

IMPORTANT NOTICE: PROTECTIVE SAFEGUARDS CONDITION

Your policy has protective safeguards.

Protective Safeguards for devices or services, such as alarms and sprinklers, must be maintained in complete working order.

Otherwise, there may not be coverage in the event of a loss.

Please refer to the below endorsement(s) to see how your coverage is limited:

CP 0411 PROTECTIVE SAFEGUARDS

****This is only a notice of your coverage and does not amend, extend or alter the coverages or any other provisions contained in your policy. The language in your policy controls your legal rights and obligations. In the event of a conflict between the policy and this notice, policy provisions prevail.**

NATIONAL FIRE & MARINE INSURANCE COMPANY

1314 DOUGLAS ST, SUITE 1400
OMAHA, NE 68102
(402) 393-7255

A STOCK COMPANY

Report ALL Claims To:

1-800-356-5750

24 Hour

Toll Free

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



President



Secretary

THESE POLICY PROVISIONS WITH THE DECLARATIONS PAGES, COVERAGE FORMS
AND ENDORSEMENTS, IF ANY, COMPLETE THIS POLICY. THIS POLICY IS A LEGAL
CONTRACT BETWEEN THE POLICY OWNER AND THE COMPANY.

PLEASE READ YOUR POLICY CAREFULLY

SURPLUS LINES NOTICE OF NONRENEWAL

You are hereby notified that your policy will terminate effective no later than the date and time of its expiration, for the following reason:

A surplus lines policy cannot renew - eligibility for surplus lines policy placement must be re-determined annually for a new policy period.

We reserve the right to cancel this policy sooner than the expiration date by giving you notice of cancellation in accordance with state law, as applicable.

A surplus lines broker determined that this policy was eligible for surplus lines placement on the date this policy was issued. This policy was issued by a surplus lines insurer.

The policy period is only that which is listed on the Declarations Page. A request for an additional policy period without a lapse in coverage may be considered but must be submitted for a properly qualified surplus lines placement through a surplus lines broker prior to expiration of the current policy.

Your state may have legal restrictions on what business may be insured on a surplus lines basis. Eligibility for surplus lines placement should be re-determined by a surplus lines broker for each new policy period.

National Fire & Marine Insurance Company

COMMERCIAL LINES POLICY

COMMON POLICY DECLARATIONS

Policy Number: 12PRM131376-01

Named Insured and Mailing Address:

TANGLEWOOD COURT HOMEOWNERS
ASSOCIATION
1436 N 9TH AVENUE PLACE E
NEWTON, IA 50208

Producing Agent: H00516

RPS Minneapolis
8400 Normandale Lake Blvd
Suite 375
Bloomington, MN 55437

Policy Period: From: 08/01/2024 To: 08/01/2025 at 12:01 A.M., Standard Time at your mailing address shown above.

Business Description: CONDOMINIUM

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	\$ 14,880
Commercial General Liability Coverage Part	\$
Commercial Crime Coverage Part	\$
Commercial Inland Marine Coverage Part	\$
Commercial Automobile Coverage Part	\$
Workers Compensation	\$
Businessowners	\$
Contractors Package/Motel/Lessor's Risk Only	\$
Umbrella	\$
Errors and Omissions	\$
Terrorism Coverage "Certified Acts"	\$
Annual Premium (may include balance to meet minimum premium)	\$ 14,880

FORM(S) AND ENDORSEMENTS(S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE.*

Refer To Form Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.

Countersignature Date

Authorized Representative

This policy is issued, pursuant to Iowa Code chapter 515I, by an eligible surplus lines insurer in Iowa and as such is not covered by the Iowa Insurance Guaranty Association.

CD24 (0703)

To Report a Loss

- Dial toll-free #1 (844)777-8323 or visit our
- Website: <https://my.rpsins.com/claimsfnol>
- Contact Insurer directly (see policy section)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY FORMS SCHEDULE

Form Number	Edition Date	Form Title
ILM0313	5/2013	COMMERCIAL POLICY JACKET
CD24	7/2003	COMMON POLICY DECLARATIONS
ILS 0001	5/2013	COMMON POLICY FORMS SCHEDULE
ILB 0017	6/2015	COMMON POLICY CONDITIONS
ILM0310	8/2010	NOTICE OF SERVICE OF SUITS
ILB0285	5/2013	MINIMUM EARNED PREMIUM
ILB 5821	8/2015	EXCLUSION FOR WAR, NUCLEAR RISK (INCLUDING RADIOACTIVE), AND BIOLOGICAL RISK (INCLUDING CHEMICAL)
M 5872	9/2020	CHANGES TO COMMON POLICY CONDITIONS - CANCELLATION
M 5748	10/2013	SANCTION EXCLUSION

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 10 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during

- b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

NOTICE OF SERVICE OF SUIT

If required by your state statutes, we will designate the Commissioner of Insurance of your state, or any other officer specified by your state statutes, or their successors in office, as our true and lawful attorney for Service of Suit

instituted by you, or on your behalf, or on behalf of your beneficiary, in regard to your policy, and designate that such process should be mailed to the Company Home Office address listed below.

