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24 hours a day, 365 days a year*

*Unless Your Policy Requires **Written** Notice or Reporting

CONDOMINIUM PAC

CONDO - 1-4 UNITS PER FIRE DIVISION



A Custom Insurance Policy Prepared for:

**EAST GATES HOA
334 S 400 E
APT 4
CEDAR CITY UT 84720-3473**

Presented by: MCALLISTER INSURANCE

Dear Valued Policyholder:

We are excited to inform you about changes to your policy on renewal. We are implementing a new proprietary Condominium and Community Associations Directors and Officers Liability Coverage Form that will modernize and further simplify our approach to that coverage.

This transition will improve consistency in our approach to Directors and Officers Liability Coverage.

In order to make this transition to our new proprietary Condominium and Community Associations Directors and Officers Liability Coverage Form as easy as possible for you, we will adjust any claims for Directors and Officers Liability Coverage under your new policy based upon the terms and conditions of either your expiring policy or your new policy, **whichever are broader**. However, this approach to adjustment of claims for Directors and Officers Liability Coverage is **subject to the following exceptions**:

- Any difference in the identity of named insureds.
- Any reduction in the amount of the limits of insurance shown in the Condominium and Community Associations Directors and Officers Liability Coverage Declarations for your new policy from the amount shown for substantially similar coverage in any Declarations or endorsement for your expiring policy.

We will apply this approach to claims adjusted under your first new Travelers policy. Any claim adjusted under a subsequent Travelers policy will be adjusted based only upon the terms and conditions of that policy.

Please review your expiring and new Travelers policies carefully, retain your expiring policy, and contact your agent or broker if you have any questions about this letter. We appreciate your business and thank you for choosing to insure with us.

RENEWAL CERTIFICATE

COMMON POLICY DECLARATIONS
 CONDOMINIUM PAC
 BUSINESS: CONDO - 1-4 UNI

POLICY NO.: 680-1L784529-23-42
ISSUE DATE: 04/21/2023

INSURING COMPANY:
 TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

EAST GATES HOA
 334 S 400 E
 APT 4
 CEDAR CITY UT 84720-3473

2. POLICY PERIOD: From 06/04/2023 to 06/04/2024 12:01 A.M. Standard Time at your mailing address.

3. LOCATIONS:

PREM. NO.	BLDG. NO.	OCCUPANCY	ADDRESS (same as Mailing Address unless specified otherwise)
001	ALL	CONDO - 1-4 UNI	334 S 400 E CEDAR CITY UT 84720

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

COVERAGE PARTS AND SUPPLEMENTS	INSURING COMPANY
Businessowners Coverage Part	ACJ
Directors & Officers Coverage Supplement	ACJ

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions.

POLICY	POLICY NUMBER	INSURING COMPANY
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DIRECT BILL

7. PREMIUM SUMMARY:

Provisional Premium	\$	6,618.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER

MCALLISTER INSURANCE XA886
 491 N BLUFF ST STE 101

ST GEORGE UT 84770

COUNTERSIGNED BY:

 Authorized Representative

DATE: 04/21/2023



BUSINESSOWNERS COVERAGE PART DECLARATIONS

CONDOMINIUM PAC

POLICY NO.: 680-1L784529-23-42

ISSUE DATE: 04/21/2023

INSURING COMPANY:
TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:
From 06-04-23 to 06-04-24 12:01 A.M. Standard Time at your mailing address

FORM OF BUSINESS: ASSOCIATION

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

COMMERCIAL GENERAL LIABILITY COVERAGE

OCCURRENCE FORM	LIMITS OF INSURANCE
General Aggregate (except Products-Completed Operations Limit)	\$ 2,000,000
Products-completed Operations Aggregate Limit	\$ 2,000,000
Personal and Advertising Injury Limit	\$ 1,000,000
Each Occurrence Limit	\$ 1,000,000
Damage to Premises Rented to You	\$ 300,000
Medical Payments Limit (any one person)	\$ 5,000

BUSINESSOWNERS PROPERTY COVERAGE

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 25,000 per occurrence.
Building Glass: \$ 25,000 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.: 001

BUILDING NO.: ALL

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUILDING *Replacement Cost	\$ 3,821,424	Blanket Limit RC*	N/A	0.0%

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

POLICY NUMBER: 680-1L784529-23-42

EFFECTIVE DATE: 06/04/2023

ISSUE DATE: 04/21/2023

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS

* PN U4 34 07 22 LIBERALIZATION LETTER - DIRECTORS AND OFFICERS
LIABILITY CHANGES
* IL T0 25 08 01 RENEWAL CERTIFICATE
* MP T0 01 02 05 BUSINESSOWNERS COVERAGE PART DECLARATIONS
* IL T8 01 01 01 FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 15 09 07 COMMON POLICY CONDITIONS

BUSINESSOWNERS

MP T1 30 02 05 TABLE OF CONTENTS - BUSINESSOWNERS COVERAGE PART -
DELUXE PLAN
MP T1 02 02 05 BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM
MP T5 46 08 13 AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE
- UTAH
* MP T3 63 03 15 POWER PAC PREMIER ENDORSEMENT
MP T3 25 01 21 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
MP T3 50 11 06 EQUIPMENT BREAKDOWN - SERVICE INTERRUPTION LIMITATION
MP T3 56 02 08 AMENDATORY PROVISIONS - GREEN BUILDING AND BUSINESS
PERSONAL PROP COV ENHANCEMENTS
* MP T3 23 08 06 FUNGUS, ROT, BACTERIA AND OTHER CAUSES OF LOSS CHANGES
MP T5 34 05 10 UTAH CHANGES

COMMERCIAL GENERAL LIABILITY

* CG U0 15 07 21 CONDO COMM ASSOC D&O LIAB DECLARATIONS
CG T0 34 02 19 TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY
COVERAGE FORM CG T1 00 02 19
* CG U0 16 07 21 CONDO COMM ASSOC D&O LIAB COV TOC
CG T1 00 02 19 COMMERCIAL GENERAL LIABILITY COVERAGE FORM
* CG T1 38 07 21 CONDO COMM ASSOC D&O LIAB COV FORM
CG D2 37 02 19 EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES -
COMPLETED OPERATIONS
CG D3 09 02 19 AMENDATORY ENDORSEMENT - PRODUCTS-COMPLETED OPERATIONS
HAZARD
CG D9 10 09 21 AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION
CG D2 03 12 97 AMEND - NON CUMULATION OF EACH OCC
* MP T1 25 11 03 HIRED AUTO AND NON-OWNED AUTO LIABILITY
CG D2 43 01 02 FUNGI OR BACTERIA EXCLUSION
CG D4 21 07 08 AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11 EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION
LAWS
CG D0 76 06 93 EXCLUSION - LEAD
CG D1 42 02 19 EXCLUSION - DISCRIMINATION

