTAL REPORT OF VALUES	CF-85-144	
CP 13 70 11 85	MULTIPLE LOCATION/PREMIUM AND DISPERSION CREDIT APPLICATION	CF-85-144	
CP 14 01 09 17	SCHEDULED BUILDING PROPERTY TENANT'S POLICY	LI-CF-2018-072	CF-2016-OFR16
CP 14 02 09 17	UNSCHEDULED BUILDING PROPERTY TENANT'S POLICY	LI-CF-2018-072	CF-2016-OFR16
CP 14 10 06 95	ADDITIONAL COVERED PROPERTY		
CP 14 15 07 88	ADDITIONAL BUILDING PROPERTY	CP-90-170	
CP 14 20 07 88	ADDITIONAL PROPERTY NOT COVERED	CP-90-170	
CP 14 30 10 12	OUTDOOR TREES, SHRUBS AND PLANTS	LI-CF-2012-222	CF-2011-OFR11
CP 14 40 06 07	OUTDOOR SIGNS	LI-CF-2010-181	CF-2009-OFR07
CP 14 50 10 00	RADIO OR TELEVISION ANTENNAS	LI-CF-2000-271	CF-99-O99FR
CP 14 60 07 88	LEASED PROPERTY	CP-90-170	
CP 15 01 10 12	BUSINESS INCOME FROM DEPENDENT PROPERTIES LIMITED INTERNATIONAL COVERAGE	LI-CF-2012-222	CF-2011-OFR11
CP 15 02 10 12	EXTRA EXPENSE FROM DEPENDENT PROPERTIES LIMITED INTERNATIONAL COVERAGE	LI-CF-2012-222	CF-2011-OFR11
CP 15 03 06 07	BUSINESS INCOME - LANDLORD AS ADDITIONAL INSURED (RENTAL VALUE)	LI-CF-2010-181	CF-2009-OFR07
CP 15 04 06 07	DISCRETIONARY PAYROLL EXPENSE	LI-CF-2010-181	CF-2009-OFR07
CP 15 05 10 12	FOOD CONTAMINATION (BUSINESS INTERRUPTION AND EXTRA EXPENSE)	LI-CF-2012-222	CF-2011-OFR11
CP 15 06 02 14	OFF-PREMISES INTERRUPTION OF BUSINESS - VEHICLES AND MOBILE EQUIPMENT	LI-CF-2013-196	CF-2013-OBIFR
CP 15 07 11 85	EXPANDED LIMITS ON LOSS PAYMENT	CF-85-144	
CP 15 08 10 12	BUSINESS INCOME FROM DEPENDENT PROPERTIES - BROAD FORM	LI-CF-2012-222	CF-2011-OFR11
CP 15 09 10 12	BUSINESS INCOME FROM DEPENDENT PROPERTIES - LIMITED FORM	LI-CF-2012-222	CF-2011-OFR11
CP 15 10 10 12	PAYROLL LIMITATION OR EXCLUSION	LI-CF-2012-222	CF-2011-OFR11
CP 15 11 07 88	POWER, HEAT AND REFRIGERATION DEDUCTION	CP-90-170	
CP 15 13 07 88	SEASONAL LEASES - MONTHLY LIMITS ON LOSS PAYMENT	CP-90-170	
CP 15 14 09 17	NEW YORK - ORDINANCE OR LAW - INCREASED PERIOD OF RESTORATION	LI-CF-2018-072	CF-2016-OFR16
CP 15 15 10 12	BUSINESS INCOME REPORT/WORKSHEET	LI-CF-2012-222	CF-2011-OFR11
CP 15 20 06 95	BUSINESS INCOME PREMIUM ADJUSTMENT		
CP 15 24 10 00	MINING PROPERTIES - BUSINESS INCOME	LI-CF-2000-271	CF-99-O99FR
CP 15 25 10 12	BUSINESS INCOME CHANGES - EDUCATIONAL INSTITUTIONS	LI-CF-2012-222	CF-2011-OFR11
CP 15 32 06 07	CIVIL AUTHORITY CHANGE(S)	LI-CF-2010-181	CF-2009-OFR07
CP 15 34 10 12	EXTRA EXPENSE FROM DEPENDENT PROPERTIES	LI-CF-2012-222	CF-2011-OFR11
CP 15 45 09 17	UTILITY SERVICES - TIME ELEMENT	LI-CF-2018-072	CF-2016-OFR16
CP 15 50 10 12	RADIO OR TELEVISION ANTENNAS - BUSINESS INCOME OR EXTRA EXPENSE	LI-CF-2012-222	CF-2011-OFR11
CP 15 56 06 07	BUSINESS INCOME CHANGES - BEGINNING OF THE PERIOD OF RESTORATION	LI-CF-2010-181	CF-2009-OFR07
CP 15 57 08 98	BUSINESS INCOME AND/OR EXTRA EXPENSE COVERAGE FOR YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS	LI-CF-1998-198	CF-98-OY2KF
CP 16 15 07 88	STATEMENT OF VALUES	CP-90-170	
CP 19 10 06 95	YOUR BUSINESS PERSONAL PROPERTY - SEPARATION OF COVERAGE		
CP 60 05 11 85	LEASEHOLD INTEREST FACTORS FOR 5.0%	CF-85-144	
CP 60 06 11 85	LEASEHOLD INTEREST FACTORS FOR 6.0%	CF-85-144	
CP 60 07 11 85	LEASEHOLD INTEREST FACTORS FOR 7.0%	CF-85-144	
CP 60 08 11 85	LEASEHOLD INTEREST FACTORS FOR 8.0%	CF-85-144	
CP 60 09 11 85	LEASEHOLD INTEREST FACTORS FOR 9.0%	CF-85-144	
CP 60 10 11 85	LEASEHOLD INTEREST FACTORS FOR 10.0%	CF-85-144	
CP 60 11 06 95	LEASEHOLD INTEREST FACTORS FOR 11.0%		
CP 60 12 11 85	LEASEHOLD INTEREST FACTORS FOR 12.0%	CF-85-144	
CP 60 13 11 85	LEASEHOLD INTEREST FACTORS FOR 13.0%	CF-85-144	
CP 60 14 11 85	LEASEHOLD INTEREST FACTORS FOR 14.0%	CF-85-144	
CP 60 15 11 85	LEASEHOLD INTEREST FACTORS FOR 15.0%	CF-85-144	
CP 99 02 07 88	MANUFACTURERS CONSEQUENTIAL LOSS ASSUMPTION	CP-90-170	
CP 99 05 06 95	DISTILLED SPIRITS AND WINES MARKET VALUE		
CP 99 10 07 88	ALCOHOLIC BEVERAGES TAX EXCLUSION	CP-90-170	
CP 99 20 06 07	CONTRIBUTING INSURANCE	LI-CF-2010-181	CF-2009-OFR07
CP 99 30 06 95	MANUFACTURER'S SELLING PRICE (FINISHED "STOCK" ONLY)		
CP 99 31 07 88	MARKET VALUE - STOCK	CP-90-170	
CP 99 42 07 88	STORAGE OR REPAIRS LIMITED LIABILITY	CP-90-170	
CP 99 92 06 07	HOUSEHOLD PERSONAL PROPERTY COVERAGE	LI-CF-2010-181	CF-2009-OFR07
CP 99 93 10 90	TENTATIVE RATE	CP-94-54	
CP DS 01 10 00	COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS	LI-CF-2000-271	CF-99-O99FR
CP DS 02 10 00	COMMERCIAL PROPERTY COVERAGE PART RENEWAL ENDORSEMENT	LI-CF-2000-271	CF-99-O99FR
CP DS 04 10 00	REPORTED - ACQUIRED - INCIDENTAL LOCATIONS SCHEDULE	LI-CF-2000-271	CF-99-O99FR
CP DS 05 10 00	LEGAL LIABILITY COVERAGE SCHEDULE	LI-CF-2000-271	CF-99-O99FR
CP DS 06 10 00	EARTHQUAKE - VOLCANIC ERUPTION COVERAGE SCHEDULE	LI-CF-2000-271	CF-99-O99FR
CP DS 07 10 00	LEASEHOLD INTEREST COVERAGE SCHEDULE	LI-CF-2000-271	CF-99-O99FR
CP DS 65 10 12	FLOOD COVERAGE SCHEDULE	LI-CF-2012-222	CF-2011-OFR11
CP P 007 08 08	NEW YORK - EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS	LI-CF-2008-307	CF-2008-O01FR
IL 00 17 11 98	COMMON POLICY CONDITIONS	LI-CL-1998-078	CL-98-O98IS

Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

State of New York  
ISO Forms Adoption List

Form Number	Title	Circular	Filing ID
IL 01 83 08 08	NEW YORK CHANGES - FRAUD	LI-CL-2009-004	CL-2008-OLOB1
IL 01 85 08 08	NEW YORK CHANGES - CALCULATION OF PREMIUM	LI-CL-2009-004	CL-2008-OLOB1
IL 02 68 01 14	NEW YORK CHANGES - CANCELLATION AND NONRENEWAL	LI-CL-2013-064	CL-2013-OEND1
IL 09 17 11 85	RESIDENT AGENT COUNTERSIGNATURE ENDORSEMENT	CF-85-144	
IL 09 35 07 02	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES	LI-CL-2005-035	CL-2001-OFR01
IL 09 52 01 15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	LI-CL-2015-051	CL-2015-OTRF1
IL 09 53 01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM	LI-CL-2015-051	CL-2015-OTRF1
IL 09 85 01 15	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT	LI-CL-2015-051	CL-2015-OTRF1
IL 12 01 11 85	POLICY CHANGES	CF-85-144	

# NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

## Rate Filing Sequence Checklist

Insurer Name: Clear Spring Property and Casualty Company  
TOI: 1.0 Property

Insurer File No.: CSPCC-TP-CP-NY-2001  
Sub-TOI: 1.0001 Commercial Property

Exhibit Name	Exhibit Description	Included Exhibits (all <b>must</b> be checked yes or no)
<input type="checkbox"/> Exhibit STM-1	Master List of Compliance Checklists <a href="http://www.ins.state.ny.us/acrobat/mlist-f2.pdf">http://www.ins.state.ny.us/acrobat/mlist-f2.pdf</a>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Not a speed-to-market filing)
<input type="checkbox"/> Exhibit STM-2	Rate and/or Rating Plan Compliance Certification <a href="http://www.ins.state.ny.us/acrobat/cert-r.pdf">http://www.ins.state.ny.us/acrobat/cert-r.pdf</a>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Not a speed-to-market filing)
<input checked="" type="checkbox"/> Exhibit RF-1	Supplemental Explanatory Memorandum	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (General filing information on Transmittal Document is complete)
<input type="checkbox"/> Exhibit RF-2	Actuarial Memorandum	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing contains no actuarial data)
<input checked="" type="checkbox"/> Exhibit RF-3	Expenses	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing pertains only to rating plans as defined by Section 161.1 of Regulation 129)
<input checked="" type="checkbox"/> Exhibit RF-4	Investment Income	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Exhibit RF-3 not required)
<input checked="" type="checkbox"/> Exhibit RT-1	Side-By-Side Comparison	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing pertains only to rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RT-2	Policyholder Rate Level Changes	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No existing policyholders for this program)
<input type="checkbox"/> Exhibit RT-3	Policyholder Counts	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No existing policyholders for this program)
<input checked="" type="checkbox"/> Exhibit RT-4	Insurer & Program Information	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Exempt per detailed instructions)
<input type="checkbox"/> Exhibit RT-5	Flex-Rating Information	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing not subject to flex-rating)
<input checked="" type="checkbox"/> Exhibit RSO-1	Rate Service Organization Adoptions	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Independent rates or no RSO adoption)
<input checked="" type="checkbox"/> Exhibit RSO-2	Loss Cost Modification Support	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing does not contain loss costs)
<input type="checkbox"/> Exhibit EXP-1	Overall Rate Indications	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing support is based exclusively on judgment and/or competition)
<input type="checkbox"/> Exhibit EXP-2	Earned Premium Adjustments	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-3	Incurred Loss Adjustments	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-4	Credibility	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-5	Class & Territory Indications	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-6	Rating Factor, Debit, Credit or Other Rating Charge Indications	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit SUPP-1	Multi-Tier Programs	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not propose or modify a multi-tier program)
<input type="checkbox"/> Exhibit SUPP-2	Personal Lines Catastrophe Reinsurance Loads	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing is not a personal lines property filing or no catastrophe reinsurance load applies)
<input type="checkbox"/> Exhibit SUPP-3	Homeowners Catastrophe & Hurricane Deductibles	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not propose or modify homeowners catastrophe or hurricane deductibles)
<input type="checkbox"/> Exhibit JDG-1	Explanation of Key Areas of Judgment	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing support is based exclusively on experience and/or competition)
<input type="checkbox"/> Exhibit JDG-2	Raw Loss Experience	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No NY experience to provide)
<input checked="" type="checkbox"/> Exhibit CMP-1	Company Analysis	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing support is based exclusively on experience and/or judgment)
<input checked="" type="checkbox"/> Exhibit CMP-2	Base Rate & Rating Factor Comparison	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Exhibit CMP-1 does not apply)
<input checked="" type="checkbox"/> Exhibit CMP-3	Rate Analysis	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Exhibit CMP-1 does not apply)
<input type="checkbox"/> Exhibit CMP-4	Raw Loss Experience	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (No NY experience to provide)
<input type="checkbox"/> Exhibit RP-1	Rating Plans	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not include rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RP-2	Rating Plan Expected Loss Ratios	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not include Experience, Retrospective or Composite Rating Plans of an RSO)
<input type="checkbox"/> Exhibit RP-3	Supplemental Experience Rating Plan Requirements	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Filing does not include an independent Experience Rating Plan)
<input checked="" type="checkbox"/> Exhibit MRP-1	Manual Rate Pages	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (Filing only includes rating plans as defined by Section 161.1 of Regulation 129)

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Supplemental Explanatory Memorandum

On behalf of Clear Spring Property and Casualty Company (“the Company”), we are submitting this filing to introduce its new TowMAX Program – Commercial Property, filed under the Fire and Allied line of business.

This program uses Insurance Services Office (ISO) rules and forms along with ISO loss costs and the loss cost multiplier contained within this filing. The Company will be automatically adopting future ISO filings of loss costs, rules or forms, if allowable in the state. For this program, the Company is adopting all currently approved ISO loss costs, rules, and any applicable supplements for Division Five – Fire and Allied Lines.

The rates and rules consist of company exceptions to be used in conjunction with the ISO multi-state and state specific loss costs and rules. The Company’s proposed exceptions are based on AXIS Insurance Company’s approved countrywide exceptions for their Tow Truck Program and state exceptions approved in your state under Commercial Property. The Company’s Manual Exception Pages are being submitted as a part of this filing package for your review and approval.

The forms include independent forms to be used in conjunction with the ISO forms portfolio. The Company is hereby adopting all ISO policy forms, endorsements and related forms approved for use in this state that have been filed by ISO for use with Division Five – Fire and Allied Lines. Additionally, all independent forms are being submitted as a part of this filing package for your review and approval.

Rate of Return

Exhibit R1 shows the derivation of the total after tax rate of return on statutory surplus based on the selected budgeted expense provisions for this program. Exhibit R2.1 shows the derivation of the after-tax investment income on policyholder supplied funds. Exhibit R2.2 shows the derivation of the reserves to incurred ratio. Exhibit R2.3 shows the projected after-tax total rate of return. Exhibit R3 shows the derivation of the selected premium to surplus ratio. Exhibit R4 shows the derivation of the target after tax rate of return on statutory surplus. Exhibit R5 shows the derivation of the selected expense provisions. Exhibit R6 shows the derivation of the company loss cost multipliers.



