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To: Writing Agents

From: Underwriting Department

Subject: Policy Forms

BIIA has decided to “Go Green” and host our policy coverage forms at our website [www.biiainsurance.com](http://www.biiainsurance.com). This will enable you and your insured continued access to the policy coverage forms.

Bureau of Insurance Administrative Letter 2012-15, dated May 10, 2012 includes House Bill 133 amending Commonwealth of Virginia Statue 38.2-325, Insurance Policy Provisions, “to permit property and casualty insurers to post policy forms and endorsements that do not contain personally identifiable information on their public websites, in lieu of any other method of delivery.”

Please pass this information on to your insured.

THANK YOU FOR YOUR BUSINESS!



**Claims Reporting**

**Toll Free 888-730-1572 ext. 260  
Richmond 804-730-1572 ext. 260  
9 a.m. to 5 p.m. Monday-Friday  
Or**

**[www.biiainsurance.com](http://www.biiainsurance.com)  
24 hrs/7days**

**BIIA Claims Department  
1819 Electric Rd, Ste C  
Roanoke, VA 24018  
Email: [tech1@riskprograms.com](mailto:tech1@riskprograms.com)**

**Reclamaciones**

**Toll Free 888-730-1572 ext. 260  
Richmond 804-730-1572 ext 260  
9 a.m. to 5 p.m. De lunes a viernes  
O**

**[www.biiainsurance.com](http://www.biiainsurance.com),  
24 horas/7 días**

**BIIA Claims Department  
1819 Electric Rd, SteC  
Roanoke, VA 24018  
Email: [tech1@riskprograms.com](mailto:tech1@riskprograms.com)**

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

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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

## **THEFT FROM UNATTENDED VEHICLE EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL INLAND MARINE COVERAGE PART

The following is added to the **Exclusions** section and supersedes any other exclusion for theft from any unattended vehicle in the Coverage Form:

We will not pay for loss or damage caused by or resulting from theft from any unattended vehicle unless at the time of theft:

1. Its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry; and
2. If the vehicle is equipped with an alarm, its alarm was actively engaged and maintained in the "on" position.

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

## **VIRGINIA CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART

Paragraph **5.** of the **Cancellation** Common Policy Condition is replaced by the following:

**5.** If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium.

**a.** We will compute return premium pro rata and round to the next higher whole dollar when this policy is cancelled:

- (1)** At our request;
- (2)** Because you no longer have a financial or insurable interest in the property or business operation that is the subject of insurance;
- (3)** And rewritten by us or a member of our company group; or
- (4)** After the first year, if it is a prepaid policy written for a term of more than one year.

**b.** When this policy is cancelled at your request (except when Paragraph **a.(2)**, **a.(3)** or **a.(4)** applies), we will compute return premium as follows:

- (1)** 75% of the pro rata unearned premium, rounded to the next higher whole dollar, for the Equipment Breakdown Coverage Part; or
- (2)** 90% of the pro rata unearned premium, rounded to the next higher whole dollar, for the Commercial Inland Marine Coverage Part.

However, when such cancellation takes place during the first year of a multi-year prepaid policy, we will return the full annual premium for the subsequent years. In addition, earned premium will not be less than our policywriting minimum premium.

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

This endorsement modifies insurance provided under the following when written as part of a Commercial Package Policy containing liability coverage and supersedes the cancellation and nonrenewal provisions contained in any amendatory endorsement(s) of a policy to which this endorsement is attached.