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

POLICY NUMBER: 680-1L784529-23-42

EFFECTIVE DATE: 06/04/2023

ISSUE DATE: 04/21/2023

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG 01 47 11 13 UTAH CHANGES - COMMON-INTEREST ASSOCIATIONS

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03 LIMITATION WHEN TWO OR MORE POLICIES APPLY
CG 01 86 12 04 UTAH CHANGES

INTERLINE ENDORSEMENTS

* IL T0 63 07 22 ACTUAL CASH VALUE
IL T3 68 01 21 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
IL T4 12 03 15 AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 27 06 19 ADDITIONAL BENEFITS
IL T4 40 10 20 PROTECTION OF PROPERTY
IL T3 82 05 13 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
IL 00 21 09 08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD
FORM)
IL 02 66 07 21 UTAH CHANGES - CANCELLATION AND NONRENEWAL

POLICY HOLDER NOTICES

* PN MP 59 04 19 IMPORTANT NOTICE - PRODUCT AVAILABILITY
PN T1 94 11 21 IMPORTANT NOTICE - LEAD EXCLUSION
* PN T4 54 01 08 IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND
BROKER COMPENSATION
PN MP 38 01 11 IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

TRAVELERS PROPERTY



TRAVELERS PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Power Pac Premier Endorsement

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

SCHEDULE

Computer Fraud and Funds Transfer Fraud Limit of Insurance: \$ ~~NOT~~ COVERED

The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following **Additional Coverage** is added to paragraph **A.6.:**

Blanket Coverage Limit of Insurance

We will pay up to \$250,000 in any one occurrence as a Blanket Coverage Limit of Insurance for the sum of all covered loss at each described premises under the coverages described in paragraphs **a.** through **d.** below. You may apportion this limit among these coverages as you choose.

Unless otherwise stated, this Blanket Coverage Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the following coverages.

a. Accounts Receivable

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs **A.7.a.(2)** and **A.7.a.(3)** and is subject to the provisions that apply to those Paragraphs.

b. Excess Debris Removal

- (1) Within the Blanket Coverage Limit of Insurance, we will pay your expense to remove debris of Covered Property, other

than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, 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) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

- (3) When the debris removal expense exceeds the 25% limitation in **Additional Coverage – Debris Removal** in **Section A.6.c.(3)** or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to the Blanket Coverage Limit of Insurance for debris removal expense in any one occurrence, at each described premises.

c. Spoilage Coverage

- (1) Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph **(3)** below and not excluded in Paragraph **(4)** below.

BUSINESSOWNERS

(2) This Additional Coverage does not apply to Perishable Stock while located:

- (a) On buildings;
- (b) In the open; or
- (c) In vehicles.

(3) With respect to this Additional Coverage, covered cause of loss means the following:

(a) **Breakdown or Contamination**, meaning:

- (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
- (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises; or

(b) **Power Outage**, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(4) The following exclusions apply to this Additional Coverage:

(a) We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
- (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the described premises; or
- (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the

inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.

- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;
- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water; and
- (g) Paragraph **B.1.h.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Additional Coverage.

(5) With respect to this Additional Coverage, Perishable Stock means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to loss or damage if the controlled temperature or humidity conditions change.

d. Valuable Papers and Records

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to "valuable papers and records" that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

This coverage applies as described in Paragraphs **A.7.s.(2)** and **A.7.s.(3)** and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this Additional Coverage, the owner may have other insurance covering the same

property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

2. With respect to **Extended Business Income**, the time frame referenced in Paragraph **A.3.c.(2)(b)** is increased from sixty consecutive days to ninety consecutive days.
3. The limit applicable to the **Additional Coverage – Arson and Theft Reward** is increased by \$25,000.
4. The limit applicable to the **Additional Coverage – Claim Data Expense** is increased from \$5,000 to \$25,000.
5. The limit applicable to the **Additional Coverage – Newly Acquired or Constructed Property** for Building is increased from \$500,000 to \$1,000,000.
6. The limit applicable to the **Additional Coverage – Newly Acquired or Constructed Property** for Business Personal Property is increased from \$250,000 to \$500,000.
7. With respect to the **Additional Coverage – Ordinance or Law**, coverage is extended to include tenant improvements and betterments as described in Paragraph **A.1.b.(3)** if:
 - (1) You are a tenant; and
 - (2) A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
8. The limit applicable to the **Additional Coverage – Outdoor Trees, Shrubs, Plants and Lawns** is increased from \$3,000 to \$5,000.
9. The following **Additional Coverages** are added to Paragraph **A.6.**:

a. Brands or Labels

If a limit of insurance is shown in the Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp the word *Salvage* on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs **(1)** and **(2)** above.

Payments under this Additional Coverage are subject to and not in addition to the applicable Limits of Insurance.

b. Contract Penalty Clause

- (1) We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay under this Additional Coverage is \$1,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.

c. Identity Fraud Expense

- (1) We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- (2) With respect to this Additional Coverage:

(a) Expenses means:

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (ii) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (iii) Lost income resulting from:
 - a) Time taken off work to complete fraud affidavits; or

Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy beginning with the effective date of this endorsement.

- (7) In order for coverage to be provided under this Additional Coverage, you must:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

d. Lease Assessment

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
- (a) To all tenants by the building owner;
 - (b) Pursuant to a written lease agreement; and
 - (c) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.
- (2) The most we will pay for loss under this Additional Coverage is \$2,500 in any one occurrence.

e. Lost Key Consequential Loss

- (1) We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged from a Covered Cause of Loss. We will pay for the necessary costs you incur to:
- (a) Replace keys; and
 - (b) Either:
 - (i) Readjust existing locks to accept new keys; or
 - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- (2) Paragraph **B.2.h.** does not apply to this Additional Coverage, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees.
- (3) Paragraph **B.2.m.** does not apply to this

Additional Coverage.

- (4) The most we will pay for loss or damage under this Additional Coverage is \$2,500 at each described premises.

f. Unauthorized Business Card Use

- (1) We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge card accounts issued in your business name, including:
- (a) Fund transfer cards;
 - (b) Charge plates; or
 - (c) Telephone cards.
- (2) With respect to this Additional Coverage, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$5,000, regardless of the number of premises involved.

g. Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
- (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or
 - (c) "Power Supply Services".
- (2) With respect to this Additional Coverage, Paragraphs **G.3.b.** and **G.22.b** are deleted.
- (3) The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.
- (4) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

10. The following Additional Coverage is added, but only with respect to described premises to which no Ordinance or Law – Coverage A applies other than as provided under Paragraph

A.6.k.:

Ordinance or Law – Coverage A – Coverage For Loss to the Undamaged Portion of the Building

(1) If a Limit of Insurance is shown in the Declarations for Building, in the event of damage by a Covered Cause of Loss we will pay for loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building.