**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
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Expenses

Please refer to the attached Rate of Return exhibits for the calculation of the expected loss and loss adjustment expense ratio. Exhibit R5 displays the selected expense provisions that underlie the permissible loss and loss adjustment expense ratio. The proposed underwriting profit loads are those indicated by the selected target returns, leverage ratios, investment returns, and expense provisions. Investment income is reflected in the proposed rates and derived in the Rate of Return exhibits. Note that the target return-on-equity or surplus investment income methodology was used and, therefore, the selected profit load already contemplates the investment income provision.

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
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Investment Income

The target return-on-equity or surplus investment income methodology was used and, therefore, the selected profit load already contemplates the investment income provision. Please refer to the Rate of Return exhibits.

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Side-By-Side Comparison

Current Rate Manual

Not applicable

Proposed Rate Manual

This is a new program. Please see attached rating and rule manual pages.

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Insurer and Program Information

Below we have listed the suggested items to be included in this exhibit per the Department's instructions. We have included a comment following each of the listed items:

- How this filing affects or relates to the company's overall business plan.  
  
This filing is the Company's entry into the commercial insurance marketplace.
- The company's approximate market share for the line of insurance for which the filing is being made, in relation to the overall marketplace.  
  
None so far, this is a new program filing.
- Whether the line of business subject to the filing is a "bread-and-butter" product for the company.  
  
This will not be a "bread and butter" product for the Company.
- Whether the line of business represents a specialty or "niche" market for the company.  
  
Yes, this is the Company's first venture into commercial insurance and specifically a towing program. However, the MGA underwriting the program has an extensive history of writing it.
- Whether the program provides a market for under-served classes of risks, or substandard risks.  
  
Yes, industry-wide commercial auto risks have experienced significant rate increases over recent years with carriers pulling from the marketplace.
- Whether any reinsurance agreements exist on the business subject to this filing, and the effect such agreements have on the proposed rates being filed, as well as overall product pricing.  
  
Yes, there is a 20% quota share ceded to a captive with the MGA participating. The reinsurance agreement has no effect on the rates being filed or the product pricing.
- The distribution channel(s) that are used to market this program.  
  
The MGA is utilizing a small subset of retail agents to market the program.

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Insurer and Program Information

- The number, location and distribution of the company's producer force and claims offices (including use of MGA's, TPA's, etc.).

MGA – Chester Point Programs, LLC, which is a subsidiary of Eydent Insurance Services, LLC. Locations are in Cranford, NJ and Mt. Pleasant, MI.

TPA – North American Risk Services (NARS)

- The primary geographic regions in which this program is, or will be, marketed.

This product will be marketed in the Continental US with a few state exceptions.

- A statement of whether this business has historically been profitable for the company, and how the profitability compares to the company's competitors.

This product is new for the company, so there is no historical track record to respond to.

- The company's prospective outlook for the program.

The Company anticipates operating this program in a small number of states in which the MGA has relationships to start, then growing the program depending on profitability.

- A listing of the company's most recent four rate level changes, when applicable, including:
  - the new and renewal effective dates of each revision
  - the overall rate impact of each revision
  - the general subject matter of each revision

None, this is a new program for the Company.

- For new market entrants, the company's expected annual premium writings for the current and following years.

For the Company's proposed TowMAX program across several commercial lines in the US, they anticipate writing \$15,000,000 in year 1 and \$20,000,000 in year 2.

- Any other information deemed relevant by the company.

None.

**Clear Spring Property and Casualty Company**  
**TowMAX Program – Commercial Property**

New Program – Rates/Rules/Forms  
 State of New York

Rate Service Organization Adoptions

The Company is filing to adopt all currently approved Insurance Service Office (ISO) loss costs and rules for Commercial Property up to and including the following:

Current Loss Cost and Rules Filings

Line	Latest Loss Cost Filing Reference Number	Latest Rule Filing Reference Number	Proposed Loss Cost Modification Factor	Proposed Expected Loss & LAE Ratio	Proposed Loss Cost Multiplier
Commercial Property	ISO: CF-2019-RLA1 NYID: R2019000678	ISO: CF-2017-RFLRU NYID: R2018001008	1.000	0.641	1.560

Historical Loss Cost Filings

NY DOI Number	Reference Filing Number
R2018001007	CF-2017-RLLC
R2017004722	CF-2016-RLC16
R2017003333	CF-2017-RLA1
R2016003356	CF-2016-RLA1
R2015003781	CF-2015-RLA1
R2013001413	CF-2013-RPPC
R2013003132	CF-2013-RBILC
R2012004458	CF-2012-RLA1
R2012002172	CF-2011-RLC11
R2009003612	CF-2009-RLC09
R2009003207	CF-2009-RLA1
R2009001427	CF-2009-RLC07
R2007003222	CF-2007-RLA1
N/A	CF-2005-RZPEQ
N/A	CF-2003-RLA1
N/A	CF-2000-RLA1
N/A	CF-99-RLC1
N/A	CF-2000-RLC1
N/A	CF-99-RLA2

**Clear Spring Property and Casualty Company**  
 TowMAX Program – Commercial Property

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Rate Service Organization Adoptions

<b>NY DOI Number</b>	<b>Reference Filing Number</b>
N/A	CF-99-RLA1
N/A	G-98-RLA1
N/A	CF-97-RLA2
N/A	CF-97-REQ1
N/A	CF-97-R97LC
N/A	CF-97-RLC1
N/A	CF-97-RLA1

Historical Rule Filings

<b>NY DOI Number</b>	<b>Reference Filing Number</b>
R2017004721	CF-2016-RRU16
R2014001344	CF-2013-REWR1
R2013001413	CF-2013-RPPC
R2013003132	CF-2013-RBIRU
R2013002736	CL-2013-ORU1
R2012002170	CF-2011-RRU11
R2009003613	CF-2009-RRU09
R2009003206	CF-2009-ORU1
R2009001426A	CF-2009-RRU07
R2009003318A	CF-2009-RGB09
R2008002346	CF-2008-O01RU
R2008003432	CL-2008-OWERU
N/A	CF-2006-OVBER
N/A	CF-2005-RZPEQ
N/A	CF-2003-RRU1
N/A	CF-2004-OCT04
N/A	CF-2002-ORU1
N/A	CF-2001-OWG1
N/A	CF-99-O99FC
N/A	CF-99-R99RU
N/A	CF-99-RWPD2
N/A	CF-99-RWPD2
N/A	CF-99-ORU1

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Rate Service Organization Adoptions

<b>NY DOI Number</b>	<b>Reference Filing Number</b>
N/A	CF-99-O99ER
N/A	CF-97-R97EQ
N/A	CL-97-OY2KR
N/A	CF-97-O97CC
N/A	CF-97-O97CT
N/A	CF-97-O97TE
N/A	CL-97-OCH1
N/A	CF-96-OWH2
N/A	CF-96-O96RU
N/A	CL-95-OCH1
N/A	CF-95-RRU1



**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Loss Cost Modification Support

The selected loss cost modification factor is shown in the table below.

	Proposed Loss Cost Modification Factor	Proposed Expected Loss Ratio	Proposed Loss Cost Multiplier
Commercial Property	1.000	0.641	1.560

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Company Analysis

**1) The major coverage provisions between the insurer and the competitors.**

The major coverage provisions are similar between the insurer and the competitor.

**2) The agency distribution system between the insurer and the competitors.**

The agency distribution system is assumed to be similar between the insurer and the competitor.

**3) The target market (risks) of the insurer versus the competitors.**

The target market is assumed to be similar between the insurer and the competitor.

