AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

PREMISES ALARM SYSTEM

Code	Safe Alarmed	Class E or better	Safe Not Alarmed	
		Other/safe	Class E or better	Other/none
E None	.80	.95	.85	1.00
D Local or Silent*	.70	.75	.75	.90
C Central Station wo/Guard	.65	.75	.70	.80
B Central Station w/Guard/Keys	.60	.70	.65	.75
A Central Station (UL) Approved	.55	.65	.60	.70

*Professionally installed with maintenance.

NOTE: Multiply the burglary premium by the appropriate factor.

II. ROBBERY CREDITS

PROTECTION SERVICE

Hold up buttons	Armored car	None
Yes	0.85	0.90
No	.95	1.00

NOTE: Multiply the robbery premium by the appropriate factor.

Package Discount

Apply a factor of .90 to the total premium if both burglary and robbery are purchased.

[50 FR 16497, Apr. 26, 1985, as amended at 53 FR 11276, Apr. 6, 1988; 54 FR 31682, Aug. 1, 1989; 55 FR 42191, 42193, Oct. 18, 1990; 57 FR 26776, June 16, 1992]

§ 83.25a Application and date of commencement of coverage.

(a) Application for commercial Federal crime insurance shall be made only on forms approved by the Administrator. When a property is found by preinspection to comply with the applicable protective device requirements, coverage on property under a policy covering burglary losses will commence at 12:00 noon following the date of a U.S. Post Office affixed postmark, or proof of Certified or Registered mailing. In the absence of such postmark or other proof sufficient to substantiate the date of mailing, coverage will be effective at 12:00 noon following receipt by the servicing company, unless a later date is specified in the application.

(b) Coverage under a policy covering robbery only will commence as described in paragraph (a) of this section, except that protective device preinspection is not applicable. When both robbery and burglary coverages are applied for on an application, an advance request may be submitted with the application to issue a policy for Option 2 Robbery Only insurance coverage if the premises fails to meet the protective device requirements which must be complied with as a prerequisite to obtaining burglary coverage. In such an event the Option 2 policy covering only robbery losses will commence as described above.

[45 FR 41956, June 23, 1980]

§ 83.26 Required commercial policy form.

The following shall constitute the policy form for the commercial crime insurance policy, and no other policy form shall be used unless otherwise provided by this § 83.26.

(a) [Reserved]

(b) Commercial Crime Insurance Policy form:

FEDERAL INSURANCE ADMINISTRATION

COMMERCIAL CRIME INSURANCE POLICY

The Federal Insurance Administrator, herein called the Insurer, agrees with the insured, named in the Application made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the Application, and subject to (1) the provisions of title VI of Public Law 91–609 and subchapter B, parts 80 *et seq.*, chapter I, title 44 of the Code of Federal Regulations, and (2) the limits of insurance, exclusions, conditions, deductibles, and other terms of this Policy with respect to the following criminal acts:

INSURING AGREEMENTS

OPTION 1 (BURGLARY ONLY INCLUDING SAFE BURGLARY)

Option 1 includes insurance coverage only under the individually numbered insuring Agreements I, II, III, and IV listed below.

I. Burglary: Robbery of a Watchman

To pay for loss by burglary or by robbery of a watchman, while the named premises are not open for business, of merchandise, furniture, fixtures and equipment within the named premises provided that this Insuring Agreement does not extend to the loss of money or securities or to cash value in excess of $50 for any item of jewelry unless such property is forcibly extracted from a locked safe as provided under Insuring Agreement II entitled ''Safe Burglary'' which follows:

II. Safe Burglary

To pay for loss by safe burglary of money, securities and merchandise within the named premises while the premises are not open for business, but no payment shall be made for loss not forcibly extracted from a locked safe, nor by a loss in excess of $5,000 except with respect to loss by safe burglary of a safe rated for burglary resistance as Class E or better weighing at least seven hundred and fifty pounds or securely anchored to the floor.

III. Damage

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises by burglary, robbery of a watchman, safe burglary or attempt thereat provided the insured is the owner thereof or is liable for such damage.