President

National Fire & Marine Insurance Company

1314 Douglas St, Suite 1400

Omaha, NE 68102

All other terms, conditions, and agreements of the policy shall remain unchanged.

Company Name: National Fire & Marine Insurance Company

Policy Number: 12PRM131376-01

Endorsement Effective: 8/1/2024 12:01AM

Named Insured: TANGLEWOOD COURT
HOMEOWNERS ASSOCIATION

Countersigned by: _____
(Authorized Representative)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

Minimum Earned Premium Percentage 25% (25% if left blank)

Paragraph **A.5.** of the **Cancellation** Common Policy Condition is deleted in its entirety and replaced with the following:

A. Cancellation

5. If this policy is cancelled, we will send the first named insured any premium refund due. If we cancel, the refund will be pro rata. If the insured cancels, the refund may be less than pro rata. It is agreed, in the event the policy cancels at the request of the insured or due to non-payment of premium, the minimum premium total retained by the company (minimum earned) will be not less than the Minimum Earned Premium Percentage of the total policy premium as of the inception date of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION FOR WAR, NUCLEAR RISK (INCLUDING RADIOACTIVE), AND BIOLOGICAL RISK (INCLUDING CHEMICAL)

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 ERRORS & OMISSIONS COVERAGE PART
 LAW ENFORCEMENT WRONGFUL ACTS COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL CRIME COVERAGE PART

Notwithstanding any other provision of this Policy, this insurance does not apply to any loss or damages directly or indirectly arising out of, caused by, or resulting from "war", "nuclear risk " (including radioactive), or "biological risk" (including chemical). Such loss or damage is excluded regardless of (i) whether any other cause or event contributed to such loss or damage in any way or at any time or (ii) whether such loss or damage is accidental or intentional. "War" is defined as a declared, undeclared, or civil war or any act or condition incident to war; warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or insurrection, rebellion, revolution, or usurped power or action taken by governmental authority in hindering or defending against any of these. "Nuclear risk" is defined as nuclear detonation, reaction, or radiation or radioactive contamination. "Biological risk" is defined as the intentional release of or exposure to biological, chemical, or germ agents or disease or intentional contamination or infection of any food source or supply, water source or supply, air supply, or atmosphere.

In any proceeding seeking coverage under this Policy, the person seeking coverage shall have the burden of proving that the claim or "suit" is not excluded under this Endorsement.

All other terms, conditions and agreements of the policy remain unchanged.

Company Name National Fire & Marine Insurance Company	Policy Number 12PRM131376-01
	Endorsement Effective
Named Insured TANGLEWOOD COURT HOMEOWNERS ASSOCIATION	Countersigned by

(Authorized Representative)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTION EXCLUSION

The provisions of the Coverage Form apply unless modified by this endorsement.

Whenever coverage provided by this policy would be in violation of any U.S. economic trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

This endorsement changes the policy effective on the inception date of the policy unless another date is shown below. All other terms, conditions and agreements of the policy remain unchanged.

Company Name National Fire & Marine Insurance Company	Policy Number 12PRM131376-01 Endorsement Effective
Named Insured TANGLEWOOD COURT HOME	Countersigned by

(Authorized Representative)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES TO COMMON POLICY CONDITIONS – CANCELLATION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
 CARGO COVERAGE FORM
 GARAGE COVERAGE FORM
 COMMERCIAL GENERAL LIABILITY COVERAGE FORM
 Commercial Property Coverage Part

The following are added to Paragraph **A.1. Cancellation** of the Common Policy Conditions:

- a. If you granted a power of attorney to a finance company to obtain financing for the policy and that finance company provides us a written notice of cancellation or request to cancel, we will then cancel the policy as of the date either:
 - (1) specified in the notice or request, or
 - (2) required under any applicable statute, regulation, or other policy provision, whichever is latest.

- b. If we filed proof of insurance on your behalf to a government agency, the law may require advance notice of cancellation to that agency. The date of cancellation will be extended as needed to comply.

All other terms, conditions and agreements remain unchanged.