**4) The market share of the competitors for the classes of business in which the insurer will focus its writings.**

The market share of AXIS Insurance Company for this line of business in New York is 0.02% based on 2019 Written Premium.

**5) The date and Department File Number in which the rates for each competitor were approved/acknowledged for use in New York State.**

The independent rates for this program are adopted from AXIS Insurance Company's Commercial Property Program, approved effective 09/26/2016, NY State Tracking #R2016003310.

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Base Rate & Rating Factor Comparison

The Company's proposed exceptions are based on AXIS Insurance Company's state exceptions approved in New York under State Tracking #R2016003310, effective 09/26/2016.

The following page also contains a competitor comparison to support the premium charge for the Property Coverage Extension Endorsement. The proposed premium charge matches that of the competitor. A comparison of the total expense provision to those of Crum & Forster and AXIS has also been included.

**Clear Spring Property and Casualty Company**  
TowMAX Program - Commercial Property

New Program - Rates/Rules/Forms  
State of New York

Base Rate & Rating Factor Comparison

I. Endorsement Rates and Rating Factors Comparison

Endorsement	Crum & Forster <sup>1</sup> Premium Charge	Proposed Premium Charge
Property Coverage Extension	\$250	\$250

II. Total Expense Provision Comparison

Underwriting Expense / Profit	Crum & Forster <sup>2</sup>	AXIS <sup>3</sup>	Clear Spring
Commissions	15.0%	19.5%	20.0%
Other Acquisition	10.4%	0.1%	5.4%
General Expenses	3.7%	9.0%	6.0%
Taxes, Licenses and Fees	2.3%	2.3%	1.4%
Profit Load	1.9%	5.0%	3.1%
Total Underwriting Expenses / Profit	33.3%	35.9%	35.9%
Permissible Loss & LAE Ratio	66.7%	64.1%	64.1%

Notes:

1. Crum & Forster Indemnity Company, NY DOI #R2013001606, Effective 05/14/2013
2. Crum & Forster Indemnity Company, NY DOI #R2011001582, Effective 09/21/2011
3. AXIS Insurance Company, NY DOI #R2016003310, Effective 09/26/2016

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Rate Analysis

Please see Exhibit CMP-2 for a comparison of this program's proposed independent rates to those of AXIS Insurance Company.

**Clear Spring Property and Casualty Company**  
TowMAX Program – Commercial Property

New Program – Rates/Rules/Forms  
State of New York

Manual Rate Pages

The proposed manual pages (company exceptions to be used in conjunction with the ISO loss costs and rules) for this new program are attached for your review.

Exhibit R1  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Projected After-Tax Rate of Return

Operating Return

(1)	Earned Premium	100.0%
(2)	Expected Loss & Loss Adjustment Expenses (Exhibit R5)	64.1%
(3)	Commission & Brokerage Fees (Exhibit R5)	20.0%
(4)	General & Other Acquisition Expenses (Exhibit R5)	11.4%
(5)	Taxes, Licenses & Fees (Exhibit R5)	1.4%
(6)	Underwriting Profit Before Federal Income Tax = (1) - (2) - (3) - (4) - (5)	3.1%
(7)	Federal Income Tax on Underwriting Profit = (6) x 21%	0.6%
(8)	Underwriting Profit After Federal Income Tax = (6) - (7)	2.4%
(9)	After-Tax Inv. Income on Policyholder Supplied Funds (Exhibit R2.1)	2.2%
(10)	After-Tax Return from Insurance Operations = (8) + (9)	4.7%

Total Rate of Return

(11)	Premium to Surplus Ratio (Exhibit R3)	0.82
(12)	After-Tax Investment Income on Surplus (Exhibit R2.3)	3.0%
(13)	Total After-Tax Rate of Return on Statutory Surplus = (10) x (11) + (12)	6.8%

Exhibit R2.1  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Estimated Investment Earnings on Policyholder Supplied Funds  
(\$000)

(A)	Projected Earned Premium for New Program	1,000
(B)	Unearned Premium Reserve	
	(1) Average Unearned Premium Reserve	500
	(2) Percentage Pre-Paid Expense	27.1%
	(a) Commission & Brokerage Fees (Exhibit R5)	20.0%
	(b) 50% of General & Other Acq. Expenses (Exhibit R5)	5.7%
	(c) Taxes, Licenses & Fees (Exhibit R5)	1.4%
	(3) Deduction for Federal Income Taxes Payable	4.2%
	(4) Total Prepaid Expense = (B).(1) x [(B).(2) + (B).(3)]	157
	(5) Portion Subject to Investment Income = (B).(1) - (B).(4)	343
(C)	Delayed Remission of Premiums	
	(1) Average Agents' Balance as % of Premium	15.7%
	(2) Total Delayed Remission = (A) x (C).(1)	157
(D)	Loss & LAE Reserve	
	(1) Expected Loss & LAE Ratio (Exhibit R5)	64.1%
	(2) Expected Losses & LAE = (A) x (D).(1)	641
	(3) Reserve to Incurred Ratio	86.0%
	(4) Expected Loss & LAE Reserves = (D).(2) x (D).(3)	552
(E)	Policyholder Funds Subject to Investment Income = (B).(5) - (C).(2) + (D).(4)	738
(F)	2019 After Tax Rate of Return	3.0%
(G)	Investment Earnings on Policyholder Supplied Funds = (E) x (F)	22
(H)	After-Tax Investment Income on Policyholder Supplied Funds = (G) / (A)	2.2%



Exhibit R2.2  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Source Notes for Exhibit R2.1  
(\$000)

<u>Line</u>		
(A)	Projected Earned Premium for New Program	1,000
(B).(1)	Selected Average Unearned Premium Reserve = 50.0% of (A)	500
(B).(3)	The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. This was not changed by the Tax Cuts and Jobs Act of 2017. At a corporate rate of 21%, this tax equals 4.2% (= 20% x 21%).	
(C).(1)	Selected Agents' Balances = (3)	15.7%
(1)	Calendar Year 2019 Agents' Balances 2019 Industry IEE, Part III, Column 22, Line(s) 01, 02, 12	16.3%
(2)	Calendar Year 2018 Agents' Balances 2018 Industry IEE, Part III, Column 22, Line(s) 01, 02, 12	15.1%
(3)	Indicated Agents' Balances = [(1) + (2)] / 2	15.7%
(D).(3)	Selected Reserve to Incurred Ratio = (5)	86.0%
(1)	Calendar Year 2019 Unpaid Loss & LAE 2019 Industry IEE, Part III, Columns 13, 15, 17, Line(s) 01, 02, 12	21,355,166
(2)	Calendar Year 2018 Unpaid Loss & LAE 2018 Industry IEE, Part III, Columns 13, 15, 17, Line(s) 01, 02, 12	27,651,400
(3)	Average Unpaid Loss & LAE = [(1) + (2)] / 2	24,503,283
(4)	Calendar Year 2019 Incurred Loss & LAE 2019 Industry IEE, Part III, Columns 7, 9, 11, Line(s) 01, 02, 12	28,482,849
(5)	Indicated Reserve to Incurred Ratio = (3) / (4)	86.0%

Exhibit R2.3  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Source Notes for Exhibit R2.1 (Continued)  
(\$000)