(2) The coverage provided by this Additional Coverage apply only if both (2)(a) and (2)(b) are satisfied and are then subject to the qualifications set forth in (3).

(a) The ordinance or law:

(i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(ii) Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

(b) (i) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

(ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

(iii) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has

also sustained covered direct physical damage.

(3) In the situation described in (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this Additional Coverage.

(4) We will not pay under this Additional Coverage for:

(a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or

(b) 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", "fungus", wet rot or dry rot.

(5) Specific or Blanket Insurance

(a) Specific Insurance

With respect to the building insured on a "specific insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(b)(i) and (6)(b)(ii) below.

(b) Blanket Insurance

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph **(6)(c)** and **(6)(d)** below.

(c) As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance.

(d) This Additional Coverage is included in the Limit of Insurance shown in the Declarations as applicable to the covered building. This Additional Coverage does not increase the Limit of Insurance.

(6) Loss Payment

(a) The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs **(2)** and **(3)** above.

(b) When there is a loss in value of an undamaged portion of a building to which this Additional Coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

Specific Insurance

(i) If Replacement Cost coverage applies on a "specific insurance" basis and the property is being repaired or replaced, on the same or another premises, we

will not pay more than the lesser of:

a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(ii) If Replacement Cost coverage applies on a "specific insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:

a) The actual cash value of the building at the time of loss; or

b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(c) Blanket Insurance

If Replacement Cost coverage applies on a "blanket insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(i) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered

building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:

- a) The total reported building and structure value; by
 - b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- (d) If Replacement Cost coverage applies on a "blanket insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:
- (i) The actual cash value of the building at the time of loss; or
 - (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
 - a) The total reported building and structure value; by
 - b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.

(7) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.

(8) Under this Additional Coverage we will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

11. The following **Coverage Extensions** under Paragraph **A.7.** are changed as follows:

a. Business Income and Extra Expense From Dependent Property

(1) Paragraph **A.7.d.(4)(a)** is replaced by the following:

Applies to Dependent Property premises located worldwide, except within any country on which the United States government has imposed sanctions, embargoes, or any similar prohibition; and

(2) The limit applicable to the **Coverage Extension – Business Income and Extra Expense From Dependent Property** is increased from \$10,000 to \$50,000.

b. The limit applicable to the Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises is increased from \$250,000 to \$500,000.

c. The expiration days applicable to the Coverage Extension – Newly Acquired or Constructed Property for Business Income and Extra Expense is increased from 90 days to 180 days.

d. Two of the limits applicable to the Coverage Extension – Electronic Data Processing are changed as follows:

(1) The limit applicable to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media" while in transit or at premises other than the described premises is increased from \$25,000 to \$75,000.

(2) The limit applicable to loss or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism" is increased from \$25,000 to \$50,000.

e. The limit applicable to the Coverage Extension – Non-owned Detached Trailers is in-

creased from \$5,000 to \$25,000.

- f. The limit applicable to the **Coverage Extension – Ordinance or Law – Increased "Period of Restoration"** is increased from \$25,000 to \$50,000.

12. The following **Coverage Extensions** are added to Paragraph **A.7.:**

a. Business Income and Extra Expense at Client or Virtual Office Premises

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".

(2) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **G. PROPERTY DEFINITIONS** is replaced by the following:

"Period of Restoration" means the period of time that:

- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises"; and
- (b) Ends on the earlier of:
 - (i) The date when the property at the "client or virtual office premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii) The date when "client or virtual office premises" is resumed at a new permanent location; and
- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (ii) 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".

- (3) This Coverage Extension applies to "client or virtual office premises" located within the Coverage Territory.
- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies; or
 - (c) In the due course of transit.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

b. Business Personal Property at Client or Virtual Office Premises

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".

(2) This Coverage Extension also applies to personal property that is:

- (a) Owned by an "employee"; and
- (b) Used for your business;

while such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

(3) This Coverage Extension does not apply to property:

(a) Otherwise covered under the following Additional Coverages;

- (i) Blanket Coverage Limit of Insurance - Accounts Receivable;
- (ii) Blanket Coverage Limit of Insurance Valuable Papers and Records; or
- (iii) Fine Arts.

(b) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Business Personal Property Off Premises;
- (iii) Electronic Data Processing;
- (iv) Sales Representative's Samples; or
- (v) Valuable Papers and Records.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.

(5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Civil Authority – Homicide or Suicide

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to a homicide or suicide occurring at such premises.

(2) The coverage for Business Income and

Extra Expense will begin immediately after the time of that action and will apply for a period of one week after coverage begins.

d. Computer Fraud and Funds Transfer Fraud

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:

(a) Loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":

- (i) To a person (other than a "messenger") outside those premises; or
- (ii) To a place outside those premises.

(b) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

(2) With respect to the coverage provided by this Coverage Extension, Paragraph **B. Exclusions** is amended as follows:

- (a) Paragraph **B.2.o.** does not apply.
- (b) Paragraph **B.2.i.** does not apply.
- (c) The following exclusion is added:

We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(3) With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.

(4) The most we will pay under this Coverage Extension in any one occurrence is the limit of insurance shown in the above schedule, regardless of the number of premises involved.

e. Covered Leasehold Interest – Undamaged Improvements and Betterments

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest as tenant in improvements and betterments, as defined in Section **A.1.b.(3)** of this Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:

- (a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
- (b) Be permitted in accordance with the conditions of your written lease agreement.

(2) The most we will pay in any one occurrence under this Coverage Extension is:

- (a) The applicable Business Personal Property Limit of Insurance; or
 - (b) \$25,000;
- whichever is less.

f. Deferred Payments

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest in such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:

- (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
- (b) Caused by a Covered Cause of Loss; the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.

(2) The value of your loss under this Coverage Extension will be determined as follows:

(a) In the event of partial loss to property, the value of your loss will be:

- (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus
- (ii) The actual cash value of the repossessed damaged property.

(b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

(3) The following is added to **A.2. Property And Costs Not Covered**, but only with respect to this Coverage Extension.

Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

(4) The most we will pay in any one occurrence under this Coverage Extension is \$25,000.

g. Limited Building Coverage – Tenant Obligation

(1) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than "theft" or attempted "theft".

