

07-0531-00  
AGENCY 10 INSURANCE  
121 NE 18TH ST STE 2  
ANKENY IA 50021-4697

# *Auto-Owners* INSURANCE

LIFE • HOME • CAR • BUSINESS

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PO BOX 30660 • LANSING, MI 48909-8160

Agency phone: 515-865-4986

02-13-2024

Owners Insurance Company

VILLAGE AT DEER CREEK CROSSING TOWN  
C/O JEFF KILLPACK  
2775 86TH ST  
URBANDALE IA 50322-4336

You can view your policy or change your paperless options at any time online at [www.auto-owners.com](http://www.auto-owners.com).

RE: Policy 244607-39290517-24

Thank you for selecting Auto-Owners Insurance Group to serve your insurance needs! Feel free to contact your independent Auto-Owners agent with questions you may have. If you have questions your agent is unable to answer, please contact us at 517.323.1200.

Auto-Owners and its affiliate companies offer a full complement of policies, each of which has its own eligibility requirements, coverages and rates. Please take this opportunity to review your insurance needs with your Auto-Owners agent, and discuss which company and program may be most appropriate for you.

Auto-Owners Insurance Company was formed in 1916. Our A++ (Superior) rating by A.M. Best Company signifies that we have the financial strength to provide the insurance protection you need. The Auto-Owners Insurance Group is comprised of six property and casualty companies and a life insurance company.

***Serving Our Policyholders and Agents Since 1916***

## NOTICE OF PRIVACY PRACTICES

### What We Do To Protect Your Privacy

At Auto-Owners Insurance Group\*, we value your business and we want to retain your trust. In the course of providing products and services, we may obtain nonpublic personal information about you. We assure you that such information is used only for the purpose of providing our products and services to you.

### Protecting Confidentiality

Our agents and Company associates may have access to nonpublic personal information only for the purpose of providing our products or services to you. We maintain physical, electronic and procedural safeguards against unauthorized use of your nonpublic personal information.

### Information We Obtain

To assist in underwriting and servicing your policy, we may obtain nonpublic personal information about you. For example, we routinely obtain information through applications, forms related to our products or services, from visiting [www.auto-owners.com](http://www.auto-owners.com), and your transactions with us. We may obtain such information from our affiliates, independent insurance agents, governmental agencies, third parties, or consumer reporting agencies.

The type of information that we collect depends on the product or service requested, but may include your name, address, contact information, social security number, credit history, claims history, information to properly investigate and resolve any claims, or billing information. We may obtain your medical history with your permission. The nature and extent of the information we obtain varies based on the nature of the products and services you receive.

### The Internet and Your Information

If you would like to learn about how we gather and protect your information over the Internet, please see our online privacy statement at [www.auto-owners.com/privacy](http://www.auto-owners.com/privacy).

Generally, Auto-Owners may use cookies, analytics, and other technologies to help us provide users with better service and a more customized web experience. Our business partners may use tracking services, analytics, and other technologies to monitor visits to [www.auto-owners.com](http://www.auto-owners.com). The website may use web beacons in addition to cookies. You may choose to not accept cookies by changing the settings in your web browser.

Information obtained on our websites may include IP address, browser and platform types, domain names, access times, referral data, and your activity while using our site; who should use our web site; the security of information over the Internet; and links and co-branded sites.

### Limited Disclosure

Auto-Owners Insurance Group companies do not disclose any nonpublic personal information about their customers or former customers except as permitted by law. We do not sell your personal information to anyone. We do not offer an opportunity for you to prevent or "opt out of" information sharing since we only share personal information with others as allowed by law.

When sharing information with third parties to help us conduct our business, we require them to protect your personal information. We do not permit them to use or share your personal information for any purpose other than the work they are doing on our behalf or as required by law.