<u>Line (F)</u>	(1)	(2)	(3) = 100% - (2)	(4) = (1) x (3)
	2019 Inv. Income Earned	Tax Rate	After-Tax Portion	2019 After-Tax Inv. Income
Investment Category				
Taxable Bonds	27,988,197	21.00%	79.00%	22,110,676
Non-Taxable Bonds	7,348,902	5.25%	94.75%	6,963,085
Preferred Stocks	293,113	21.00%	79.00%	231,559
Common Stocks	4,295,440	21.00%	79.00%	3,393,397
Common Stocks in Affiliates	1,804,659	13.13%	86.88%	1,567,797
Cash	1,303,513	21.00%	79.00%	1,029,775
All Other Investments	6,822,095	21.00%	79.00%	5,389,455
(5) Total	49,855,918			40,685,744
	2019 Industry Annual Statement, Page 12 - Exhibit of Net Investment Income, Lines 1 to 10, Column 2			
(6) Total Investment Expense	5,211,326	21.00%	79.00%	4,116,947
	2019 Industry Annual Statement, Page 12 - Exhibit of Net Investment Income, Line 16			
(7) Net Inv. Income Earned = (5) - (6)	44,644,592			36,568,797
(8) Invested Assets as of 12/31/2019				1,476,728,855
	2019 Industry Annual Statement, Page 2, Line 12, Column 3			
(9) Invested Assets as of 12/31/2018				1,702,395,629
	2019 Industry Annual Statement, Page 2, Line 12, Column 4			
(10) Average Invested Assets = [(8) + (9)] / 2				1,589,562,242
(11) After-Tax Rate of Return on Invested Assets = (7) / (10)				2.3%
	(12)	(13)	(14) = [(12) + (13)] / 2	(15)
	Beginning Invested Assets	Ending Invested Assets	Average Invested Assets	Net Realized Capital Gains
	2017	1,588,904,654	1,691,575,043	1,640,239,848
	2018	1,691,575,043	1,702,395,629	1,696,985,336
	2019	1,702,395,629	1,476,728,855	1,589,562,242
	Total	4,982,875,326	4,870,699,528	4,926,787,427
(15) Net Realized Capital Gains Ratio = (15) / (14)				0.9%
(17) Tax Rate on Capital Gains				21.0%
(18) After-Tax Realized Capital Gains = (16) x [100% - (17)]				0.7%
(19) Indicated After-Tax Total Rate of Return = (11) + (18)				3.0%
(20) Selected After-Tax Total Rate of Return				3.0%

**Notes:**

(12) from 2018, 2017, 2016 Industry Annual Statements, Page 2, Line 12, Column 3

(13) from 2019, 2018, 2017 Industry Annual Statements, Page 2, Line 12, Column 3

(15) from 2019, 2018, 2017 Industry Annual Statements, Page 12 - Exhibit of Capital Gains (Losses), Line 10, Column 3

Exhibit R3  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Premium to Surplus Ratio  
(\$000)

(1)	Calendar Year 2019 Beginning Surplus As Regards Policyholders 2019 Industry Annual Statement, Page 3, Line 37, Column 2	758,932,335
(2)	Calendar Year 2019 Ending Surplus As Regards Policyholders 2019 Industry Annual Statement, Page 3, Line 37, Column 1	640,192,521
(3)	Calendar Year 2019 Average Surplus Level = [(1) + (2)] / 2	699,562,428
(4)	Calendar Year 2019 Net Written Premiums 2019 Industry IEE, Part II, Line 35, Column 1	577,123,029
(5)	2019 Net Premium to Surplus Ratio = (4) / (3)	0.82
(6)	Calendar Year 2018 Beginning Surplus As Regards Policyholders 2018 Industry Annual Statement, Page 3, Line 35, Column 2	767,376,692
(7)	Calendar Year 2018 Ending Surplus As Regards Policyholders 2018 Industry Annual Statement, Page 3, Line 35, Column 1	758,932,335
(8)	Calendar Year 2018 Average Surplus Level = [(6) + (7)] / 2	763,154,514
(9)	Calendar Year 2018 Net Written Premiums 2018 Industry IEE, Part II, Line 35, Column 1	618,086,877
(10)	2018 Net Premium to Surplus Ratio = (9) / (8)	0.81
(11)	Average Net Premium to Surplus Ratio = [(5) + (10)] / 2	0.82
(12)	Selected Premium to Surplus Ratio	0.82

Exhibit R4  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Derivation of After-Tax Target Rate of Return of Statutory Surplus  
(\$000)

<u>After Tax Rate of Return on Net Worth</u>			
	(1)	(2)	(3)
	Property/ Casualty	All Industry	[(1) + (2)] / 2
Year	Insurance	Total	Average
2007	9.7%	15.2%	12.5%
2008	2.2%	13.1%	7.7%
2009	5.7%	10.5%	8.1%
2010	6.0%	12.7%	9.4%
2011	3.4%	14.3%	8.9%
2012	5.2%	13.4%	9.3%
2013	8.0%	16.6%	12.3%
2014	6.6%	14.3%	10.5%
2015	4.8%	13.1%	9.0%
2016	5.8%	13.2%	9.5%
2007 - 2016	5.7%	13.6%	9.7%
10 Yr x-HILO	5.7%	13.7%	9.6%

(4)	Selected After-Tax Return on GAAP Equity	9.7%
(5)	Calendar Year 2019 Industry Ending Surplus As Regards Policyholders 2019 Industry Annual Statement, Page 3, Line 37, Column 1	640,192,521
(6)	Calendar Year 2019 Industry Net Unearned Premium Reserve 2019 Industry IEE, Part II, Line 35, Column 19	260,782,640
(7)	Calendar Year 2019 Industry Net Commissions 2019 Industry IEE, Part II, Line 35, Column 23	64,206,608
(8)	Calendar Year 2019 Industry Net Other Acquisition Expenses 2019 Industry IEE, Part II, Line 35, Column 27	40,449,634
(9)	Calendar Year 2019 Industry Net Written Premium 2019 Industry IEE, Part II, Line 35, Column 1	577,123,029
(10)	Industry Acq. Expenses as a % of Net Earned Premium = [(7) + (8)] / (9)	18.1%
(11)	GAAP Equity in Unearned Premium Reserve = (6) x (10)	47,290,664
(12)	Calendar Year 2019 Industry GAAP Equity = (5) + (11)	687,483,185
(13)	GAAP to Statutory Adjustment Factor = (12) / (5)	1.07
(14)	Target After-Tax Return on Statutory Surplus = (4) x (13)	10.4%

Notes:

(1), (2) from 2016 NAIC Profitability Analysis.

Exhibit R5  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Projected Expense Ratios  
(\$000)

	2017		2018		2019		3 Year Total/Average			Selected
	(\$000)	%	(\$000)	%	(\$000)	%	(\$000)	Avg %	W Avg %	%
(1) Premiums Written	40,052,308		42,294,339		44,128,386		126,475,033			
(2) Premiums Earned	40,076,691		41,414,017		42,640,627		124,131,335			
(3) Commission	4,960,956	12.4%	5,274,061	12.5%	5,315,811	12.0%	15,550,828	12.3%	12.3%	20.0%
(4) Other Acquisition	1,875,803	4.7%	3,024,250	7.3%	1,817,983	4.3%	6,718,036	5.4%	5.4%	5.4%
(5) General Expenses	2,270,437	5.7%	2,447,797	5.9%	2,693,272	6.3%	7,411,506	6.0%	6.0%	6.0%
(6) Taxes, Licenses, Fees	560,298	1.4%	604,184	1.4%	653,414	1.5%	1,817,896	1.4%	1.4%	1.4%
(7) Total Expenses = (3) + (4) + (5) + (6)		24.1%		27.1%		24.1%		25.1%	25.1%	32.8%
(8) Profit Load										3.1%
(9) Total Expenses & Profit = (7) + (8)										35.9%
(10) Permissible Loss & LAE Ratio = 100% - (9)										64.1%

**Notes:**

- (1) from Industry 2019, 2018, 2017 IEEs, Part III, Column 1, Line(s) 01, 02, 12.
- (2) from Industry 2019, 2018, 2017 IEEs, Part III, Column 3, Line(s) 01, 02, 12.
- (3) from Industry 2019, 2018, 2017 IEEs, Part III, Column 23, Line(s) 01, 02, 12.
- (4) from Industry 2019, 2018, 2017 IEEs, Part III, Column 27, Line(s) 01, 02, 12.
- (5) from Industry 2019, 2018, 2017 IEEs, Part III, Column 29, Line(s) 01, 02, 12.
- (6) from Industry 2019, 2018, 2017 IEEs, Part III, Column 25, Line(s) 01, 02, 12.
- (3) and (6) shown as a percent of (1).
- (4) and (5) shown as a percent of (2).