IV. Policy Period, Territory

To pay for losses under Insuring Agreements I, II, and III only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States, including the Trust Territory of the Pacific Islands, as defined in 12 U.S.C. 1749bbb–10a *et seq.* and set forth in 44 CFR part 80 *et seq.*

OPTION 2 (ROBBERY ONLY)

Option 2 includes insurance coverage only under the individually numbered insuring Agreement V, VI, VII and VIII listed below.

V. Robbery, Including Observed Theft Inside the Premises

To pay for loss by robbery or observed theft of money, securities, merchandise, furniture, fixtures, and equipment within the named premises.

VI. Robbery, Including Observed Theft, Outside of the Premises

To pay for loss by robbery or observed theft of money, securities and merchandise, including the wallet or bag containing such property while such property is in conveyance by the insured or his messenger outside the named premises, but no payment shall be made for any loss in excess of $5,000 except when the insured or his messenger is accompanied by a guard armed with a firearm. The person carrying the insured property and the armed guard cannot be the same person.

This Insuring Agreement includes theft from a night desository but only if a deposit of money has been made at a night depository of a banking institution by a bonded armored car messenger service.

VII. Damage

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises, by robbery, or attempt thereat, provided the insured is the owner thereof or is liable for such damage.

VIII. Policy Period, Territory

To pay for losses under Insuring Agreements V, VI, VII only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States including the Trust Territory of the Pacific Islands, as defined in 12 U.S.C. 1749bbb–10a *et seq.* and set forth in 44 CFR part 80 *et seq.*

OPTION 3 (ROBBERY AND BURGLARY IN UNIFORM AND VARYING AMOUNTS)

Option 3 shall provide for uniform and varying limits of coverage under Option 1 and 2 but only in the same policy. Both Option 1 and 2 must be applied for at the same time.

If one of the options has been selected, the other option may be added upon a renewal or upon an endorsement of the original policy. A discount will be provided for Combined Coverage, Option 3.

Option 1 includes insurance coverage under all of the individually numbered Insuring Agreements listed under the headings Option 2 and Option 3, thus constituting a combination of equal amounts of robbery and burglary insurance coverage.

Option 2 includes insurance coverage only under the individually numbered insuring Agreements I, II, III and IV listed below:

I. Robbery, including observed theft inside the premises

To pay for loss by robbery or observed theft of money, securities, merchandise, furniture, fixtures, and equipment within the named Premises.

II. Robbery, including observed theft outside of the premises

To pay for loss by robbery or observed theft of money, securities and merchandise, including the wallet or bag containing such property while such property is in conveyance by the insured or his messenger outside the named premises, but no payment shall be made for any loss in excess of $5,000 except when the insured or his messenger is accompanied by a guard armed with a firearm. The person carrying the insured property and the armed guard cannot be the same person.

This Insuring Agreement includes theft from a night depository but only if a deposit of money has been made at a night depository of a banking institution by a bonded armored car messenger service.

III. Damage

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises, by robbery or attempt thereat, provided the insured is the owner thereof or is liable for such damage.

IV. Policy period, territory

To pay for losses under Insuring Agreements I, II and III only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States including the Trust Territory of the Pacific Islands as defined in 12 U.S.C. 1749bbb–2 and set forth in 44 CFR 55.1.

Option 3 includes insurance coverage only under the individually numbered Insuring Agreements V, VI, VII and VIII listed below.

V. Burglary, robbery of a watchman

To pay for loss by burglary or by robbery of a watchman, while the named premises are not open for business, of merchandise, furniture, fixtures and equipment within the named premises provided that this Insuring Agreement does not extend to the loss of money or securities or to cash value in excess of $50 for any item of jewelry unless such property is forcibly extracted from a locked safe as provided under Insuring Agreement VI entitled ''Safe Burglary'' which follows.

VI. Safe burglary

To pay for loss by safe burglary of money, securities and merchandise within the named premises while the premises are not open for business, but no payment shall be made for a loss in excess of $5000 except with respect to loss by safe burglary of a safe rated for burglary resistance as Class E or better weighing at least seven hundred and fifty pounds or securely anchored to the floor.

VII. Damage

To pay for damage to the named premises and to money, securities, merchandise, furniture, fixtures and equipment within the named premises by burglary, robbery of a watchman, safe burglary or attempt thereat provided the insured is the owner thereof or is liable for such damage.