(2) This Coverage Extension does not apply to any otherwise covered:

- (a) Building glass; or
- (b) Tenants improvements and betterments as described in Paragraph **A.1.b.(3)**.

(3) The most we will pay under this Cover-

age Extension in any one occurrence is \$50,000 at each described premises.

h. Personal Property In Transit Outside of the Coverage Territory

- (1) When the Declarations show that you have coverage for Business Personal Property you may extend that insurance to apply to direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss in transit anywhere in the world outside of the Coverage Territory provided that no sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.
- (2) If property covered under this Coverage Extension is not delivered, we cover the return of the property to you, including while the property is temporarily held by the receiver or the carrier while awaiting return shipment to you.
- (3) Subject to the Limit of Insurance indicated in paragraph (10) below we will also pay for:
 - (a) Any general average or salvage charges you incur with respect to losses to covered waterborne shipments;
 - (b) Your interest in covered shipments sold Free On Board if you cannot collect payment for the loss or damage from the consignee; and
 - (c) Loss of or damage to Covered Property resulting from the unintentional acceptance of any fraudulent Bill of Lading, order or shipping receipt by you, your "employees" or authorized representatives or by your agent, customer or consignee from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.
- (4) The following exclusion is added to paragraph **B.2.** but only with respect to coverage provided by this Coverage Extension: Electrical and/or Mechanical Derangement.
- (5) Paragraphs **B.1.b.** and **B.1.g.** do not apply to this Coverage Extension.

- (6) The following is added to paragraph **B.2.h.** and **B.2.m.** but only with respect to coverage provided by this Coverage Extension:

This exclusion does not apply to property in the custody of a carrier for hire.

- (7) The following is added to paragraph **B.2.i.** but only with respect to coverage provided by this Coverage Extension:

This exclusion does not apply to insurance covered under this Coverage Extension if the loss to Covered Property is caused by your acceptance, in good faith, of false bills of lading or shipping receipts.

- (8) This Coverage Extension does not apply to property otherwise covered under the following:

- (a) Overseas Fine Arts Additional Coverage;
- (b) Electronic Data Processing Coverage Extension;
- (c) Overseas Business Travel or Business Personal Property at Client or Virtual Office Premises Overseas Coverage Extension;
- (d) Overseas Valuable Papers and Records Coverage Extension; or
- (e) Personal Property In Transit Outside of the Coverage Territory Coverage Extension once the property has been accepted for delivery at its final destination.

- (9) The following is added to **A.2. Property And Costs Not Covered**, but only with respect to this Coverage Extension. Covered Property does not include:

- (a) Export and import shipments while covered under an ocean marine cargo or other insurance policy;
- (b) Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;
- (c) Property while in the following areas:
Afghanistan, Burma (Myanmar), Cuba, Iran, Iraq, Jordan, Kenya, Lebanon, Libya, Nigeria, North Korea,

- Pakistan, Republic of Yemen, Somalia, Sudan, Syria, Russia, the Commonwealth of Independent States (C.I.S.) and countries that formerly comprised the U.S.S.R;
- (d) Property in transit while over land in Mexico; or
 - (e) Shipments by a government postal service except by registered mail.
- (10) The most we will pay under this Coverage Extension is \$5,000 for the sum of all covered losses arising out of all Covered Causes of Loss occurring during each policy period beginning with the effective date of this endorsement. This amount applies regardless of the number of locations involved.
- (11) Paragraph **E.4.e.(10)** with respect to this Coverage Extension is replaced with the following:
- Personal property in transit at:
- (a) The amount of invoice; or
 - (b) In the absence of an invoice, the least of the following:
 - (i) The value of the Covered Property;
 - (ii) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 - (iii) The cost of replacing that property with substantially the same property; plus
 - (c) The amount of any prepaid freight charges and other shipping costs or charges that are incurred while the property is in transit.
- (12) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- i. Property in Transit**
- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.
- (2) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to:
- (a) Shipments by a government postal service, except by registered mail;
 - (b) Export shipments once:
 - (i) The shipment is loaded onboard the export conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins; whichever is earlier;
 - (c) Import shipments until:
 - (i) The shipment is unloaded from the importing conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the property ends; whichever is later;
 - (d) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
 - (e) Property within a conveyance or container caused by "theft" while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the "theft" is by forcible entry of which there is visible evidence; or
 - (f) The transporting conveyance.
- (3) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **G. PROPERTY DEFINITIONS** is replaced by the following:
- "Period of Restoration"** means the period of time that:
- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
 - (b) Ends on the date when the property

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in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and

- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) 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".

- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense at Client or Virtual Office Premises Coverage Extension applies; or
 - (c) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000. This limit applies regardless of the number of locations involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

j. Sales Representative's Samples

- (1) When a Limit of Insurance is shown in the

Declarations for Business Personal Property, you may extend that insurance to apply to:

- (a) Samples of your stock in trade (including containers); and
- (b) Similar property of others;

while such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.

- (2) We will not pay for loss or damage caused by "theft" of Covered Property from an unattended vehicle. But we will pay for "theft" of Covered Property from an unattended vehicle if at the time of the "theft", all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the "theft" was a result of forced entry.
- (3) The most we will pay for loss or damage for property in the custody of any one sales representative in any one occurrence is \$25,000.

k. Undamaged Parts of Stock in Process

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock".
- (2) The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

l. Utility Services – Time Element

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense 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 the following property not on the described premises:
 - (a) "Water Supply Services";
 - (b) "Communication Supply Services"; or

(c) "Power Supply Services".

(2) We will only pay for loss of Business Income you sustain and Extra Expense you incur after 48 consecutive hours following the direct physical loss or damage to the following property not on the described premises;

(a) "Water Supply Services";

(b) "Communication Supply Services"; or

(c) "Power Supply Services".

This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.

(3) With respect to this Coverage Extension, Paragraphs **G.3.b** and **G.22.b** are deleted.

(4) The most we will pay for loss under this Coverage Extension is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

m. Water or Sewage Back Up and Sump Overflow

(1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.

(2) When the Declarations show that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.

(3) Paragraph **B.1.g.(3)** does not apply to this Coverage Extension.

(4) The most we will pay under this Coverage Extension in any one occurrence is \$25,000, regardless of the number of de-

scribed premises involved. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.

13. The following is added to Paragraph E. PROPERTY LOSS CONDITIONS:

Pairs, sets or parts:

(1) In case of loss to any part of a pair or set we may at our option:

(a) Repair or replace any part to restore the pair or set to its value before the loss; or

(b) Pay the difference between the value of the pair or set before and after the loss.

(2) In case of loss 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.