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART

- A.** Paragraphs **2.**, **3.** and **5.** of the **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least:
    - a.** 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
    - b.** 45 days before the effective date of cancellation if we cancel for any other reason.
  - 3.** We will mail or deliver written notice to the first Named Insured's last mailing address known to us. If notice is mailed, it will be sent in accordance with Virginia Law.
  - 5.** If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium:
    - a.** We will compute return premium pro rata and round to the next higher whole dollar when this policy is cancelled:
      - (1)** At our request;
      - (2)** Because you no longer have a financial or insurable interest in the property or business operation that is the subject of insurance;
      - (3)** And rewritten by us or a member of our company group; or
      - (4)** After the first year, if it is a prepaid policy written for a term of more than one year.
- b.** When this policy is cancelled at your request (except when Paragraph **a.(2)**, **a.(3)** or **a.(4)** applies), we will return 90% of the pro rata unearned premium, rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multi-year prepaid policy, we will return the full annual premium for the subsequent years. In addition, earned premium will not be less than our policywriting minimum premium.
- B.** The following is added and supersedes any other provision to the contrary:
- Nonrenewal**
- 1.** If we elect not to renew this policy, we will mail or deliver a notice of nonrenewal to the first Named Insured shown in the Declarations, stating the reason for nonrenewal, at least:
    - a.** 15 days before the expiration date if the nonrenewal is due to nonpayment of premium; or
    - b.** 45 days before the expiration date if the nonrenewal is for any other reason.
  - 2.** We will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. If notice is mailed, it will be sent in accordance with Virginia Law.
  - 3.** If notice is mailed, proof of mailing will be sufficient proof of notice.

# MOTOR TRUCK CARGO CARRIERS COVERAGE FORM

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

## A. Coverage

### 1. Insuring Agreement

We will pay those sums that you become legally obligated to pay for loss to Covered Property caused by a Covered Cause of Loss. We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any claim or "suit" that may result. But:

- a. The amount we will pay for damages is limited as described in Section C. Limits Of Insurance; and
- b. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

### 2. Covered Property

Covered Property, as used in this Coverage Form, means property of others described in the Declarations that you have accepted for transportation as a common or contract motor carrier under any bill of lading, contract of carriage or shipping receipt issued by you.

### 3. When Coverage Applies

We only cover property:

- a. While in your custody as the carrier or in the custody of connecting carriers, until the property is delivered to its destination and accepted by the consignee or its representative, but in no event shall exceed the period of time specified under your bill of lading, contract of carriage or shipping receipt; or

- b. At a terminal, including a warehouse or other storage area, for up to 72 hours (excluding Sundays and holidays). However, if a Limit Of Insurance is shown in the Declarations for:

- (1) Property at Terminals whose locations are specified; or

- (2) Property at Unspecified Terminals;

then the time limitation for coverage at terminals is 60 days unless a different number of days is specified in the Declarations.

If the property is not delivered or refused by consignee, we cover the property until it is returned to the shipper or consignor.

### 4. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Bullion, gold or other precious metals, jewelry, watches, precious or semiprecious stones;
- c. Furs or garments trimmed with fur;
- d. Coins or stamps;
- e. Live animals; except when death, or injury requiring an animal to be killed, is caused directly by fire, lightning, explosion, windstorm or hail, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by "accident" of the vehicle carrying the property if these causes of loss would be covered under this Coverage Form;
- f. The vehicle(s) carrying the property;
- g. Intermodal containers, unless included in the value of the shipment;
- h. Property while waterborne. However, we cover property while aboard vessels on inland waterways when the waterborne transportation is incidental to the land portion of the journey;
- i. Import Shipments:
  - (1) Until discharged from the import conveyance; or



- (2) Until Ocean Marine insurance ceases; whichever occurs last;

j. Export Shipments:

- (1) After placed on the outbound conveyance; or
- (2) When Ocean Marine insurance applies to the shipment; whichever occurs first;

k. Works of art unless described in the Declarations; or

- l. Contraband, or property in the course of illegal transportation or trade.

**5. Covered Causes Of Loss**

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

**6. Additional Coverages**

The Limits of Insurance shown in Paragraph A.6. Additional Coverages are provided within, not in addition to, the Limit Of Insurance stated in the Declarations as applicable to the Covered Property, except with respect to Debris Removal Additional Coverage in Paragraph A.6.a.(3).

**a. Debris Removal**

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
  - (b) The deductible in this Policy applicable to that loss or damage.
- (3) Payment under this Additional Coverage will not increase the applicable Limit of Insurance, but if:
  - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

- (b) The debris removal expense exceeds the amount payable under the 25% limitation;

we will pay up to an additional \$10,000, unless a different Limit Of Insurance is shown in the Declarations in any one occurrence under this Additional Coverage.