VIII. Policy period, territory

To pay for losses under Insuring Agreements V, VI, and VII only when occurring during the policy period within a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands and such other territories or possessions of the United States, including the Trust Territory of the Pacific Islands as defined in 12 U.S.C. 1749bbb–2 and set forth in 44 CFR 55.1.

Option 4 shall include insurance coverage under all of the individually numbered Insuring Agreements listed under the headings Option 2 and 3 but constituting a combination of unequal amounts of robbery and burglary insurance coverages.

EXCLUSIONS

This Policy does not apply:

(a) To loss due to embezzlement or to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, employee, director, trustee or authorized representative thereof while working or otherwise and whether acting alone or in collusion with others; provided that this exclusion does not apply to robbery or safe burglary by other than an insured, an officer or a partner thereof.

(b) To loss due to war, whether or not declared, civil war, insurrection, rebellion, or revolution, or to any act or condition incident to any of the foregoing;

(c) To loss of manuscripts, records, or accounts;

(d) Under Insuring Agreement I and II to loss occurring during a fire in the premises.

(e) To loss due to nuclear reaction, nuclear radiation, or radioactive contamination, or to any act or condition incident to any of the foregoing;

(f) To any loss if the premises are not equipped with the protective devices required as a condition of eligibility for the purchase of this policy or if the insured has failed to take reasonable action to maintain the protective devices in working order in accordance with the regulations of the Federal Insurance Administration, as published

at the time of the inception of the current term of the policy in subchapter B, part 80 et seq., chapter I, Title 44, Code of Federal Regulations.

(g) To loss of personal property of: (1) The insured, an officer or partner thereof, (2) a permanent member of the household of an insured, (3) an employee of an insured; provided that this exclusion does not apply if such personal property is used in furtherance of the conduct of the insured's business.

(h) To loss of any vehicle having four or more wheels designed to be operated on any highway and for which a motor vehicle registration is required for such use.

(i) To loss from burglary or safe burglary at any embassy or consulate of any government other than that of the United States.

(j) To loss from burglary or safe burglary at any named premises which is vacant for a period of more than 60 days.

(k) To loss of property of a business (other than the insured's business) that jointly occupies the named premises with the insured but whose business area is not separated from the insured's business area by a physical barrier. In such an instance the insured shall not be deemed liable to any persons for the property of the other business or businesses despite the location of such property in the same premises named by insured in his or its location.

(l) To loss from a night depository.

CONDITIONS

1. *Definitions*—(a) *Money*. ''Money'' means currency, coins, bank notes, and bullion; and travelers checks, register checks, and money orders held for sale to the public.

(b) *Securities*. ''Securities'' means all negotiable and nonnegotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets, but does not include money.

(c) *Premises*. ''Premises'' means the interior of that portion of any building at a location designated in the Application which is occupied by the insured as stated therein, but shall not include (1) showcases or show windows not opening directly into the interior of the premises, or (2) public entrances, halls, or stairways. As respects Insuring Agreements I and II only, the premises shall also include the space immediately surrounding such building, provided such space is occupied by the insured in conducting his business.

(d) *Custodian*. ''Custodian'' means the insured, a partner therein, an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property within the premises, excluding any person while acting as a watchman, porter, or janitor.

(e) *Messenger*. ''Messenger'' means the insured, a partner therein, an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property outside the premises. In addition ''messenger'' includes a bonded professional guard and an employee of a bonded armored car service.

(f) *In conveyance*. Money, securities or merchandise is in conveyance while being transported by the insured or his messenger. If the transportation is interrupted for any purpose which is not incidental to or in furtherance of the transportation of the money or property to its destination, the conveyance ceases. Any merchandise offered for sale by the insured or messenger at a location other than the premises named in the policy is not in conveyance. However, the sale of an item merchandise or the performance of a service, other than check cashing, related to the insured's business outside the premises which causes the insured or messenger to collect money from a customer is deemed incidental to and in furtherance of the transportation of money to its destination and the money thus collected and any other money is and remains in conveyance.