14. The following is added to Paragraph F. COMMERCIAL PROPERTY CONDITIONS:

Unintentional Errors In Description

Your error in how you describe the address of a location in the Location Schedule shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

15. The following definitions are added to Paragraph G. PROPERTY DEFINITIONS:

a. **"Client or Virtual Office Premises"** means the interior of that portion of any building occupied by an "employee", including:

(1) An "employee's" residence; or

(2) A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to or accepted by us for coverage under this Coverage Form.

b. **"Fraudulent instruction"** means:

(1) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

(2) A written instruction (other than those described in Paragraph **A.6.i.**) issued by you, which was forged or altered by

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- someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- (3) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- c. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
 - d. **"Messenger"** means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the premises.
- e. **"Transfer account"** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
 - (1) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - (2) By means of written instructions (other than those described in Paragraph **A.6.i.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, WET ROT, DRY ROT AND OTHER CAUSES OF LOSS CHANGES

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS PROPERTY COVERAGE PART

A. SCHEDULE

Limited "Fungus", Wet Rot or Dry Rot Coverage:

Direct Damage Limit of Insurance

\$15,000 **OR** \$25,000 \$50,000 \$100,000 \$250,000

B. The EXCLUSIONS contained in Section **B.** of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:

1. The following exclusion is added to **B.1.:**

"Fungus", Wet Rot or Dry Rot

a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

But if "fungus", wet rot or dry rot results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1)** When "fungus", wet rot or dry rot results from fire or lightning; or
- (2)** To the extent that coverage is provided in the Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot in Section **C.1.** below of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.

2. The exclusions contained in **B.2.** are amended as follows:

- a.** Under exclusion **B.2.d.(2)**, reference to fungus, wet rot or dry rot, mold is deleted.
- b.** Exclusion **B.2.f.** is deleted and replaced by the following:

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity,

moisture or vapor that occurs over a period of 14 days or more.

C. The Additional Coverages contained in Section **A.6.** of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:

1. The following Additional Coverage is added:

Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot

- a.** The coverage described in **b.** and **c.** below only applies when the "fungus", wet rot or dry rot is the result of a "specified cause of loss", other than fire or lightning, that occurs during the policy period and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.
- b.** Limited "Fungus", Wet Rot or Dry Rot – Direct Damage
 - (1)** We will pay for direct physical loss or damage to Covered Property caused by "fungus", wet rot or dry rot, including:
 - (a)** The cost of removal of the "fungus", wet rot or dry rot;
 - (b)** The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and
 - (c)** The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that

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"fungus", wet rot or dry rot are present.

- (2) The coverage described in **b.(1)** above is limited to \$15,000, or the limit of insurance shown in the Schedule of this endorsement for Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage under this coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot or dry rot, we will not pay more than a total of this annual limit even if the "fungus", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
 - (3) The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet rot or dry rot, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.
 - (4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet rot or dry rot, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage, except to the extent that "fungus", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage.
- c.** Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense

The following Limited "Fungus", Wet Rot or Dry Rot Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Ex-

pense coverage applies to the described premises and only if the suspension of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

- (1) If the loss which results in the "fungus", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (2) If a covered suspension of "operations" is caused by loss or damage at the described premises by other than "fungus", wet rot or dry rot, but remediation of "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense is included in, and not in addition to any limit or description of coverage for Business Income shown on the Businessowners Coverage Part Declarations or under the Extra Expense Additional Coverage.

- d.** The terms of this Limited Coverage do not increase or reduce the coverage under the Water Damage, Other Liquids, Powder or Molten Damage Additional Coverage Extension or the coverage provided for collapse of buildings or structures under the Collapse of Buildings exclusion.

D. The DEFINITIONS contained in Section **G.** are amended as follows:

1. The definition of "Specified Causes of Loss" is deleted and replaced by the following:
"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil

commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse as defined below; volcanic action; falling objects as limited below; weight of snow, ice or sleet; and water damage as defined below; all only as otherwise insured against in this Coverage Form.

- 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.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified causes of loss" also includes such cause of loss, but

only to the extent such cause of loss is insured against under this Coverage Form.

2. The following definition is added:

"Fungus" means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

- E. Ordinance or Law Coverage Change

Under:

1. The ordinance or law coverage in Section **A.6.i.** Increased Cost of Construction of the Businessowners Property Coverage Form;
2. Ordinance or Law Coverage endorsement MP T1 35; and
3. Any other Ordinance or Law coverage or Ordinance or Law – Increased "Period of Restoration" coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
- b. 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 "fungus", wet rot or dry rot.

GENERAL LIABILITY



GENERAL LIABILITY



One Tower Square, Hartford, Connecticut 06183

CONDOMINIUM AND COMMUNITY ASSOCIATIONS
DIRECTORS AND OFFICERS LIABILITY
COVERAGE PART DECLARATIONS

POLICY NUMBER: 680-1L784529-23-42
ISSUE DATE: 04/21/2023

**THIS INSURANCE APPLIES ON A CLAIMS-MADE BASIS.
DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN
ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE
EXPENSES WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE
LIMITS OF INSURANCE.**

PLEASE READ THE ENTIRE POLICY CAREFULLY.

NAMED INSURED: EAST GATES HOA

INSURING COMPANY: TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

COVERAGE PERIOD: From 06-04-2023 to 06-04-2024 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

RETROACTIVE DATE: UNLIMITED

The Condominium and Community Associations Liability Coverage Part consists of this Declarations, the Condominium and Community Associations Directors and Officers Liability Coverage Form and the endorsements shown below in Item 2.

1. LIMITS OF INSURANCE:

	Limits Of Insurance
Each Claim Limit	\$ 1,000,000
Aggregate Limit	\$ 1,000,000

2. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

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CONDOMINIUM AND COMMUNITY ASSOCIATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

**THIS INSURANCE APPLIES ON A CLAIMS-MADE BASIS.
DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN
ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE
EXPENSES WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE
LIMITS OF INSURANCE.**

PLEASE READ THE ENTIRE FORM CAREFULLY.

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 and any other person or organization qualifying as a Named Insured under this policy. The words "we" "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

"Coverage Period" means the Coverage Period shown in the Condominium And Community Associations Directors And Officers Liability Coverage Part Declarations. "Extended Reporting Period" means the Extended Reporting Period outlined in Section V – Extended Reporting Period.

"Declarations" means the Condominium And Community Associations Directors And Officers Liability Coverage Part Declarations.

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

SECTION I – COVERAGES

1. Insuring Agreements

a. Insuring Agreement – Management Liability Coverage

- (1) We will pay on behalf of an "insured person" any "damages" to which this insurance applies that the "insured person" becomes legally obligated to pay as a result of a "claim" first made or brought against the "insured person" during the Coverage Period or during the Extended Reporting Period, except to the extent that the "association" has indemnified the "insured person" for such "damages".