- (4) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

**b. False Pretense**

We will pay for loss or damage to Covered Property when you, your agents, consignees or customers voluntarily part with the covered property due to:

- (1) Having accepted false bills of lading or shipping receipts; or
- (2) Someone causing you to voluntarily part with the covered property by trick, scheme, device or under false pretense.

Coverage is excluded, for loss or damage to property which is otherwise covered, when the person committing the wrongful act is an employee.

The most we will pay under this Additional Coverage is \$25,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

**c. Preservation Of Property**

If it is necessary to move Covered Property to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 60 days after the property is first moved.

#### d. Rewards

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations, to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Replacement Cost of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property.

(b) Up to \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations, to an eligible person for the return of stolen Covered Property, when loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Replacement Cost based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property returned.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the necessary information or return the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) There will be no reimbursement for a reward paid unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The amount of the reward is the most we will reimburse under this Additional Coverage for loss in any one occurrence.

(d) The insured must have posted public notice of the reward prior to the person having been first to voluntarily provide the necessary information or return the stolen Covered Property.

#### 7. Additional Coverages

The Limits of Insurance shown in Paragraph A.7. Additional Coverages are separate from, and will not reduce, the Limit Of Insurance shown in the Declarations as applicable to the Covered Property.

##### a. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

(1) All expenses we incur.

(2) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.

(3) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

(4) All costs taxed against you in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against you.

(5) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- (6) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

Commercial Inland Marine Conditions Loss Payment Paragraph **E.4.** does not apply.

**b. Cargo Handling Equipment**

We will pay for loss or damage that is caused by or results from a Covered Cause of Loss to equipment you own, lease or operate for loading, unloading, packing and securing of Covered Property.

The most we will pay under this Additional Coverage is \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

**c. Contractual Penalties**

We will pay for contractual penalties imposed by written contract between you and your customers. These penalties must:

- (1) Result from failure to deliver the Covered Property on time according to contract terms;
- (2) Result from direct physical loss or damage to Covered Property by a Covered Cause of Loss; and
- (3) Have been paid by you to your customers.

The most we will pay under this Additional Coverage is \$5,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

**d. Earned Charges**

We will pay earned charges that are due you that become uncollectible because of direct physical loss of or damage to Covered Property caused by a Covered Cause of Loss.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$5,000, unless a different Limit Of Insurance is shown in the Declarations.

**e. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$10,000 for service, unless a different Limit of Insurance is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed. This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**f. Fire Extinguishing Systems Expense**

- (1) We will pay:

(a) The cost of recharging your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) or replacing the fire extinguishers or fire extinguishing systems, whichever is less, when the need to recharge or replace is caused by a Covered Cause of Loss; and

(b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguishing system.

- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

- (3) The most we will pay under this Additional Coverage is \$10,000 in any one occurrence, unless a different Limit Of Insurance is shown in the Declarations.

**g. Fuel**

We will pay for loss or damage that is caused by or results from a Covered Cause of Loss to fuel, oil, grease, gasoline and other fluids necessary to transport Covered Property.

Such fluids must be in or on a vehicle you own or operate transporting Covered Property at the time of loss.

The most we will pay under this Additional Coverage is \$2,500 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

#### **h. Newly Acquired Terminals**

When a Limit Of Insurance is shown in the Declarations for Property at Terminals whose locations are specified, the following applies:

- (1) The insurance that applies to Covered Property is extended to apply to such property at any Terminal you newly acquire other than at fairs, trade shows or exhibitions.
- (2) The most we will pay for loss or damage under this coverage is \$100,000 at each newly acquired terminal, unless a different limit is shown in the Declarations.
- (3) Insurance under this coverage for each newly acquired terminal will end when any of the following first occurs:
  - (a) This Policy expires;
  - (b) 60 days, unless a greater number of days is shown in the Declarations, expire after you acquire the terminal; or
  - (c) You report the values to us.
- (4) We will charge you additional premium for values reported from the date you acquire the terminal.

However, this Additional Coverage does not apply when a Limit Of Insurance is shown for Property at Unspecified Terminals in the Declarations.

#### **i. Pollutant Cleanup And Removal**

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$25,000, unless a different Limit Of Insurance is shown in the Declarations, for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this Policy.