Exhibit R6  
Clear Spring Property and Casualty Company  
TowMAX Program - Commercial Property

Derivation of Loss Cost Multiplier

(1)	Commission & Brokerage Fees (Exhibit R5)	20.0%
(2)	Other Acquisition Expenses (Exhibit R5)	5.4%
(3)	General Expenses (Exhibit R5)	6.0%
(4)	Taxes, Licenses & Fees (Exhibit R5)	1.4%
(5)	Profit Load (Exhibit R5)	3.1%
(6)	Total Expenses & Profit = (1) + (2) + (3) + (4) + (5)	35.9%
(7)	Permissible Loss & LAE Ratio = 100% - (6)	64.1%
(8)	Loss Cost Modification Factor	1.000
(9)	Indicated Loss Cost Multiplier = (8) / (7)	1.560
(10)	Selected Loss Cost Multiplier	1.560

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**COMMERCIAL LINES PROPERTY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE**

<b>COMPANY</b> Clear Spring P&C Insurance Co	<b>Co. File No.</b> CSPCC-TP-CP-NY-2001
<b>Company Contact:</b> Paula Rossman	<b>Phone Number:</b> (310) 893-0033
<b>E-Mail Address:</b> prossman@perrknight.com	

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Articles 31, 34 and 54 and Regulations 27-B, 95, 129 and 135 of the Insurance Law. Form, page and paragraph references that bring the submission into compliance must be included. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

<b>I. All Policies</b>	
a. Policy complies with §3404 (complete §3404 checklist)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
b. Policy complies with §3426 (complete §3426 checklist)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
c. Policy contains provisions that violate §3105 or §3106 NYIL	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
d. Are there any provisions that are unfairly discriminatory or misleading?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
e. Declaration Page contains all rating information (location, construction, class, etc.)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
f. Does the policy contain the name of an unlicensed company?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
g. Are there any blank forms?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
h. Are all forms numbered?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
i. Policy applications comply with Regulation 95	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
j. Does the policy contain a liberalization clause?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
k. Does the policy comply with §3407?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
l. Does Audit premium provision comply with §161.10 of the Second Amendment to Regulation 129?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>II. GROUP PROPERTY INSURANCE POLICIES:</b>	
In addition to the requirements of Section I:	
a. Does the policy comply with §3435 of the Insurance Law and Regulation 135?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b. If a safety group, does dividend comply with Regulation 135?	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>III. NYPIUA POLICIES</b>	
In addition to the requirements of Section I, does the filing comply with Article 54 of the Insurance Law?	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>IV. CREDIT PROPERTY POLICIES</b>	
In addition to the requirements of Section I, policy meets all requirements of Regulation 27-B (Complete Credit Property checklist)	YES <input type="checkbox"/> NO <input type="checkbox"/>

**NOTE: All citations in Brackets are to the applicable sections of Articles 31, 34 and 54 and Regulations 27-B, 95, 129 and 135 of the Insurance Law.**









# NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

## COMMERCIAL LINES CANCELLATION AND NONRENEWAL FORM FILING COMPLIANCE QUESTIONNAIRE

<b>COMPANY</b> CLEAR SPRING PROPERTY AND CASUALTY	<b>Co. File No.</b>
<b>Company Contact:</b> Paula Rossman	<b>Phone Number:</b> (310) 893-0033
<b>E-Mail Address:</b> prossman@perrknight.com	

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Section 3426 of the New York Insurance Law. Form, page and paragraph references that bring the submission into compliance must be included. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**I. SPECIFIC CANCELLATION/NONRENEWAL PROVISIONS**

**A. CANCELLATIONS**

1. The policy provides at least 20 days notice if cancellation occurs during the first 60 days. [§3426(b)]      YES       NO

2. After the first 60 days, a cancellation notice must:

a. Give at least 15 days notice [§3426(c)]      YES       NO

b. Be only for the reason permitted by §3426(c)      YES       NO

**B. NONRENEWAL/CONDITIONAL RENEWALS**

1. Notice must be given a minimum of 60 days and maximum of 120 days notice. [§3426(e)(3)]      YES       NO

2. Conditional renewal notice must be sent in the event of:

a. Change of limits [§3426(e)(1)(B)]      YES       NO

b. Change in type of coverage [§3426(e)(1)(B)]      YES       NO

c. Reduction of coverage [§3426(e)(1)(B)]      YES       NO

d. Increased deductible [§3426(e)(1)(B)]      YES       NO

e. Additional exclusion [§3426(e)(1)(B)]      YES       NO

f. Premium increase in excess of 10% [§3426(e)(1)(B)]      YES       NO

3. The notice must be mailed to the insured and the insured's agent or broker. [§3426(e)(1)]      YES       NO

**II. OTHER PROVISIONS**

1. Are there any provisions, other than those in §3426(d)(2), limiting the term of the policy to less than one year?      YES       NO

2. Aggregate limit of expiring policy is increased in proportion to any policy extension as a result of late notice. [§3426(e)(6)]      YES       NO

**NOTE: All citations are to the applicable paragraphs of Section 3426 (NYIL).**

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

LINE OF BUSINESS: Property  
CODE: 1.0000

LINE(S) OF INSURANCE  
Commercial Property CODES  
1.0001

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>GENERAL REQUIREMENTS FOR ALL FILINGS</b>		The <a href="#">following web site</a> represents the Department's initiative to streamline the procedures for form, rate and rule filings: <a href="https://www.dfs.ny.gov/insurance/filer.htm">https://www.dfs.ny.gov/insurance/filer.htm</a>	Form/Page/Para Reference
COVER LETTER AND EXPLANATORY MEMORANDUM	<a href="#">CL 11 (1998)</a>	The filing should include a cover letter, and an explanatory memorandum clearly explaining the intent of the filing, and highlighting any substantive changes (such as changes in ratemaking methodology or major coverages provided). If new form(s), territories, classification(s), or rule(s) are being filed and there are similar ones currently approved for use by a Rate Service Organization (RSO) or another insurer, or has been the subject of a filing previously not approved in New York, reference should be provided to the Department's file number or SERFF tracking number and effective date of the approval, or copies of the approved items should be included, if applicable. If the filing is currently in use in another state, this should be indicated.	See Exhibit RF-1
EXCLUSIONS & LIMITATIONS		The <a href="#">following web site</a> contains additional information on exclusions and prohibited coverages: <a href="https://www.dfs.ny.gov/insurance/serff_main.htm#Section_IV">https://www.dfs.ny.gov/insurance/serff_main.htm#Section_IV</a>	Using ISO
Discrimination	§2606, §2607, & §2608	Unfairly discrimination provisions because of race, color, creed, national origin, disability (including treatment of mental disability), sex, and marital status are prohibited.	Using ISO
Intentional Acts	§1101(a)	The provisions of the Insurance Law do not permit coverage for Intentional Acts.	Using ISO
FILING SUBMISSION	§2305 & §2307 <a href="#">CL 19 (1992)</a> <a href="#">Supplement No 1 to CL 11 (1998)</a>	Forms, territories, classifications, rating rules, rates and rating plans are subject to prior approval.	Acknowledged
Compliance Questionnaires, Forms and Optional "Speed to Market" Filing Procedures	<a href="#">CL 11 (1998)</a> <a href="#">Supplement No 3 to CL 11 (1998)</a>	Please refer to the <a href="#">following web site</a> for additional information: <a href="https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II">https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II</a>	Included