We will have the right and duty to defend the "insured person" against, and will pay "defense expenses" to which this insurance applies with respect to, any "claim" seeking "damages" to which this insurance applies. However, we will

have no duty to defend the "insured person" against, nor will we pay "defense expenses" with respect to, any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "claim" and settle any "claim" that may result. But:

- (a) The amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance; and
 - (b) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".
- (2) This insurance applies to "damages" and "defense expenses" only if:
- (a) The "claim" seeking such "damages" results from a "directors and officers

wrongful act" committed by the "insured person":

- (i) On or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period; and
- (ii) In their capacity as an "insured person";
- (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and
- (c) The "claim" is first made or brought in accordance with Paragraph e. below during the Coverage Period or the Extended Reporting Period.

b. Insuring Agreement – Association Reimbursement Coverage

- (1) We will reimburse the "association" any "damages" and "defense expenses" to which this insurance applies and for which the "association" has indemnified an "insured person" as permitted or required by law, provided that the "insured person" became legally obligated to pay such "damages", and the "insured person" incurred such "defense expenses", as a result of a "claim" first made or brought against that "insured person" during the Coverage Period or during the Extended Reporting Period. But the amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance.
- (2) This insurance applies to "damages" and "defense expenses" only if:
 - (a) The "claim" seeking such "damages" results from a "directors and officers wrongful act" committed by the "insured person":
 - (i) On or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period; and
 - (ii) In their capacity as an "insured person";
 - (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and

- (c) The "claim" is first made or brought in accordance with Paragraph e. below during the Coverage Period or the Extended Reporting Period.

c. Insuring Agreement – Association Liability Coverage

- (1) We will pay on behalf of the "association" any "damages" to which this insurance applies that the "association" becomes legally obligated to pay as a result of a "claim" first made or brought against the "association" during the Coverage Period or during the Extended Reporting Period.

We will have the right and duty to defend the "association" against, and will pay "defense expenses" to which this insurance applies with respect to, any "claim" seeking "damages" to which this insurance applies. However, we will have no duty to defend the "association" against, nor will we pay "defense expenses" with respect to, any "claim" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "claim" and settle any "claim" that may result. But:

- (a) The amount we will pay for "damages" and "defense expenses" is limited as described in Section III – Limits of Insurance; and
- (b) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".
- (2) This insurance applies to "damages" and "defense expenses" only if:
 - (a) The "claim" seeking such "damages" results from a "directors and officers wrongful act" committed by the "association" on or after the Retroactive Date shown in the Declarations, and before the end of the Coverage Period;
 - (b) The "directors and officers wrongful act" is committed in the "coverage territory"; and
 - (c) The "claim" for "damages" is first made or brought in accordance with Paragraph e. below, during the

Coverage Period or the Extended Reporting Period.

- d. All "claims" arising out of the same "directors and officers wrongful act" or "related wrongful acts" committed by one or more "insured persons" will be considered a single "claim". Such single "claim" will be deemed to be first made or brought on the date the initial "claim" that results from such "directors and officers wrongful acts" or "related wrongful acts" was first made or brought pursuant to Paragraph 2. of Section IV – Conditions or on the date notice of such "directors and officers wrongful act" or "related wrongful acts" was first given pursuant to Paragraph 2. of Section IV – Conditions.
- e. A "claim" seeking "damages" will be deemed to have been first made or brought at the earlier of the following times:
- (1) When any insured first receives written notice of such "claim"; or
 - (2) When we first receive written notice from any insured of a specific "directors and officers wrongful act" or "related wrongful acts" which resulted in such "claim", as outlined in Paragraph 2. of Section IV – Conditions.
- f. The insurance under **Insuring Agreement – Management Liability Coverage** is extended to apply to "damages" and "defense expenses" resulting from a "claim" made or brought against a person who, at the time the "claim" is made or brought, is a lawful spouse or civil union partner, or a person qualifying as a domestic partner, of the "insured person" under the provisions of any applicable federal, state or local law, but only if:
- (1) The "claim" against such spouse, civil union partner or domestic partner results from a "directors and officers wrongful act" committed by the "insured person" to whom the spouse is married, or who is joined with the civil union partner or domestic partner; and
 - (2) Such "insured person" and their spouse, civil union partner or domestic partner are represented by the same counsel in connection with such "claim".

No spouse, civil union partner or domestic partner will, by reason of this coverage extension, have any greater right to

coverage under the Condominium And Community Associations Directors And Officers Liability Coverage Part than the "insured person" to whom such spouse is married, or to whom such civil union partner or domestic partner is joined.

We have no obligation to make payment for "damages" or "defense expenses" in connection with any "claim" against a spouse, civil union partner or domestic partner of an "insured person" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse, civil union partner or domestic partner.

- g. The insurance under **Insuring Agreement – Management Liability Coverage** is extended to apply to "damages" and "defense expenses" resulting from a "claim" made or brought against:
- (1) The estate, heirs or legal representatives of a deceased "insured person"; or
 - (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

This coverage extension only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Exclusions

This insurance does not apply to:

a. Criminal, Dishonest, Fraudulent Or Malicious Acts

Any "claim" arising out of any criminal, dishonest, fraudulent, or malicious act, error or omission committed by any insured, including the willful or reckless violation of any law or regulation.

b. Injury Or Damage

Any "claim" arising out of "bodily injury", "property damage", "personal injury" or "advertising injury".

c. Contractual Liability

Any "claim" arising out of liability under or breach of any contract or agreement, or for liability of others assumed by the "association" under any such contract or

agreement, except if the "association" would have been liable in the absence of such contract or agreement.

d. Gaining Of Profit

Any "claim" related to the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

e. Compensation

Any "claim" related to salary, compensation or bonuses voted to or denied to any insured by the directors, officers or trustees of the "association".

f. Failure To Effect Or Maintain Insurance

Any "claim" arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.

g. Pollution

Any "claim":

- (1) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants";
- (2) Arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

h. Lead

Any "claim":

- (1) Arising out of the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance;
- (2) Arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove,

contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance; or

- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead, lead compounds or lead which is or was contained or incorporated into any material or substance.

i. Asbestos

Any "claim":

- (1) Arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos;
- (2) Arising out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
- (3) Brought by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

j. Serving For Other Organizations Or Associations

Any "claim" arising out of any act, error or omission committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association", even if the "association" directed or requested that "insured person" to serve in such other position or capacity.

k. Cross Insured Claims

Any "claim" brought by or on behalf of any insured against any other insured.