The types of information disclosed may include personal information we collect as necessary to service your policy or account, investigate and pay claims, comply with state and federal regulatory requests or demands, and process other transactions that you request. Third parties that receive disclosures may include your independent agent, regulators, reinsurance companies, fraud prevention agencies, or insurance adjusters.

## **How Long We Retain Your Information**

We generally retain your information as long as reasonably necessary to provide you services or to comply with applicable law and in accordance with our document retention policy. We may retain copies of information about you and any transactions or services you have used for a period of time that is consistent with applicable law, applicable statute of limitations or as we believe is reasonably necessary to comply with applicable law, regulation, legal process or governmental request, to detect or prevent fraud, to collect fees owed, to resolve disputes, to address problems with our services, to assist with investigations, to enforce other applicable agreements or policies or to take any other actions consistent with applicable law.

In some circumstances we may anonymize your personal information (so that it can no longer be associated with you) for research or statistical purposes, in which case we may use this information indefinitely without further notice to you. This allows the specific information collected (name, email, address, phone number, etc.) to become anonymous, but allows Auto-Owners to keep the transaction or engagement data.

## **Changes to the Privacy Policy**

We will provide a notice of our privacy policy as required by law. This policy may change from time to time, but you can always review our current policy by visiting our website at [www.auto-owners.com/privacy](http://www.auto-owners.com/privacy) or by contacting us.

## **Contact Us**

Auto-Owners Insurance Company  
Phone: 844-359-4595 (toll free)  
Email: [privacyrequest@aoins.com](mailto:privacyrequest@aoins.com)

\*Auto-Owners Insurance Group includes, Auto-Owners Insurance Company, Auto-Owners Life Insurance Company, Home-Owners Insurance Company, Owners Insurance Company, Property-Owners Insurance Company and Southern-Owners Insurance Company.

## NOTIFICATION OF POSSIBLE CHANGES IN COVERAGE FOR TERRORISM

Dear Policyholder:

The Terrorism Risk Insurance Act (including ensuing Congressional actions pursuant to the Act) will expire on December 31, 2027 unless the Federal government extends the Act. What this means to you is the following:

1. Subject to policy terms and conditions, the enclosed policy will provide insurance coverage for certified acts of terrorism as defined in the Act only until December 31, 2027.
2. A conditional endorsement entitled, Conditional Exclusion Of Terrorism Involving Nuclear, Biological Or Chemical Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act) is enclosed. This conditional endorsement will only apply if the Act is not extended or if the Act is revised to increase statutory deductibles, decrease the federal government's share in potential losses above the statutory deductibles, change the levels, terms or conditions of coverage and we are no longer required to make terrorism coverage available and elect not to do so. It will not apply if the Act is simply extended.
3. The conditional endorsement will provide coverage for an incident of terrorism pursuant to the terms and conditions of the policy only if the incident does not involve nuclear, biological or chemical material.
4. A premium charge for the conditional endorsement will be applied effective January 1, 2028. The premium will be pro rated for the remainder of the policy term and is one-half of the current premium charge appearing in the Declarations for TERRORISM - CERTIFIED ACTS. However, it will only be made if the Terrorism Risk Insurance Act (including ensuing Congressional actions pursuant to the Act) is not extend. Revised Declarations will be mailed to you after January 1, 2028.
5. If the Act is extended without any revision, the enclosed policy will continue to provide coverage for certified acts of terrorism. The conditional endorsement will not be activated and the changes in coverage or premium referenced above will not apply.
6. If the Act is extended with revisions or is replaced, and we are required or elect to continue to offer coverage for certified acts of terrorism, we may amend this policy in accordance with the provisions of the revised Act or its replacement.

This notice is for informational purposes only.

If you have any questions concerning your policy or this notice, please contact your Auto-Owners agency.

## POLICYHOLDER NOTICE - ACTUAL CASH VALUE

Dear Policyholder,

If your policy's provisions require payment for loss of or damage to covered property on an actual cash value basis, Iowa law may allow us to take into consideration factors including, but not limited to:

1. the market value of the property at the time of loss;
2. replacement cost of the property at the time of the loss less depreciation; and
3. any other relevant evidence or information to determine actual cash value.