Company Name National Fire & Marine Insurance Company	Policy Number 12PRM131376-01
	Endorsement Effective 8/1/2024 12:01:00AM
Named Insured TANGLEWOOD COURT HOMEOWNERS ASSOCIATION	Countersigned at
	By

(Authorized Representative)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Agency Name: RPS Minneapolis

Agency Number: H00516

DESCRIPTION OF PREMISES

Premises Number: 1

Building Number: 1

Building Description:

Address: 1436 N 9TH AVE PL E, NEWTON, IA 50208

Protection Class: 4

Construction: Frame/Brick Veneer

Occupancy: 0331 CONDOMINIUMS RESIDENTIAL BETWEEN 1 AND 4 UNITS

COVERAGES PROVIDED

Insurance at the above described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Coverage	Limit Of Insurance	Coinsurance	Covered Causes Of Loss	Deductible	Premium
Building	\$600,000	80%	BASIC	\$10,000	\$2,976

OPTIONAL COVERAGES

Coverage	Agreed Value		Replacement Cost (X)	Inflation Guard (%)
	Amount	Expiration Date		
Building			X	

OPTIONAL BUSINESS INCOME COVERAGES

Agreed Value		Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	Extended Period Of Indemnity (Days)
Amount	Expiration Date			

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Agency Name: RPS Minneapolis

Agency Number: H00516

DESCRIPTION OF PREMISES

Premises Number: 2

Building Number: 1

Building Description:

Address: 933 E 15TH ST N, NEWTON, IA 50208

Protection Class: 4

Construction: Frame/Brick Veneer

Occupancy: 0331 CONDOMINIUMS RESIDENTIAL BETWEEN 1 AND 4 UNITS

COVERAGES PROVIDED

Insurance at the above described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Coverage	Limit Of Insurance	Coinsurance	Covered Causes Of Loss	Deductible	Premium
Building	\$600,000	80%	BASIC	\$10,000	\$2,976

OPTIONAL COVERAGES

Coverage	Agreed Value		Replacement Cost (X)	Inflation Guard (%)
	Amount	Expiration Date		
Building			X	

OPTIONAL BUSINESS INCOME COVERAGES

Agreed Value		Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	Extended Period Of Indemnity (Days)
Amount	Expiration Date			

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Agency Name: RPS Minneapolis

Agency Number: H00516

DESCRIPTION OF PREMISES

Premises Number: 3

Building Number: 1

Building Description:

Address: 934 E 15TH ST N, NEWTON, IA 50208

Protection Class: 4

Construction: Frame/Brick Veneer

Occupancy: 0331 CONDOMINIUMS RESIDENTIAL BETWEEN 1 AND 4 UNITS

COVERAGES PROVIDED

Insurance at the above described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Coverage	Limit Of Insurance	Coinsurance	Covered Causes Of Loss	Deductible	Premium
Building	\$600,000	80%	BASIC	\$10,000	\$2,976

OPTIONAL COVERAGES

Coverage	Agreed Value		Replacement Cost (X)	Inflation Guard (%)
	Amount	Expiration Date		
Building			X	

OPTIONAL BUSINESS INCOME COVERAGES

Agreed Value		Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	Extended Period Of Indemnity (Days)
Amount	Expiration Date			

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Agency Name: RPS Minneapolis

Agency Number: H00516

DESCRIPTION OF PREMISES

Premises Number: 4

Building Number: 1

Building Description:

Address: 1502 N 9TH AVE PL E, NEWTON, IA 50208

Protection Class: 4

Construction: Frame/Brick Veneer

Occupancy: 0331 CONDOMINIUMS RESIDENTIAL BETWEEN 1 AND 4 UNITS

COVERAGES PROVIDED

Insurance at the above described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Coverage	Limit Of Insurance	Coinsurance	Covered Causes Of Loss	Deductible	Premium
Building	\$600,000	80%	BASIC	\$10,000	\$2,976

OPTIONAL COVERAGES

Coverage	Agreed Value		Replacement Cost (X)	Inflation Guard (%)
	Amount	Expiration Date		
Building			X	

OPTIONAL BUSINESS INCOME COVERAGES

Agreed Value		Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	Extended Period Of Indemnity (Days)
Amount	Expiration Date			

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Agency Name: RPS Minneapolis

Agency Number: H00516

DESCRIPTION OF PREMISES

Premises Number: 5

Building Number: 1

Building Description:

Address: 926 E 15TH ST N, NEWTON, IA 50208

Protection Class: 4

Construction: Frame/Brick Veneer

Occupancy: 0331 CONDOMINIUMS RESIDENTIAL BETWEEN 1 AND 4 UNITS

COVERAGES PROVIDED

Insurance at the above described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Coverage	Limit Of Insurance	Coinsurance	Covered Causes Of Loss	Deductible	Premium
Building	\$600,000	80%	BASIC	\$10,000	\$2,976

OPTIONAL COVERAGES

Coverage	Agreed Value		Replacement Cost (X)	Inflation Guard (%)
	Amount	Expiration Date		
Building			X	

OPTIONAL BUSINESS INCOME COVERAGES

Agreed Value		Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	Extended Period Of Indemnity (Days)
Amount	Expiration Date			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY COVERAGE PART FORMS SCHEDULE