Conveyance is interrupted and coverge ceases when (1) the money, securities or merchandise is delivered into and possession relinquished at any premises other than the premises named in the policy, or (2) the money is deposited in a bank, or (3) when an insured or a messenger collecting money, securities or merchandise previously accumulated for his pickup, from more than one location remains with such property in any location for any time longer than reasonably necesssary for him to take custody of such property, or (4) when an insured or a messenger transporting money, securities or merchandise willfully and knowingly undertakes any activity that increases the likelihood of his being exposed to robbery or reduces his ability to carry out his responsibility for the custody of the money or property.

(g) *Robbery*. *Robbery* or *robbery, including observed theft,* means the taking of insured property (1) by violence inflicted upon a messenger or a custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by an officer, partner, or employee of the insured; (4) from the person or direct care and custody of a messenger or custodian who has been killed or rendered unconscious; (5) from within the premises by compelling a messenger or custodian by violence or threat of violence while outside the premises to admit a person into the premises or to furnish him with means of ingress into the premises; or (6) from a showcase or show window within

the premises while regularly open for business, by a person who has broken the glass thereof from outside the premises.

(h) *Robbery of a watchman.* ''Robbery of a watchman'' means a felonious taking of insured property by violence or threat of violence inflicted upon a private watchman employed exclusively by the insured and while such watchman is on duty within the premises.

(i) *Burglary. Burglary* or *burglary and larcency incident thereto* means the felonious abstraction of insured property from within the premises by a person making felonious entry therein by actual force and violence, evidenced by visible marks upon, or physical damage to, the exterior of the premises at the place of such entry.

(j) *Safe burglary. Safe burglary* or *safe burglary and larcency incident thereto* means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the premises, by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, evidenced by visible marks upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom, or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the premises.

(k) *Jewelry.* ''Jewelry'' means jewelry, watches, gems, precious or semiprecious stones, and articles containing one or more gems.

(l) *Loss.* ''Loss,'' except as used in Insuring Agreements I through V, includes damage.

(m) *Safe.* A safe is a non-portable money storage compartment not on wheels, which is reinforced with a minimum of ¼ inch solid steel plate throughout, with the exception of the door which must be at least one inch thick, solid steel plate and equipped with a combination lock which is an integral part of the door.

A Class E Safe means a steel safe having walls at least 1 inch thick and doors at least 1 and ½ inches thick, or a vault of steel at least ½ inch thick or of reinforced concrete or stone at least 9 inches thick or of non-reinforced concrete or stone at least 9 inches thick or of non-reinforced concrete or stone at least 12 inches thick, with steel doors at least 1 and ½ inches thick.

(n) Merchandise includes customer's property held for repair or other such work.

2. *Ownership of property; interests covered.* The insured property may be owned by the insured or held by him in any capacity, whether or not the insured is liable for the loss thereof: *Provided,* That the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss.

3. *Joint insured.* If more than one insured is named in the Application, the insured first named shall act for every insured for all purposes of this Policy. Knowledge possessed or discovery made by any insured shall, for all purposes, constitute knowledge possessed or discovery made by every insured.

4. *Books and records.* The insured shall keep records of all the insured property in such manner that the Insurer can accurately determine therefrom the amount of loss, and if the insured maintains cash funds for the purpose of check cashing, a complete record of each check negotiated shall be kept by the insured showing the names of the maker, payee and drawee bank, and the date and amount of the check, and such records shall be maintained in a receptacle other than used for money and securities.

5. *Limits of liability; settlement options.* The Insurer shall not be liable on account of any loss unless the amount of such loss shall exceed the amount of the deductible described in the Application which is made a part of this Policy and the Insurer shall then be liable only for such excess over and above the deductible, subject to and within the limit of insurance covered by the Policy.

The limit of the insurer's liability for loss shall not exceed the applicable limit of insurance stated in the Application, nor what it would cost at the time of loss to repair or replace the property with other property of like kind and quality, nor as respects securities the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property to the actual cash value thereof at the time of loss: provided, however, that the actual cash value of such other property held or originally acquired by the insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The applicable limit of insurance stated in the Application is the total limit of the Insurer's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

The Insurer may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. Any property recovered after settlement of a loss shall be applied first to the expense of the parties in making such recovery, with any balance applied as if the recovery had been made prior to said settlement, and loss readjusted accordingly. The insured or the Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other.