This notice is for informational purposes only. Your policy contains the specific terms and conditions of coverage.

If you have any questions regarding your policy or this notice, please contact your Auto-Owners agency.

**\*\*\* IMPORTANT NOTICE \*\*\***  
**AUTO-OWNERS CYBER LIABILITY eRISK HUB®**

Dear Policyholder,

Cyber Liability policyholders receive complimentary access to the Auto-Owners Cyber Liability eRisk Hub®. The Auto-Owners Cyber Liability eRisk Hub® is a website that contains information and technical resources to assist you in developing a cyber event response plan, providing information technology and data privacy training for your employees, and implementing cyber security and data privacy protections. Planning for a cyber or privacy event will help your company respond more efficiently in the event you suffer a cyber attack or data compromise, reducing the amount of time and cost associated with remediation.

Key Features of the Auto-Owners Cyber Liability eRisk Hub® Portal include:

- Online Training Modules
- Risk Management Tools
- News Center
- Learning Center
- eRisk Resources
- Incident Response Plan Roadmap

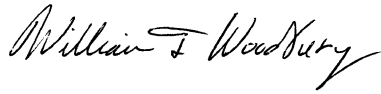
To access the Auto-Owners eRisk Hub®, visit [www.eriskhub.com/auto-owners](http://www.eriskhub.com/auto-owners) and enter access code 12116-771 on the registration page.

If you have any questions regarding your policy or this notice, please contact your Auto-Owners Insurance agency.

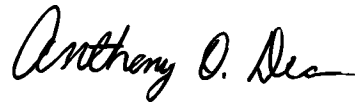
***Tailored Protection  
Insurance Policy***

***Owners Insurance Company***

In witness whereof, we, the Owners Insurance Company, have caused this policy to be issued and to be duly signed by our President and Secretary.



Secretary



President



INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

**TAILORED PROTECTION POLICY DECLARATIONS**

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109 515-865-4986

New Business Effective 02-06-2024

**POLICY NUMBER 244607-39290517-24**

INSURED VILLAGE AT DEER CREEK CROSSING TOWN  
C/O JEFF KILLPACK

Company Use 39-46-IA-2402

ADDRESS 2775 86TH ST  
URBANDALE IA 50322-4336

Company  
Bill

Policy Term	
12:01 a.m.	12:01 a.m.
02-06-2024	to 02-06-2025

55039 (11-87)

**COMMON POLICY INFORMATION**

**Business Description:** Townhome Association

**Entity:** Association

**Program:** Condominium-Residential Association

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S):	PREMIUM
COMMERCIAL PROPERTY COVERAGE	\$18,108.00
COMMERCIAL GENERAL LIABILITY COVERAGE	\$2,300.00
<b>TOTAL</b>	<b>\$20,408.00</b>
<b>PAID IN FULL DISCOUNT</b>	<b>\$2,176.00</b>
<b>TOTAL POLICY PREMIUM IF PAID IN FULL</b>	<b>\$18,232.00</b>
<b>THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.</b>	
The Paid in Full Discount does not apply to fixed fees, statutory charges or minimum premiums.	

Forms that apply to all coverage part(s) shown above (except garage liability, dealer's blanket, commercial automobile, if applicable):  
IL0017 (11-85) 55003 (07-12) 55056 (07-87) 59390 (11-20)

A 02% Cumulative Multi-Policy Discount applies. Supporting policies are marked with an (X):  
Comm Umb(X) Comm Auto( ) WC( ) Life( ) Personal( ) Farm( ).