Form Number	Edition Date	Form Title
CPD 0001	4/2013	COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
CPS 0001	5/2013	COMMERCIAL PROPERTY COVERAGE PART FORMS SCHEDULE
CP 0010	6/2007	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP 1010	6/2007	CAUSES OF LOSS - BASIC FORM
CP 0299	6/2007	CANCELLATION CHANGES
CPB 9010	9/2019	MORTGAGEHOLDER CANCELLATION NOTICE
CP 0090	7/1988	COMMERCIAL PROPERTY CONDITIONS
CP 0140	7/2006	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP 0411	10/2012	PROTECTIVE SAFEGUARDS
CP 1032	8/2008	WATER EXCLUSION ENDORSEMENT
CP 1054	6/2007	WINDSTORM OR HAIL EXCLUSION
CP 1075	12/2020	CYBER INCIDENT EXCLUSION
CPB 1240	7/2022	WINDSTORM OR HAIL ONE YEAR NOTICE OF LOSS AMENDATORY ENDORSEMENT
CPB 1244	7/2023	ACTUAL CASH VALUE ENDORSEMENT
CPB 1420	11/2018	ADDITIONAL PROPERTY NOT COVERED
CPB 1425	4/2024	DETACHED STRUCTURES CLARIFICATION ENDORSEMENT
CPB 1805	1/2020	APPRAISAL CONDITION
CPB 2001	4/2024	EXCLUSION - NAMED CONSTRUCTION MATERIALS AND INCREASED COST ASSOCIATED WITH ASBESTOS
CPB 2002	5/2019	EXCLUSION - EVICTION
CPB 4032	4/2023	EXCLUSION - PFAS (PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES)
CPM 1110	7/2022	MULTIPLE CAUSES OF LOSS DEDUCTIBLE FORM
CPM 9903	7/2015	EXCLUSION - MAJOR RENOVATIONS
CPM1121	9/2012	PER BUILDING DEDUCTIBLE - NO AGGREGATE
IL 0935	7/2002	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
IL 0953	1/2015	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
IL 0995	1/2007	CONDITIONAL EXCLUSION OF TERRORISM

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or

- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise speci-

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations,
 - (a) Made a part of the building or structure
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for un-

c. Personal Property Of Others that is:

- (1)** In your care, custody or control; and
- (2)** Located in or on the building described in the Declarations or in the open (or in

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the prop-

2. Property Not Covered

Covered Property does not include:

- a.** Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b.** Animals, unless owned by others and boarded by you, or if owned by you, only as
- c.** Automobiles held for sale;
- d.** Bridges, roadways, walks, patios or other paved surfaces;
- e.** Contraband, or property in the course of illegal transportation or trade;
- f.** The cost of excavations, grading, backfilling
- g.** Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1)** The lowest basement floor; or
 - (2)** The surface of the ground, if there is no
- h.** Land (including land on which the property is located), water, growing crops or lawns;
- i.** Personal property while airborne or waterborne;
- j.** Bulkheads, pilings, piers, wharves or
- k.** Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l.** Retaining walls that are not part of a building;
- m.** Underground pipes, flues or drains;

- n.** Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send
- o.** The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than
- p.** Vehicles or self-propelled machines (including
 - (1)** Are licensed for use on public roads; or
 - (2)** Are operated principally away from the described premises.

This paragraph does not apply to:

- (a)** Vehicles or self-propelled machines or autos you manufacture,
- (b)** Vehicles or self-propelled machines,
- (c)** Rowboats or canoes out of water at
- (d)** Trailers, but only to the extent provided for in the Coverage Extension

- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days
- (2) Debris Removal does not apply to costs
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted
- (3) Subject to the exceptions in Paragraph
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris

EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable:	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,500$) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire de-

- (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
- No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that
- (3) The ordinance or law referred to in e. (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the build-

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or

(b) Any costs associated with the enforcement of an 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

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one

building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is

the lesser of: \$10,000 or 5% times the

The amount payable under this Additional Coverage is additional

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provi-

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Addi-

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply-
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, in-
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the cover-
 - (d) The Covered Causes of Loss include
 - a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs,
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location de-
 - (iii) Business personal property that you newly acquire, located at

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession
- (ii) Personal property of others that is temporarily in your possession

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property,

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage
- (2) Personal property of others in your care,

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered,
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your
 - (a) Temporarily at a location you do not
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current
 - (c) At any fair, trade show or

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or

(3) The most we will pay for loss or damage

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your
- (b) The trailer is in your care, custody or control at the premises described
- (c) You have a contractual responsibility to pay for loss or damage to the

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in

(b) During hitching or unhitching operations, or when a trailer becomes ac-

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

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

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage.

If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible.

But the Deductible will be applied only once per

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

\$ 60,000
– 250
<hr/>
\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction.