#### **j. Preservation Of Property Expense**

We will pay the necessary expenses incurred to move or store Covered Property to preserve it from loss or damage by a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations. This Additional Coverage shall not exceed 60 days from the time the Covered Property is first moved.

#### **k. Electronic Equipment**

We will pay for loss or damage that is caused by or results from a Covered Cause of Loss to your owned or leased electronic equipment that reproduces, receives or transmits audio, visual or data signals and that is used in the transport of Covered Property.

Such equipment includes any accessories, "data" and "media" associated with it.

The most we will pay under this Additional Coverage is \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

### **B. Exclusions**

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

#### **a. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**b. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

**c. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Exclusions **B.1.a.** through **B.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

**2.** Your liability for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest or criminal act (including theft) committed by:
  - (1) You, any of your partners, employees (including temporary employees, leased workers, contractors and leased owner operators), officers, directors, trustees, or authorized representatives;
  - (2) A manager or a member if you are a limited liability company; or
  - (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees, leased workers, contractors and leased owner operators) or authorized representatives; but theft by your employees (including temporary employees, leased workers, contractors and leased owner operators) or authorized representatives is not covered.

- c. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by the "specified causes of loss".
- d. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense, except as provided in the Additional Coverages section, **A. 6.b.** False Pretense.
- e. Unauthorized instructions to transfer property to any person or to any place.
- f. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- g. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

3. Your liability for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
  - b. Mechanical breakdown (including rupture or bursting caused by centrifugal force), malfunction, or failure to operate.
  - c. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
  - d. Dampness or dryness of atmosphere.
  - e. Changes in or extremes of temperature.

However, with respect to Paragraphs **3.b.**, **3.d.** and **3.e.**, we will pay for such loss or damage caused directly by fire, lightning, explosion, windstorm or hail, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by "accident" of the vehicle carrying the property if these causes of loss would be covered under this Coverage Form.

### C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

### D. Deductible

1. We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.
2. However, we may pay any part or all of the deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
3. In the event that more than one Deductible applies to loss or damage as a result of one occurrence, we will apply only the largest Deductible.

### E. Additional Conditions

1. The **Valuation** General Condition in the Commercial Inland Marine Conditions is replaced by the following:

#### Valuation

- a. The value of Covered Property will be the least of the following amounts:
  - (1) The cost of reasonably restoring that property to its condition immediately before loss;
  - (2) The cost of replacing that property with substantially identical property; or
  - (3) The amount for which you are legally liable under a bill of lading or contract of carriage.
- b. The value of property for the Additional Coverage **A.7.b.** Cargo Handling Equipment will be the least of the following amounts:
  - (1) The actual cash value of that property;

- (2) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- (3) The cost of replacing that property with substantially identical property.

- c. The value of property for the Additional Coverage **A.7.g.** Fuel will be the lesser of the following:

- (1) Your original cost; or
- (2) Market value at the time of loss.

- d. The value of property for the Additional Coverage **A.7.k.** Electronic Equipment will be:

- (1) The cost of replacing the equipment with new property functionally identical to the damaged equipment if replaced; or
- (2) Actual cash value if the property is not repaired or replaced.

In the event of partial damage to an item of electronic equipment, we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

However, the value of:

- (a) "Data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".
- (b) "Media" will be the cost to repair or replace the "media" with substantially identical property.

In the event of loss, the value of property will be determined as of the time of loss or damage.

2. The following condition applies in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

#### Coverage Territory

- a. We cover property wherever located within:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.
- b. We also cover property being shipped by air within and between points in Paragraph a.

## F. Definitions

1. "Accident" means:
  - a. Upset or overturn of the transporting vehicle; or
  - b. The accidental contact of the transporting vehicle with another vehicle or object, but not including contact with:
    - (1) The roadbed or curbing;
    - (2) Rails or ties of street, steam or electric railroad; or
    - (3) Any stationary object while backing for loading or unloading purposes.
2. "Data" means:
  - a. Data stored on "media"; and
  - b. Programming records used for electronic data processing or electronically controlled equipment.
3. "Media" means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.
4. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; "water damage".
- a. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This Cause of Loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
6. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
7. "Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which you must submit or submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

2. We will not pay you more than your financial interest in the Covered Property.

3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.