l. Acts Committed By Any Developer/Sponsor

Any "claim" arising out of a "directors and officers wrongful act" committed by any builder, developer or sponsor, or any person who is a director, officer, employee or agent of the builder, developer, sponsor or declarant of the "association", whether or not such person serves as a director, officer or employee of the "association".

m. Employment-Practices Liability

Any "claim" arising out of:

- (1) Refusal to employ any person;
- (2) Termination of any person's employment; or
- (3) Any employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at any person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages.

n. Violation Of Law Or Regulation

Any "claim" arising out of an actual or alleged violation of:

- (1) Any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, gender expression, sexual orientation, marital status, religion or religious belief, age, economic status, medical condition, pregnancy, parenthood or mental or physical disability.
- (2) Any state, federal or governmental antitrust statute or regulation including

the Racketeering Influenced and Corrupt Organizations Act (RICO), the Securities Act of 1933, the Securities Exchange Act of 1934, or any Blue Sky law;

- (3) The Employee Retirement Income Security Act of 1974 and its amendments; or
- (4) Any other similar provisions of any federal, state or local law or regulation.

o. Taxes, Fines Or Penalties

- (1) Any taxes, fines, or penalties, including those imposed under any provision of the Internal Revenue Code of 1986, as amended, or any similar state or local law; or
- (2) Any loss, cost or expense arising out of the imposition of such taxes, fines or penalties.

p. Access Or Disclosure Of Confidential Or Personal Information

Any "claim" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

q. Construction Defect

Any "claim" arising out of any "construction defect".

r. Prior Knowledge

Any "claim" arising out of any fact, circumstance, situation or event that is or reasonably would be regarded as the basis for a "claim" about which any director, trustee or officer of the "association" had knowledge prior to the inception of the Coverage Period shown in the Declarations.

s. Previously Reported Claims Or Notices Of Circumstances

Any "claim" arising out of the same facts, "directors and officers wrongful acts" or "related wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:

- (1) During a prior Coverage Period of this Coverage Part; or
- (2) Under any prior insurance policy of which this policy is a replacement.

t. Prior And Pending Litigation

"Damages" and "defense expenses" arising out any "claim" or other proceeding against any insured which was pending on or existed prior to the inception of the Coverage Period

DIRECTORS AND OFFICERS LIABILITY

shown in the Declarations, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or other proceeding.

SECTION II – WHO IS AN INSURED

1. The "association" is an insured.
2. An "insured person" is an insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or brought;
 - c. Persons or organizations making or bringing "claims"; or
 - d. "Directors and officers wrongful acts".
2. The Aggregate Limit is the most we will pay under this Coverage Part for the sum of all "damages" and "defense expenses" that result from all "claims".
3. Subject to the Aggregate Limit in Paragraph 2., the Each Claim Limit is the most we will pay under this Coverage Part for the sum of all "damages" and "defense expenses" that result from any one "claim".

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Period shown in the Declarations, unless the Coverage Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Insured's Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

- a. You must see to it that we are notified as soon as practicable of a "directors and officers wrongful act" which may result in a "claim". To the extent possible, notice should include:

- (1) How, when and where the "directors and officers wrongful act" was committed;

- (2) The name and address of each "insured person" that committed the specific "directors and officers wrongful act", and the names and addresses of the potential claimants;

- (3) The reasons for anticipating a "claim" which may result from such specific "directors and officers wrongful act";

- (4) The nature of the alleged or potential "damages" arising from such specific "directors and officers wrongful act"; and

- (5) The circumstances by which the insureds first became aware of the specific "directors and officers wrongful act".

- b. If a "claim" is made or brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" and the date received; and

- (2) Notify us in writing as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of, or defense against, the "claim"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of any act, error omission to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

As respects the notice requirements in Paragraphs a. through c. above, notice given by or on behalf of an "insured person" or the "association" to our authorized agent, with particulars sufficient to identify the "insured person" or the "association", will be considered notice to us.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "claim" or suit seeking "damages" from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for "damages" that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for "damages" and "defense expenses" we cover under this Coverage Part, our obligations are limited as follows:

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **b.** below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

- (1) This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, that is

effective prior to the inception of the Coverage Period shown in the Declarations and which applies on other than a claims-made basis if:

- (a) This Coverage Part has a Retroactive Date that precedes the inception of the Coverage Period; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations.
- (2) When this insurance is excess, we will have no duty to defend any "claim" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
 - (3) When this insurance is excess, we will pay only our share of the amount of "damages" and "defense expenses", if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for "damages" and "defense expenses" in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all other insurance.

We will share the remaining "damages" and "defense expenses", if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "damages" or "defense expenses" remain, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable Limits of Insurance of all insurers.

5. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or renewal in accordance with applicable insurance laws or regulations.

6. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or brought.

7. Severability Of Exclusions

A "directors and officers wrongful act" committed by any "insured person" will not be imputed to any other "insured person" for purposes of applying the exclusions set forth in Paragraph 2. of Section I – Coverages.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

9. Conditions Applicable To This Coverage Part

Any condition relating to:

- a. Common Policy Conditions;
- b. Cancellation;
- c. Renewal, conditional renewal, nonrenewal or when we do not renew;
- d. Renewal with altered terms, including an increase in premium or a decrease in coverage;

- e. A policy period longer than one year;
- f. The method of notifying the first Named Insured, including requirements about mailing; or
- g. The insured's notice to our authorized agent is notice to us;

in any endorsement applicable to the Commercial General Liability Coverage Part attached to this policy also applies to this Coverage Part.

10. Conformance With Statutes

Any provision of this Coverage Part (including endorsements which modify the policy or this Coverage Part) that does not conform to the minimum requirements of a statute that exists on the effective date of the policy and that is applicable to the jurisdiction governing the coverage provided under this Coverage Part is amended to conform to such statute.

SECTION V – EXTENDED REPORTING PERIOD

We will provide an Extended Reporting Period if this Coverage Part is cancelled or not renewed for any reason other than non-payment of premium. This supplemental period starts with the end of the Coverage Period and lasts for three years.

- 1. The Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the limit of insurance applicable to such "claims".
- 2. The Extended Reporting Period does not extend the Coverage Period or change the scope of coverage provided. It only applies to "claims" for "damages" and "defense expenses" caused by a "directors and officers wrongful act" committed on or after the Retroactive Date shown in the Declarations and before the end of the Coverage Period.
- 3. The Extended Reporting Period does not reinstate or increase the Limits of Insurance, unless the jurisdiction governing the coverage provided under this Coverage Part requires that the Limits of Insurance be reinstated in whole or part during the Extended Reporting Period; provided, however, the Limits of Insurance will be reinstated only to the extent required by such jurisdiction.

