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COMMERCIAL LINES MANUAL
DIVISION FIVE
FIRE AND ALLIED LINES

RULE 32. TENANTS IMPROVEMENTS AND BETTERMENTS

A. Explanation

Improvements and betterments are improvements to real property. They are of a permanent nature, such as a new store front, decorations, partitions or elevators. The improvements and betterments are either installed or acquired by the tenant but are not legally removable by the tenant.

This coverage protects a tenant's use interest in improvements and betterments which may be damaged or destroyed by a covered cause of loss. If loss of use is caused by cancellation of a lease due to damage or destruction caused by a covered cause of loss, coverage may be provided using the Leasehold Interest Coverage Form [CP 00 60](#). Refer to [Rule 65](#).

B. Description Of Coverage

1. Refer to Building And Personal Property Coverage Form [CP 00 10](#) for a description of tenants improvements and betterments. The improvements and betterments are those made or acquired at the tenant's expense but not necessarily during the period of the current lease.
2. Refer to the Valuation Condition of Form [CP 00 10](#) for a description of the special basis for valuation of tenants improvements and betterments.

C. Form

Use Form [CP 00 10](#).

D. Rules

1. General

Improvements and betterments may be written as a separate policy, a separate item or as a part of an item also covering personal property under a blanket amount.

2. Exclusion From Lessor's Building Coverage

Improvements and betterments may be excluded from the building coverage of Form [CP 00 10](#). Use Additional Property Not Covered Endorsement [CP 14 20](#).

E. Rates

1. When written in the same item as personal property, use the personal property rate.
2. When written as a separate item, use the building rate.

F. Ordinance Or Law Coverage For Tenants Improvements And Betterments

1. Ordinance Or Law Coverage can be provided for a tenant's improvements and betterments by adding Endorsement [CP 04 26](#), Ordinance Or Law Coverage For Tenant's Interest In Improvements And Betterments (Tenant's Policy). Refer to [Rule 38.D](#). for information about Ordinance Or Law Coverage, including a description of Coverages [A](#), [B](#) and [C](#).
2. When Endorsement [CP 04 26](#) is added to the policy, do **not** write improvements and betterments as part of an item also covering personal property under a blanket amount.
3. Determine the premium for Endorsement [CP 04 26](#) in accordance with the rating provisions set forth in [Rule 38.D](#).

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