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
NO FILE OR FILING EXEMPTIONS	Article 63 11NYCRR16 (Reg. 86)	An authorized insurer must obtain a "Special Risk License" prior to writing business in the "Free Trade Zone". Such business shall be limited to a Special Risk defined as either a Class 1 risk, Class 2 risk as enumerated in the list contained in Regulation 86, or a Class 3 risk. Although filing is not required for a Class 1 risk or a Class 2 risk, rates and policy forms applied to special risks must still satisfy governing standards set forth in the Insurance Law and regulations. If it is a class 3 risk then the company is required to file for information only any form that has not been previously filed with the Superintendent within three business days after the first delivery of a policy using such form, but no later than 60 calendar days after the inception date of such policy. It should be noted that any policy form that an insurer previously filed with the Superintendent and that the Superintendent disapproved or rejected or that the insurer withdrew will not be considered to have been previously filed with the Superintendent.	N/A – not writing in the FTZ
PROHIBITED COVERAGES		While the Department does not have an exhaustive list, some examples of prohibited coverages include punitive damages and corporal punishment. Please refer to the <a href="#">following web site</a> for additional information: <a href="https://www.dfs.ny.gov/insurance/serff_main.htm#Section_IV">https://www.dfs.ny.gov/insurance/serff_main.htm#Section_IV</a>	Using ISO
SIDE BY SIDE COMPARISON	<a href="#">CL 11 (1998)</a>	If the filing is a revision to existing form(s), territories, classification(s) or rule(s); Except for simple, non-substantive changes, a side-by-side comparison of the form(s) or rule(s) being proposed and those currently in use in New York, with all changes clearly marked and explained in the company's cover letter or memorandum must be included. Revisions to classifications and territories should include a comparison between those currently on file (in New York) and those proposed, including relevant statistical data (experience) and any rate or rate relativity effect. There should be a reference to the Department's previous file number and/or a copy of the approval letter in which the current form(s), territories, classification(s) or rule(s) were approved/acknowledged.	N/A – new forms
<b>FORMS: POLICY PROVISIONS</b>	§2307, §3105, §3106, §3404, §3407, §3407-a, §3435 & Article 54 11 NYCRR 86 (Reg. 95) 11NYCRR153 (Reg. 135)	The following Compliance Questionnaire contains detailed information for making a commercial property filing including required policy provisions, exclusions, prohibited coverages, and standard language: Commercial Lines Property Insurance Form Filing Compliance Questionnaire <a href="#">clp.doc</a> (Word Format) <a href="#">clp.pdf</a> (PDF Format)	Form/Page/Para Reference
APPLICATIONS			
Filing exemption	§2307(b)	Applications which do not become part of the policy are exempt from filing requirements. Please refer to Item I.N.1 of Compliance Questionnaire No. CLL.	Acknowledged
Fraud Warning Statement	§403(d) 11NYCRR86.4 (Reg. 95)	All applications must contain the prescribed fraud warning statement, which must be incorporated immediately above the applicant's signature.	Acknowledged
ARBITRATION		Arbitration of disputes between an insured and the insurer may not be required.	Using ISO
BANKRUPTCY PROVISIONS			

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
BLANK ENDORSEMENTS		Not permitted since a blank endorsement may change policy provisions without the proper approval by this Department. An exception may be made for a blank form if its usage is apparent based on the title/language of the form itself (such as a change in address form). Forms containing check boxes with a space for language to be added are considered blank endorsements and are subject to these rules.	Acknowledged
CANCELLATION & NON-RENEWAL	<a href="#">§3426 CL 14 (1986)</a> <a href="#">CL 11 (1989)</a> <a href="#">Supplement No 1 to CL 11 (1989)</a>	<p>The Cancellation &amp; Nonrenewal provisions apply to all commercial risk policies including policies issued or issued for delivery in New York covering risks with multi-state locations where the insured is principally headquartered in New York or the policy provides that New York Law will govern. Please refer to Compliance Questionnaire No. CLCNR for detailed cancellation and nonrenewal requirements:</p> <p>Commercial Lines Cancellation and Nonrenewal Form Filing Compliance Questionnaire  <a href="#">clcnr.doc</a> (Word Format) <a href="#">clcnr.pdf</a> (PDF Format)</p>	Included
Notice of Cancellation	§3426(b), (c), (h)(2), (g) & (l)	The cancellation provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of cancellation. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.A of Compliance Questionnaire No. CLCNR.	Using ISO
Notice of Non Renewal	§3426(e), (g), (h)(2) & (l)	The nonrenewal provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of nonrenewal. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.B of Compliance Questionnaire No. CLCNR.	Using ISO
Required Policy Period	§3426(a)(2) & (d)(2)	A required policy period means a period of one year from the date as of which a covered policy is renewed or first issued. A policy issued for less than one year must be in compliance with statutory reasons outlined in §3426(d)(2). Please refer to Item II of Compliance Questionnaire No. CLCNR.	Using ISO
Permissible Reasons for Cancellation	§3426(b), (c) & (h)	A policy may be cancelled for any valid underwriting reason during the first 60 days a policy is in force. After the first 60 days, reasons for cancellation are limited to statutory references. Please refer to Item I.A. 2 of Compliance Questionnaire No. CLCNR.	Using ISO
Permissible Reasons for Non Renewal	§3426(e) & (h)	A valid underwriting reason must be specifically listed in notice. Please refer to Compliance Questionnaire No. CLCNR.	Using ISO
Conditional Renewal	§3426(e)(1)(B)	A conditional renewal notice is required for any change in the policy less favorable to the policyholder. Such notice must contain the specific reason or reasons for conditional renewal and must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Please refer to Item I.B.2 and I.B.3 of Compliance Questionnaire No. CLCNR.	Using ISO

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Suspension	Line 28 of §3404(e) §3426(m)	A suspension of coverage shall not be considered a cancellation of coverage. However, the suspension provision may not be more restrictive than that of the standard fire policy provisions.	Using ISO
EXCESS COVERAGE			
FORMS MISCELLANEOUS	§3407(a)	All Property and Casualty insurance policies must contain a provision equal or more favorable to the provisions of §3407(a)	Using ISO
Numbered Forms	§2307(b)	All policy forms and endorsements filed with the Department must include an identification number. Please refer to Item I.h of Compliance Questionnaire No. CLP.	Acknowledged
Unlicensed Companies	§2307(b)	All policy forms and endorsements filed with the Department may only include the names of insurers licensed in the State of New York. Please refer to Item I.f of Compliance Questionnaire No. CLP.	Acknowledged
FICTITIOUS GROUPS	§3435 11NYCRR301 (Reg. 134) 11NYCRR153 (Reg. 135)	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group. Please refer Item II of Compliance Questionnaire No. CLP.	N/A
GROUP POLICIES	§3435 11NYCRR301 (Reg. 134) 11NYCRR153 (Reg. 135)	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group. Group policies must comply with the provisions of Regulations 134 & 135 including the following: general requirements, group policy minimum standards, premium collection and payment, dividend plans and form and rate filings requirements. Please refer Item II of Compliance Questionnaire No. CLP.	N/A
LIBERALIZATION CLAUSE		Please refer Item I.J of Compliance Questionnaire No. CLP.	Using ISO
LOSS SETTLEMENT	Line 150 of §3404(e)	Must be paid within 60 days of proof of loss	Using ISO
Action Against Company	Line 157 of §3404(e)	No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twenty-four months next after inception of the loss.	Using ISO
Appraisal	§3408	Procedure for selection of umpire on failure to agree.	Using ISO
MORTGAGEE/ LIENHOLDER	Line 68 of §3404(e)	If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.	Using ISO
OTHER INSURANCE	Line 25 of §3404(e)	The other insurance provision may not be more restrictive than that of the standard fire policy provisions.	Using ISO