The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to

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

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered
- (1) Notify the police if a law may have been
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or
 - (5) At our request, give us complete inventories of the damaged and undamaged
 - (6) As often as may be reasonably required, permit us to inspect the property proving
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and per-
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this
 - (8) Cooperate with us in the investigation or
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you.
- If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of

Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance,

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when

at-

tached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments

at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as

fol-

lows:

- (a) Multiply the original cost by the

num-

ber of days from the loss or damage to the expiration of the lease; and

- (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss

if

the value of Covered Property at the time

of

loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the

property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step

- (4) or the limit of insurance, whichever is less. For the remainder, you will either

have

to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 / \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Co-insurance requirement is \$200,000 (\$250,000 x 80%).

Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:	The value of the property is:	
	Building at Location #1:	\$ 75,000
	Building at Location #2:	\$ 100,000
	Personal Property at Location #2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location #2:	\$ 30,000
	Personal Property at Location #2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 / \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.All of the terms of this Coverage Part will then apply directly to the mortgageholder.
- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mort-

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
- (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase

EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000
The annual percentage increase is: 8%
The number of days since the beginning of the policy year (or last policy change) is: 146
The amount of increase is:
 $\$100,000 \times .08 \times 146 / 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
- (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.
- Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your

original

cost, as set forth in the Valuation Loss Condition of this Coverage Form; and

- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;

- (2) The cost to replace the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

- (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises,

the

cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage

is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this

Ex-

tension as applicable, then Paragraph

3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other

provisions

of the Replacement Cost Optional Coverage apply to replacement cost on

personal

property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to

that

item(s), then valuation of that item(s) will

be

based on the amount for which you are liable under such contract, but not to

exceed

the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins,

spores, scents or by-products produced or re-

leased by fungi.

2. "Pollutants" means any solid, liquid, gaseous

CAUSES OF LOSS - BASIC FORM

A. Covered Causes Of Loss

When Basic is shown in the Declarations, Covered Causes of Loss means the following:

1. Fire.
2. Lightning.
3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - a. Rupture, bursting or operation of pressure-relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. Windstorm or Hail, but not including:
 - a. Frost or cold weather;
 - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
6. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

7. Riot or Civil Commotion, including:
 - a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.
8. Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (1) Results in sprinkler leakage; or
 - (2) Is directly caused by freezing.
 - b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.
- Automatic Sprinkler System means:
- (1) Any automatic fire-protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
 - (2) When supplied from an automatic fire-protective system:
 - (a) Non-automatic fire-protective systems; and
 - (b) Hydrants, standpipes and outlets.



10. Sinkhole Collapse, meaning loss or damage caused by 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:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or
- c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;

- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in

- b. (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion.

But if volcanic eruption, explosion or effusion results in fire or Volcanic Action, we will pay for the loss or damage caused by that fire or Volcanic Action.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.



Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

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

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

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

2. We will not pay for loss or damage caused by or resulting from:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:
 - (a) Electrical current, including arcing;
 - (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (c) Pulse of electromagnetic energy; or
 - (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

- c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss. But 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.
- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

- e. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- f. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or

- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph B.1.a., Ordinance Or Law;
 - (b) Paragraph B.1.c., Governmental Action;
 - (c) Paragraph B.1.d., Nuclear Hazard;
 - (d) Paragraph B.1.e., Utility Services; and
 - (e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in C.2. and C.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A Covered Cause of Loss other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - 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 or dry rot or bacteria; 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 "fungus", wet or dry rot or bacteria are present.
3. The coverage described under C.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood 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 or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, 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 affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.



5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **b.** of Covered Causes Of Loss 9., Sprinkler Leakage.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
- a.** If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under 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.

- b.** If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria 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.

D. Limitation

We will pay for loss of animals only if they are killed or their destruction is made necessary.

E. Definitions

"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.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to the **Cancellation**
Common
Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least five days before the effective date of cancellation.

- A.** The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
1. Seasonal unoccupancy;
 2. Buildings in the course of construction, renovation or addition; or
 3. Buildings to which the Vacancy Permit endorsement applies.
- Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
- B.** After damage by a covered cause of loss, permanent

- C.** The building has:
1. An outstanding order to vacate;
 2. An outstanding demolition order;
 3. Been declared unsafe by governmental authority.
- D.** Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- E.** Failure to:
1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MORTGAGEHOLDER CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE FORM
VACANT BUILDING PROPERTY COVERAGE FORM

Section F. Additional Conditions, Subsection 2. Mortgageholders, section f. is replaced by the following:

- f. If we cancel this policy, we will mail or deliver written notice of cancellation to the Mortgageholder at the same time we mail or deliver written notice of cancellation to the first Named Insured.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

- C.** With respect to any loss or damage subject to the

- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
1	1	P-9e
2	1	P-9e
3	1	P-9e
4	1	P-9e
5	1	P-9e

Describe Any "P-9":

"P-9" e. Grills: gas or charcoal grills or fire pits, or similar devices, used for cooking, heating, or any other purpose must not be utilized within 10 feet of any structure, including but not limited to balconies or decks, or under any overhanging portion of any structure."