5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### **J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

##### **B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### **C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

## BIIA Privacy Practices

Protecting the privacy and confidentiality of information about our customers is very important to Building Industry Insurance Association (BIIA). Accordingly, we strive to comply with each of the following practices in everything we do:

**We do not sell, rent, lease or otherwise disclose personal information of our customers for purposes unrelated to our product and services.** The personal information of our customers is of paramount importance to us. Therefore, we provide this information only to our employees, agents and third parties as required to allow them to help us develop and provide our insurance.

**We work to ensure information integrity and security.** We use technology tools and design our business practices to help ensure that the personal information of our customers is properly gathered, stored and processed. We also work to maintain the security of, and internal and external access to, the personal information of our customers through the use of technology and our business practices.

**We expect our service agents and employees to respect the personal information of our customers.** BIIA has business policies and practices in place to help ensure that our employees and service agents carry out these practices and otherwise protect personal information about our customers. Both employees and service agents are subject to censure, dismissal, or termination for violation of these policies.

## PRIVACY NOTICE

BIIA and our agents provide this notice to let you know about the current privacy practices of BIIA. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

### Collection of Information

As part of BIIA's normal underwriting and operating procedures, BIIA (and our service agents acting on our behalf) need to obtain information to determine an individual/company's eligibility for our product and to perform our insurance functions. BIIA may collect nonpublic personal financial information about BIIA's customers, including:

- Information from our customers (including names, addresses, and financial information).
- Information about the customers' transactions with BIIA (including claims and payment information).
- Information from consumer reporting agencies (including creditworthiness and credit history); insurance support organizations such as the Central Index Bureau (including claims histories); and a claimant's health care providers, employee(s) salary information.

### Disclosure of Information

BIIA may disclose the nonpublic personal financial information we collect, as described above, as well as information about your transactions with us (such as your policy coverage, premiums, and payment history) to our service agents or other third parties who perform services or functions on our behalf. We may also disclose the nonpublic personal financial information we collect to other third parties as authorized by you or as required or permitted by law.

Our service agents will make disclosures of our customers' nonpublic personal financial information only while acting on BIIA's behalf and, furthermore, will make such disclosures only as BIIA itself is permitted to make.

Neither BIIA nor our service agents will use or share with other parties any nonpublic personal financial information about BIIA customer for any purpose other than disclosures for the performance of insurance functions by BIIA or on our behalf, disclosures that are permitted or required by law, or disclosures that the customer has authorized.

Neither BIIA nor our service agents will further disclose any nonpublic personal information about a former customer of BIIA other than as may be required or permitted by law.

### **Confidentiality and Security**

BIIA and our service agents will safeguard, according to strict standards of security and confidentiality, any information we collect, receive or maintain about BIIA's customers. BIIA maintains administrative, technical, and physical safeguards to ensure the security and confidentiality of our customers' information and records, to protect against anticipated threats or hazards to such records, and to protect against unauthorized access to or use of such information or records.

Internally, BIIA limits access to our customers' information to only those employees who need access to the information to perform their job functions. Employees who misuse information are subject to disciplinary actions. Externally, we do not disclose customer information to any third parties unless we have previously informed the customer of the disclosure, have been authorized to do so by the customer, or are required or permitted to make the disclosure by law or our regulators.

## **IMPORTANT INFORMATION TO POLICY HOLDERS**

In the event you need to contact someone about this policy for any reason, please contact your agent. If you have additional questions, you may contact the insurance company issuing this policy at the following address and telephone number:

Customer Relations Department  
Building Industry Insurance Association, Inc.  
345 W. Freemason St  
Norfolk, VA 23510  
757-420-3022

If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Virginia Bureau of Insurance at:

Property and Casualty Division  
Bureau of Insurance  
P. O. Box 1157  
Richmond, Virginia 23209  
1-804-371-9965

Written correspondence is preferable so that a record of your inquiry can be maintained. When contacting your agent, company or the Bureau of Insurance have your policy number available.

## Thank You

We would like to take the opportunity to thank you for placing business with Building Industry Insurance Association, Inc.

Our insurance programs are successful because of you.  
Let us know how we can better serve you.