SECTION VI – DEFINITIONS

- 1. "Advertising injury":
 - a. Means injury caused by one or more of the following offenses:

- (1) Oral or written publication, including publication by electronic means, of material in your advertisement that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - (2) Oral or written publication, including publication by electronic means, of material in your advertisement that violates a person's right of privacy; or
 - (3) Infringement of copyright, title or slogan in your advertisement.
2. "Association" means the entity named in the Declarations as the Named Insured.
 3. "Bodily injury":
 - a. Means any harm, including sickness or disease, to the health of a person.
 - b. Includes mental anguish, injury or illness, or emotional distress.
 4. "Claim" means:
 - a. A written demand for monetary damages;
 - b. A civil proceeding commenced by service of a complaint or similar pleading;
 - c. A criminal proceeding commenced by filing of charges;
 - d. A formal administrative proceeding, commenced by filing a notice of charges, formal investigative order, service of summons or similar document;
 - e. An arbitration, mediation or similar dispute resolution proceeding if the insured is obligated to participate in such proceeding or if the insured agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
 - f. A written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding, against any insured for any "directors and officers wrongful act".
 5. "Construction defect" means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:
 - a. Faulty or incorrect design or architectural plans;
 - b. Improper soil testing;
 - c. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
 - d. The construction, manufacture or assembly of any tangible property;
 - e. The failure to provide construction related goods or services as represented or to pay for such goods and services; or
 - f. The supervision of any of the activities described in Paragraphs a. through e. above.
 6. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico or Canada, provided that the insured's responsibility to pay damages is determined in a "claim" on the merits in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
 7. "Damages":
 - a. Means a compensatory monetary award, settlement or judgment, and pre-judgment and post-judgment interest.
 - b. Does not include:
 - (1) Civil or criminal fines or penalties imposed by law;
 - (2) Punitive or exemplary damages or the multiplied portion of multiplied damages, unless such damages are required to be insured by the jurisdiction governing the coverage provided under this Coverage Part;
 - (3) Taxes or matters that are uninsurable pursuant to applicable law; or
 - (4) Non-monetary damages, including costs to comply with injunctive relief.
- When the jurisdiction governing the coverage provided under this Coverage Part does not allow pre-judgment interest to be applied within the limits of insurance, such amounts will not be considered "damages" and will be paid in addition to, and will not reduce, the Limits of Insurance.
- When the jurisdiction governing the coverage provided under this Coverage Part does not allow post-judgment interest to be applied within the limits of insurance, such amounts will not be considered "damages" and will be paid in

DIRECTORS AND OFFICERS LIABILITY

addition to, and will not reduce, the Limits of Insurance.

8. "Defense expenses":

- a.** Means reasonable and necessary legal fees and expenses incurred in the investigation, defense and appeal of "claims".
- b.** Includes the cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such "claim".
- c.** Does not include the salaries, wages, benefits or overhead of, or paid to, any insured.

9. "Directors and officers wrongful act" means:

- a.** With respect to the "insured person", any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity.
- b.** With respect to the "association", any actual or alleged act, error omission, misstatement, misleading statement, neglect or breach of duty by the "association".

10. "Insured person" means:

- a.** Any director, trustee or officer of the "association" who:
 - (1)** Is currently a director, a trustee or an officer;
 - (2)** Was a director, a trustee or an officer when the "directors and officers wrongful act" was committed; or
 - (3)** Became a director, a trustee or an officer after the effective date of this insurance, but only for "directors and officers wrongful acts" that occur after such person became a director, a trustee or an officer.
- b.** Any of your employees, volunteers and members, while acting at the direction of the

"association" or at the direction of a director, trustee or officer of the "association"; or

- c.** The principal or any employee of your managing agent;

but only while acting within their scope of duties for you.

11. "Personal injury":

- a.** Means injury caused by one or more of the following offenses:

- (1)** False arrest, detention or imprisonment;
- (2)** Malicious prosecution;
- (3)** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies;
- (4)** Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (5)** Oral or written publication, including publication by electronic means, of material that violates a person's right of privacy.

- 12. "Pollutants" mean 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.**

13. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property; or
- b.** Loss of use of tangible property that is not physically injured.

- 14. "Related wrongful acts" means all causally connected "directors and officers wrongful acts". "Related wrongful acts" will be considered to be committed on the date that the first of such causally related "directors and officers wrongful acts" is committed.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Hired Auto Liability	\$ INCLUDED
Nonowned Auto Liability	\$ INCLUDED

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

PROVISIONS

A. COVERAGE

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions **a., b., d., e., f.** and **i.** and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
 - a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
 - b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under **1.** or **2.** above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph **f.**:

Paragraph **f.** does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

**INTERLINE
ENDORSEMENTS**



**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
DELUXE PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
TRAVELERS PROPERTY COVERAGE PART

The following definition is added to any Definitions Section and applies to any provision that uses the term actual cash value:

Actual cash value means the value of the covered property at the time of loss or damage.

When calculating actual cash value using the estimated cost to repair or replace such property, with a reasonable deduction for depreciation that occurred before such loss or damage, we may apply depreciation to all components of the estimated cost, including the following:

- a. Materials;
- b. Labor;
- c. Overhead and profit; and
- d. Any applicable tax.

The deduction for depreciation may include such considerations as:

- a. Age;
- b. Condition, such as wear and tear or deterioration;
- c. Reduction in useful life; and
- d. Obsolescence.

This definition does not apply to covered property in the following states:

AR CA CT LA ME MT NY PR WA WV VT

POLICYHOLDER NOTICES



POLICYHOLDER NOTICES

IMPORTANT NOTICE – PRODUCT AVAILABILITY

PLEASE READ THIS NOTICE CAREFULLY.

You may be eligible for a policy in a newer product from one of our other Travelers companies. We determine the price for a policy differently for the newer product. For example, there are a number of additional variables used to determine the price, including those that are based on specific property perils. The newer product might cost you less or more than what you pay now. It may also have different product features from your current policy. You may continue with your current policy, or you may request a policy in the newer product. Travelers is here to help-
-so contact your Travelers independent agent to discuss whether a different Travelers insurance policy is right for you.

IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.



IMPORTANT INFORMATION FOR MASTER PAC POLICYHOLDERS

Dear Policyholder:

Enclosed is your Travelers Master Pac Renewal Certificate. An asterisk on the Listing of Forms, Endorsements and Schedule Numbers, IL T8 01, indicates forms that are included with this year's renewal. Any forms previously attached to your policy that are not shown on that listing no longer apply.

Please put the Certificate and the attached forms with your policy as soon as possible. If you have misplaced your policy, please contact your agent for a copy.