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to the Commercial Property

Conditions:

Protective Safeguards

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection

mains.

- When supplied from an automatic fire protective system:

- Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the

premises

are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection

service

to the described premises.

"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System installed on cooking appliances and having the

following

components:

- Hood;
- Grease removal device;
- Duct system; and

B. The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions

Coverage

Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the

Water

Exclusion in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in

Para-

graph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise

caused.

An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system

fails

in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by

that

fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM
STANDARD PROPERTY POLICY

SCHEDULE	
Premises Number	Building Number
1	1
2	1
3	1
4	1
5	1

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With respect to the location(s) indicated in the Sched-
ule, the following provisions apply.

A. The following is added to the Exclusions
section
and is therefore not a Covered Cause of Loss:

WINDSTORM OR HAIL

We will not pay for loss or damage:

1. Caused directly or indirectly by Windstorm
or
Hail, regardless of any other cause or event
that contributes concurrently or in any se-
quence to the loss or damage; or
2. Caused by rain, snow, sand or dust, whether
driven by wind or not, if that loss or damage
would not have occurred but for the
Windstorm
or Hail.

But if Windstorm or Hail results in a cause of
loss other than rain, snow, sand or dust,
and
that resulting cause of loss is a Covered
Cause
of Loss, we will pay for the loss or damage

- B. The terms of the Windstorm Or Hail exclusion,
or
the inapplicability of this exclusion to a
particular
loss, do not serve to create coverage for any
loss
that would otherwise be excluded under this
pol-
icy.
- C. Under Additional Coverage - Collapse, in the
Causes Of Loss - Broad Form, Windstorm or
Hail
is deleted from Paragraph 2.a.
- D. In the Causes Of Loss - Special Form,
Windstorm
or Hail is deleted from the "specified causes of

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion is added to Paragraph B.

Exclusions:

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or

Cyber Incident

1. Unauthorized access to or use of any computer
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt,
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss –

Basic, Broad or Special Forms and if applicable

Vandalism does not include a cyber incident as described in Paragraph **A.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL ONE YEAR NOTICE OF LOSS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

VACANT BUILDING PROPERTY COVERAGE FORM

The following provision is added to Section E. LOSS CONDITIONS, item 3. Duties In The Event Of Loss Or Damage:

Unless you give us notice within one year of the date the loss or damage occurs, we will not pay for loss or
damage caused directly or indirectly by windstorm or hail regardless of any other cause or event that
contributes concurrently or in any sequence to the loss.

This duty is in addition to your duty to provide us with prompt notice of loss or damage.

The terms of this endorsement do not serve to create coverage for any loss that otherwise would not be
covered

under this policy.

All other terms and conditions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to any provision which uses the term actual cash value and replaces any other definition of

actual cash value in the policy:

The term actual cash value means the estimated cost to repair, rebuild or replace Covered Property as of the time of loss or damage less a deduction for depreciation.

The term depreciation means a decrease in value of the Covered Property prior to the loss or damage due

to:

1. Condition;
2. Wear and tear;

3. Deterioration;
4. Pre-loss damage;
5. Obsolescence;
6. Age; or
7. Reduction in useful life.

All costs necessary to repair, rebuild or replace Covered Property, including labor costs, are subject to a deduction for depreciation.

This endorsement applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

All other terms, conditions and agreements of the policy remain unchanged.

ADDITIONAL PROPERTY NOT COVERED

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to PROPERTY NOT COVERED:

Prem. No.	Bldg. No.	Description of Property Schedule
1	1	Appurtenant structures, including but not limited to fences, detached garages, and sheds which are not scheduled on the policy
2	1	Appurtenant structures, including but not limited to fences, detached garages, and sheds which are not scheduled on the policy
3	1	Appurtenant structures, including but not limited to fences, detached garages, and sheds which are not scheduled on the policy
4	1	Appurtenant structures, including but not limited to fences, detached garages, and sheds which are not scheduled on the policy
5	1	Appurtenant structures, including but not limited to fences, detached garages, and sheds which are not scheduled on the policy

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DETACHED STRUCTURES CLARIFICATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

Detached structures, including but not limited to detached garages, sheds, and barns which are not scheduled on the Declarations, are not covered under this policy.

All other terms, conditions and agreements of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APPRAISAL CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The APPRAISAL Condition is replaced by the following:

APPRAISAL.