(6) Upon knowledge of loss or of an occurrence which may give rise to a claim for loss, the insured shall (a) give notice thereof as soon as practicable to law enforcement authorities and to the Insurer through its authorized agent and (b) file detailed proof of loss duly sworn to, with the insurer through its authorized agent within sixty (60) days after the discovery of loss unless such time is extended by the Federal Insurance Administrator in writing. The Administrator may, in his or her discretion, waive the requirement that the proof of loss be sworn to. Upon the insurer's request, the insured and every claimant hereunder shall submit to examination by the insurer, subscribe the same under penalty of 18 U.S.C. 1001 pertaining to fraud and false representation, and produce all pertinent records, all at such reasonable times and places as shall be designated, and shall cooperate with the insurer in all matters pertaining to loss or claims with respect thereto. The insured shall as a condition of continued coverage take reasonable action immediately following the discovery of a loss to protect the premises from further loss.''

7. *Other insurance.* If there is any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance; *Provided*, that the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the insured.

8. *Appraisal.* If the Insured and the Insurer fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Insurer, appoint a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place within thirty (30) days after the two appraisers are appointed. If the appraisers fail to agree, they shall jointly select a competent and disinterested third appraiser and submit the question to him within fifteen (15) days thereafter. The first two appraisers shall state separately the actual cash value at time of loss and the amount of the loss. Subsequent agreement in writing by any two of the three appraisers within thirty (30) days after the third appraiser was selected shall be considered by the Insurer in determining the amount of the loss but shall not be considered binding upon him and shall not be admissible as such in court. The insured and the Insurer shall each pay its chosen appraiser and shall bear equally the expenses of the third appraiser and the other expenses of appraisal. The Insurer shall not be held to have waived any of its rights by any act relating to appraisal.

9. *Action against insurer.* No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been compliance with all the terms of this Policy and the applicable regulations of the Federal Insurance Administration, nor until ninety (90) days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within 2 years from the date when the insured discovers the loss and within 1 year after the date upon which the claimant received written notice of disallowance or partial disallowance of the claim. Any such action shall be brought in a U.S. district court, as required by 12 U.S.C. 1749bbb–11.

10. *Subrogation.* In the event of any payment under this Policy, the Insurer shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

11. *Changes.* Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Insurer from the asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or challenged, except by endorsement issued to form a part of this Policy, as approved by the Federal Insurance Administrator.

12. *Cancellation.* This Policy may be cancelled by the insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. The grounds for cancellation of coverage by the Insurer shall be limited to those set forth in subchapter B, parts 80 *et seq.*, chapter I, Title 44 of the Code of Federal Regulations. Except as otherwise provided by such regulations, notice of cancellation by the Insurer shall be mailed to the named insured at the address shown in this Policy, stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective

date of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the named insured or by the Insurer shall be equivalent to mailing. In the event of cancellation, earned premium shall be computed in accordance with the customary short rate table and procedure, unless otherwise specifically provided in said Regulations issued by the Insurer. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

13. *Assignment.* Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the insured shall die, this Policy shall cover the insured's legal representative as insured; provided that notice of cancellation addressed to the insured named in the Application and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy.

14. *Declarations.* By signing the Application or by acceptance of this Policy the insured certifies and agrees, under penalty of Federal law dealing with fraud and false representation (18 U.S.C. 1001), that the statements in the Application are his agreements and representations, that this Policy is issued in reliance upon the truth of such representations, that he is aware of the applicability of the regulations issued by the Insurer, and that this Policy and said regulations embody all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

In witness whereof, the Federal Insurance Administrator has accepted the declarations of the insured set forth in the Application and has caused this Policy to be issued.

_____,
Federal Insurance Administrator.

(c) Such endorsements to the Commercial Crime Insurance Policy forms as the insurer may approve.

[36 FR 24774, Dec. 22, 1971, as amended at 38 FR 19687, July 23, 1973. Redesignated at 44 FR 31177, May 31, 1979, as amended at 48 FR 19372, Apr. 29, 1983; 49 FR 43472, Oct. 29, 1984; 50 FR 16499, Apr. 26, 1985; 52 FR 30687, Aug. 17, 1987; 54 FR 31684, Aug. 1, 1989]

PARTS 84–149 [RESERVED]