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
STANDARD PROVISIONS FOR FIRE POLICY FORM FILING	§2307(b) & §3404	The following Compliance Questionnaire contains detailed information for making a fire policy filing including required policy provisions, exclusions, prohibited coverages, and standard language: Standard Fire Policy Form Filing Compliance Questionnaire (NYIL §3404) <a href="#">fire.doc</a> (Word Format) <a href="#">fire.pdf</a> (PDF Format)	Included
SUBROGATION	Line 162 of §3404(e)	Policy must contain a subrogation provision	Using ISO
PARTICIPATING POLICIES	§4106	A participating policy provision is not required. However, when the provision is included, the board of directors may make reasonable classifications of policies in order to issue payment of dividends. Such classifications must be filed for approval and be fair and not unfairly discriminatory.	N/A
VOIDANCE	§3105 & §3106	May not void a policy unless the misrepresentation is material. No misrepresentation shall be deemed material unless knowledge by the insurer of the facts misrepresented would have led to a refusal by the insurer to make such contract. Please refer to Item I.H of Compliance Questionnaire No. CLL and Item I.c of Compliance Questionnaire No. CLP.	Using ISO
WARRANTIES	§3106	A breach of warranty shall not void a policy unless the breach of warranty is material.	Using ISO
<b>RATES &amp; RATING PLANS</b>	§2304 & §2344 11NYCRR161 (Reg. 129) <a href="#">Supplement No 4 to CL 11 (1998)</a>	All rates, rating plans, and rating rules filings must be submitted in accordance with the instructions of Supplement No. 4 to Circular Letter 11 (1998) which outlines the new mandatory filing procedures effective September 16, 2002. These procedures contain the minimum required information that must accompany all rate, rating plan, and rating rule filings. Rate filings must include appropriate supporting information as outlined in the Rate Filing Sequence Checklist. Please note the relevant requirements contained in Section 2304 of the New York Insurance Law. Please refer to the <a href="#">following web site</a> for additional information: <a href="https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II">https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II</a>	Form/Page/Para Reference
ADOPTIONS OF RATE SERVICE ORGANIZATIONS (RSO) FILINGS			
Me Too Filings	§2306 11 NYCRR 161.7 (Reg. 129)	The insurer may discharge its rate filing obligation by giving notice that it uses rates and rate information prepared by a designated rate service organization. Please refer to Regulation 129 for the filing of rates and the relation and role of rates published by a rate service organization and the <a href="#">Department's web site</a> for additional filing information: <a href="https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II">https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II</a>	Acknowledged



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
CONSENT-TO-RATE	§2309	The application for an excess rate is subject to prior approval. In addition, the application must include the insured's reasons and the application must be signed by the insured.	Acknowledged
CREDIT SCORING AND REPORTS		The use of credit scoring and reports is limited to the initial underwriting and/or initial tier placement of the risk.	Not Applicable
INDIVIDUAL RISK RATING	§2305 11NYCRR161.12 (Reg. 129)	Individual Risk Submissions not subject to prior approval shall not be filed with the Department. All such information shall be retained in the insurer's individual underwriting file for each policy issued for a period of five years from the date of first issuance of such policy.	Acknowledged
Prior approval	<a href="#">CL 4 (1996)</a>	This form must be included in all Individual Risk Submission subject to prior approval: <a href="#">NYSID Form 129-c.doc</a>	Acknowledged
PRICING	§2304 & §2344 11NYCRR161 (Reg. 129) <a href="#">CL 19 (1992)</a> & <a href="#">CL 4 (1996)</a>	The <a href="#">following web site</a> contains the mandatory filing procedures: <a href="https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II">https://www.dfs.ny.gov/insurance/serff_main.htm#Section_II</a>	Acknowledged
Minimum Premium Rules		Minimum Premium Rules- the submission should evidence the relationship between the amount charged as a minimum premium and the costs associated with producing the policy or coverage. Return Premium/Minimum Earned Premium Rules - the submission should specify that the policy will be pro-rated or short-rated due to mid-term termination of the policy. Premium may be considered fully earned only for policies insuring special events that are only a few days in length.	Acknowledged
Multi Tiering		Eligibility requirements for each tier must be submitted. The tier eligibility requirements must be specific and mutually exclusive, so that no insured would be eligible for more than one tier. The rate effects of the tier eligibility requirements should not be duplicated in any rating plans. Justification must be provided for the rate differential for each tier.	Acknowledged
Payment Plans		Payment plans are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	Acknowledged
Service Charges		Late payment fees, reinstatement fees, and premium installment fees are to be classified as service fees that are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	Acknowledged
Storm Shutters/Laminated Glass Discounts	11NYCRR160.6 (Reg. 57)	Must comply with 3rd amendment to Regulation 57 for storm shutter and laminated glass discount criteria	Acknowledged
RATING PLAN REQUIREMENTS	§2344 11NYCRR161.8 (Reg. 129)	Rating plans are subject to prior approval. Even if the insurer is adopting a rating plan from a Rate Service Organization (RSO) without modification, such plan is subject to the prior approval requirements.	Acknowledged
Composite Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not Applicable
Expense Reduction Plan		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not Applicable

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL PROPERTY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
IRPM		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not Applicable
Loss Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not Applicable
Retrospective Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	Not Applicable
RATE/LOSS COST SUPPORTING INFORMATION			
Actuarial or other Rate Support	11NYCRR161 (Reg. 129) <a href="#">CL 19 (1992)</a> <a href="#">Supplement No 4 to CL 11 (1998)</a>	<p>Rate making and supporting information for rates, rating plans, and rating rules must be organized into exhibits, which follow a sequential numbering system. The Rate Filing Sequence Checklist and the related instructions prescribe the required format used to support rate, rating plan, and rating rule filings.</p> <p style="text-align: center;">Rate Filing Sequence Checklist  <a href="#">newrate.doc</a> (Word Format) <a href="#">newrate.pdf</a> (PDF Format)</p> <p style="text-align: center;">Instructions for Rate Filing Sequence Checklist  <a href="#">instr.doc</a> (Word Format) <a href="#">instr.pdf</a> (PDF Format)</p>	Acknowledged

**Clear Spring Property and Casualty Company  
Minimum Premium Calculation**

<b>Prospective Expenses</b>		<u>Total %</u>	<u>Fixed %</u>	<u>Variable %</u>	(10) * %	(11) * %
					<u>Fixed \$</u>	<u>Variable \$</u>
(1)	Commissions	20.00%	0.00%	20.00%	\$0	\$36
(2)	Other Acquisition	5.40%	2.70%	2.70% Fixed = 50%	\$98	\$5
(3)	General Expense	6.00%	3.00%	3.00% Fixed = 50%	\$109	\$5
(4)	Taxes, Licenses and Fees	1.40%	0.00%	1.40%	\$0	\$3
(5)	Profit and Conting incl. Investment Income	3.10%	0.00%	3.10%	\$0	\$6
(6)	<b>Total</b>	<b>35.90%</b>	<b>5.70%</b>	<b>30.20%</b>	<b>\$207</b>	<b>\$54</b>
(7)	Permissible Loss & LAE Ratio			64.10%		
(8)	Projected TowMAX - CP CW Premium			\$1,000,000		
(9)	Projected TowMAX - CP CW Policyholders			275		
(10)	Projected Average Policy Premium			\$3,636.36		
(11)	Estimated Average Premium of Small Risks Subject To Minimum Premium			\$180.00		
	<b>Component</b>			<b>%</b>		<b>\$</b>
(12)	Fixed Expenses Per Policy = (6) Fixed \$ Column					\$207
(13)	Expected Loss for Risks Subject to Minimum Premium [Calculated as (11) * (7)]					\$115
(14)	Variable Expense and Profit = (6) Variable \$ Column					\$54
(15)	Sum (12) + (13) + (14)					\$377 Indicated
(16)	Selected Minimum Premium				\$250	Selected