- A. If you and we fail to agree on the amount of loss, or the actual cash value or the costs of repair or replacement of covered loss, either one may make a written demand for appraisal. Only you or we may demand appraisal.
- B. Each party will select a competent, disinterested, impartial, and independent appraiser and notify the other party of the appraiser's identity within 20 days of receipt of the written demand for appraisal.
 1. No person or entity which has been retained under a contingency agreement, including but not limited to any agreement under which the appraiser or umpire receives a percentage of the appraisal award, is paid an hourly fee capped at a percentage of the appraisal award, or is paid a percentage of the award capped at a specific amount may serve as an appraiser or umpire. Upon the request of one party, the other party must produce a copy of any agreement under which that party's appraiser or the umpire has been retained.
 2. No person or entity which has performed any function or service for either party, whether for remuneration or not, as respects the particular loss claimed under this policy may serve as an appraiser or the umpire
- C. The appraisers will then attempt to determine the amount of loss. With specificity the written report of agreement will:
 1. Describe each item or category of property being appraised;
 2. Unless directed otherwise by mutual agreement of the parties, estimate the following for each item or category of property:
 - a. Costs of repair or replacement;
 - b. Amount of depreciation and/or obsolescence, not including labor;
 - c. Amount of depreciation and/or obsolescence of labor; and
 - d. Market value.
- D. If the two appraisers fail to agree upon the amount of the loss within 30 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested, impartial, and independent umpire and will submit their differences to the umpire. If the appraisers cannot agree upon an umpire within 15 days, you or we can ask a judge of a state or federal court of record in the state or federal judicial district where the property is located to choose an umpire.
- E. A written appraisal agreement completed in accordance with sub-paragraph C.1. and C.2. above and signed by any two (appraisers or appraiser and umpire) will set the amount of loss of each item or category of property and will be binding upon you and us as to the value of the items appraised.
- F. Each party will pay the appraiser it chooses. The umpire and all other expenses of the appraisal will be paid equally by you and us.
- G. Appraisal is only available to determine the amount of the loss of each item in dispute. Interpretations of this policy may not be determined under this provision, including by way of example but not limited to:
 1. Any other questions of fact;
 2. Questions of law;
 3. Questions of coverage;
 4. The cause of loss;
 5. When loss occurred;
 6. Other contractual issues; or
 7. To conduct appraisal on a class-wide basis.
- H. Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgment in a court but may be used only to establish the amount of loss otherwise determined to be covered under the Policy.
- I. A party may not demand appraisal after that party brings suit or action against the other party relating to the amount of the loss.

If there is an appraisal award, we reserve all rights under the Policy, including the right to deny your claim.

All other policy provisions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – NAMED CONSTRUCTION MATERIALS
AND INCREASED COST ASSOCIATED WITH
ASBESTOS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A. We will not pay for loss or damage caused directly or indirectly by or which arises out of or is related to, in any
1. Aluminum wiring;
 2. Knob and tube wiring;
 3. Polybutylene piping; or
 4. Bulldog/Pushmatic, Challenger, Federal Pacific Electric Stab-Lok, or Zinsco electrical panels or circuit breakers.
- B. Covered Property does not include:
1. Property listed in A, above;
 2. Asbestos siding;
 3. Asbestos shingles;
 4. Atlas Chalet shingles; or
 5. T-lock shingles.
- C. With regard to any materials containing asbestos, including those listed in B. above, we will not pay for the increased cost associated with the repair, removal, replacement, testing, mitigation, abatement, or disposal of asbestos.

All other terms, conditions and agreements remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — EVICTION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A. We will not pay for damage caused by, contributed to, assisted by, or as a result of any intentional acts by the tenant including, but not limited to, vandalism, arson, violence, theft, or malicious mischief occurring during the time period beginning with notice of commencement of an "eviction" process against the tenant and ending 30 days after the tenant vacates the premises.
- B. For the purpose of this exclusion, "eviction" is the removal of a tenant from the premises in which he or she resides either by reentry upon the premises or through court action.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PFAS (PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES)

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to Paragraph **B. Exclusions**:

1. The exclusion set forth in Paragraph 2. applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of
2. We will not pay for loss or damage caused directly or indirectly by, in whole or in part, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, the actual, alleged, threatened or suspected absorption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "PFAS" or products or materials containing "PFAS." Further, we will not pay for any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of "PFAS" by any insured or by any other person or entity, whether or not required by law.
3. As used herein, "PFAS" means any:
 - a. Chemical, compound, substance or material of any kind that consists of or contains, in whole or in part, perfluoroalkyl and/or polyfluoroalkyl;
 - b. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms;
 - c. Perfluorinated chemical, compound, or substance;
 - d. Polyfluorinated chemical, compound, or substance;
 - e. Perfluoroalkane sulfonoamido chemical, compound, or substance;
 - f. Fluoropolymer of any type, kind, or substance;
 - g. Perfluoropolyether of any type, kind, or substance;
 - h. Side-chain fluorinated polymer of any type, kind, or substance;
 - i. Perfluorooctanoic acid, perfluorooctane sulfonic acid, perfluorobutane sulfonic acid, GenX, and any other compound or substance included as or designated to be a perfluoroalkyl or polyfluoroalkyl by the United States Environmental Protection Agency, any similar state agency or entity, or any equivalent foreign or international environmental agency or entity;

