

ADVISORY NOTICE TO POLICY HOLDERS

Changes to Form, CP 0099 0402, for all West Virginia Commercial Policies effective on or after August 1, 2002.

This is a summary of the major changes in your Standard Property Policy, Form CP 0099 04 02. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your declaration page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, THE PROVISIONS OF THIS POLICY SHALL PREVAIL.

The areas within the policy that broaden, reduce or clarify coverage are highlighted below.

I. CHANGES IN COVERAGE - ELECTRONIC DATA

In the revised policy, electronic data (which is defined) is characterized as Property Not Covered, except as provided under Additional Coverage - Electronic Data. [The characterization of electronic data as Property Not Covered is not a comment on the essential nature of electronic data. Rather, Property Not Covered is designed to address situations which serve as exceptions to Covered Property or simply need to be identified as being outside the purview of coverage or full coverage.]

Under the Additional Coverage - Electronic Data, coverage is provided for the cost of replacing or restoring electronic data which has been destroyed or corrupted by a Covered Cause of Loss. The Covered Causes of Loss in this situation were certain named perils, including computer virus as limited. The Electronic Data coverage is subject to an annual aggregate limit of \$2,500 per policy, which applies regardless of the number of occurrences, premises, location or computer systems involved.

Reduction in coverage: The new annual aggregate limit of \$2,500 per policy represents a reduction in coverage with respect to losses that would have been covered in the past under Valuable Papers and Records - Cost of Research. The previous coverage was in the amount of \$2,500 per premises for each occurrence.

Potential broadening of coverage. As revised, the policy explicitly provides coverage under certain circumstances for corruption of electronic data, a type of loss which was not explicitly addressed in the policy in the past. The revised policy also makes it explicit that a computer virus is a covered cause of loss in many circumstances. To the extent that such losses would not have been covered in the past, the Additional Coverage - Electronic Data represents a broadening of coverage.

II CLARIFICATION OF PROCEDURAL CHANGES

- VALUABLE PAPERS AND RECORDS (OTHER THAN ELECTRONIC DATA)

Valuable papers and records (other than electronic data) are addressed in a Coverage Extension of that title. There is no change in coverage.

CAUSES OF LOSS SECTIONS OF CP 00 99 AS LISTED IN INDIVIDUAL ITEMS

I. CLARIFICATION OF PROCEDURAL CHANGES

• UTILITY SERVICES EXCLUSION

A statement has been added to the Utility Services exclusion e, on page 10 explaining that failure of power or other utility service includes lack of sufficient capacity and a reduction in the supply of the service.

II. REDUCTION OF COVERAGE

• LOSS INVOLVING FUNGUS, WET OR DRY ROT OR BACTERIA

In the past, coverage for loss caused by fungus (including mold, wet rot and dry rot) was provided when the fungus resulted from a Covered Cause of Loss. Under property damage forms, the Limits of Insurance on the affected property was the maximum payable for the total of all damages (by the covered cause of loss and fungus) to the covered property. Such coverage, for property damage still applies when fungus results from a fire or lightning loss.

As revised, the policy provides limited coverage when fungus results from a Covered Cause of Loss other than fire or lightning. Property damage coverage is subject to a \$15,000 annual aggregate limit per policy. The \$15,000 limit, which does not increase the amount of insurance on the affected property, represents a reduction in coverage.

II. POTENTIAL REDUCTION OF COVERAGE

• EXCLUSION OF CONTINUOUS OR REPEATED SEEPAGE OR LEAKAGE OF WATER OR STEAM

This exclusion, c. on the top of page 11, has been revised by adding reference to the presence of condensation of humidity, moisture or vapor. The exclusion addresses conditions which persist over a period of 14 or more days.