- j. Associated salt, ester, acid, or alcohol of any item included in this definition of "PFAS";
 - k. Ionic state or acid form of any item included in this definition of "PFAS";
 - l. Precursor chemical, derivative, or degradation or by-product of any item included in this definition of "PFAS"; and
 - m. Any good or product, including containers, materials, parts, or equipment, furnished in connection with such good or product, that consists of or contains any chemical or substance described above.
- 4. The terms of the exclusion in Paragraph 2., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.
 - 5. The addition of this endorsement does not imply that the actual, alleged, threatened or suspected absorption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any PFAS constitutes direct physical loss or damage.

All other terms, conditions and agreements of the policy shall remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE CAUSES OF LOSS DEDUCTIBLE FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Premises Number	Building Number	Covered Causes of Loss **	Deductible
1	1	1	30,000
2	1	1	30,000
3	1	1	30,000
4	1	1	30,000
5	1	1	30,000

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss

As indicated by the number(s) entered in the corresponding box(es) on the Declaration.

- (1) Windstorm or Hail
- (2) Theft
- (3) Vandalism
- (4) Collapse
- (5) Water Damage
- (6) Lightning
- (7) Wildfire Smoke

We will only pay for loss or damage for Covered Causes of Loss as shown in the Commercial Property Coverage

Part Declarations and set forth in the corresponding "Causes of Loss" form (Basic, Broad, Special) and

For the purposes of this endorsement:

Water Damage includes sprinkler leakage and is defined as any covered loss or damage caused directly or indirectly by water and regardless of any other cause or event that contributes concurrently or in any sequence

Wildfire Smoke includes, but is not limited to, smoke, soot, ash, or other fire-related airborne particulate, including any associated odor, related to a fire, which originates at a location other than the premises described

The following is added to the **Deductible** section:

- A.** Deductibles shown above only apply to the Covered Causes of Loss as specified. For any Covered Causes of Loss not itemized in this Schedule, deductibles shown in the Declarations remain unchanged.
- B.** In the event that more than one Covered Cause of Loss Deductible applies to loss or damage to Covered Property as a result of one occurrence, the highest Deductible, shown in this Schedule or in the Declarations, will apply.
- C.** The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.
- D.** The terms of this endorsement do not modify the application of any per-building deductibles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — MAJOR RENOVATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

We will not pay for loss or damage to covered property that occurs while any of the following are being performed:

1. Alterations to load-bearing structures;
2. New construction, including building additions; or
3. Demolition, including but not limited to tearing down an exterior wall, removing a roof, or interior demolition involving load-bearing structures.

All other terms, conditions and agreements of the policy shall remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PER BUILDING DEDUCTIBLE – NO AGGREGATE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following modifies the **Deductible** section of this policy:

Deductibles will apply on a per-building basis.

The

per-building deductible shall apply separately to each occurrence and each building scheduled in the Declarations, regardless of the number of occurrences or buildings. For the purposes of the per-building deductible, a residential dwelling with an associated detached garage at the same location will be considered one building.

In the event that more than one Deductible applies

to loss or damage to Covered Property as a result

of one occurrence, the highest Deductible shown in the Declarations will apply.

The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

A. We will not pay for loss ("loss") or damage caused

directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes

concurrently

or in any sequence to the loss ("loss") or

damage.

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

- (1)** Computer hardware, including micro-processors;
- (2)** Computer application software;
- (3)** Computer operating systems and related software;
- (4)** Computer networks;
- (5)** Microprocessors (computer chips) not part of any computer system; or
- (6)** Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use

or

rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize,

proc-

ess, distinguish, interpret or accept one or more dates or times. An example is the

inability

of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems

described

in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or

2. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or

b. In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss",

eleva-

tor collision, or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and

A.1.b. of this endorsement to correct any

deficien-

cies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:
"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:
CERTIFIED ACT OF TERRORISM EXCLUSION
We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. **Exception Covering Certain Fire Losses**
The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement. If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **D.**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Applicability Of The Provisions Of This Endorsement

- 1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.**

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or**

- b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definition is added and applies under
- this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- C. The following exclusion is added:
- EXCLUSION OF TERRORISM**
- We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**
1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
 2. Radioactive material is released, and it appears that one purpose of the "terrorism" was

5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded. With respect to this Item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to

an

D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism

applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all

appli-

cable policy provisions including the Limit of

Insur-

ance on the affected property. Such coverage for fire applies only to direct loss or damage by fire

to

Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**,

such

exclusion applies without regard to the

Nuclear

Hazard Exclusion in this Coverage Form, Coverage Part or Policy.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of

a