Countersigned By: \_\_\_\_\_

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

54104 (07-87)

**COMMERCIAL PROPERTY COVERAGE**

55198 (12-10)

**PREMIER PROPERTY PLUS COVERAGE PACKAGE DECLARATION**

The coverages and limits below apply separately to each location or sublocation that sustains a loss to covered property and is designated in the Commercial Property Coverage Declarations. No deductible applies to the below Property Plus Coverages.

COVERAGE	LIMIT
ACCOUNTS RECEIVABLE	\$200,000
BAILEES	\$15,000
	\$10,000 PER ITEM
BUSINESS INCOME & EXTRA EXPENSE W/RENTAL VALUE, INCLUDING NEWLY ACQUIRED LOC'S 72 HOUR WAITING PERIOD	\$150,000
DEBRIS REMOVAL	\$100,000
ELECTRONIC DATA PROCESSING EQUIPMENT	\$100,000
EMPLOYEE DISHONESTY	\$50,000
FINE ARTS, COLLECTIBLES AND MEMORABILIA	\$50,000
	\$10,000 PER ITEM
FIRE DEPARTMENT SERVICE CHARGE	\$25,000
FORGERY AND ALTERATION	\$50,000
MONEY AND SECURITIES INSIDE PREMISES	\$50,000
MONEY AND SECURITIES OUTSIDE PREMISES	\$50,000
NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY	\$500,000 FOR 90 DAYS
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	\$1,000,000 FOR 90 DAYS
ORDINANCE OR LAW	SEE COMMERCIAL PROPERTY DECLARATIONS
OUTDOOR PROPERTY	\$25,000
TREES, SHRUBS OR PLANTS	\$1,000 PER ITEM
RADIO OR TELEVISION ANTENNAS	\$20,000
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$50,000
POLLUTANT CLEAN UP AND REMOVAL	\$100,000
PROPERTY IN TRANSIT	\$100,000
PROPERTY OFF PREMISES	\$100,000
REFRIGERATED PRODUCTS	\$25,000
SALESPERSON'S SAMPLES	\$25,000

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

55198 (12-10)

**PREMIER PROPERTY PLUS COVERAGE PACKAGE DECLARATION**

COVERAGE	LIMIT
UTILITY SERVICES FAILURE	\$150,000
VALUABLE PAPERS AND RECORDS ON PREMISES	\$150,000
VALUABLE PAPERS AND RECORDS OFF PREMISES	\$25,000
WATER BACK-UP FROM SEWERS OR DRAINS	\$50,000

Forms that apply to this coverage part:

64004 (12-10)	54198 (12-10)	54334 (12-10)	64020 (12-10)	54189 (12-10)
54186 (12-10)	54218 (03-13)	54217 (07-17)	54216 (03-13)	54214 (03-13)
54221 (12-10)	54220 (06-00)	54219 (12-10)	54338 (03-13)	54339 (03-13)
64010 (12-10)	54754 (12-00)	64352 (12-20)	64000 (12-10)	

**Coverages Provided**

Insurance at the described premises applies only for coverages for which a limit of insurance is shown.

**LOCATION 0001 - BUILDING 0001**

**Location:** 217 - 241 Ne Glendale Ln., Ankeny, IA 50021

**Occupied As:** 7 Unit Townhome

**Secured Interested Parties:** None

**Rating Information**

Territory: 770

Program: Condominium-Residential A

Protection Class: 02

Class Rate - Building: 0.162

County: Polk

Construction: Frame

Class Code: 0331

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,758,607		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$528.00
Basic Group II	100%	\$2,500*		0.067	\$1,178.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$404.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$64.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$334.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0001 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$25.00
<b>LOCATION 0001</b>	<b>\$2,533.00</b>

**LOCATION 0002 - BUILDING 0001**

Location: 3104 - 3124 Ne Chandler Ln., Ankeny, IA 50021

Occupied As: 6 Unit Townhome

Secured Interested Parties: None

**Rating Information**

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,525,010		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$458.00
Basic Group II	100%	\$2,500*		0.067	\$1,022.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$351.00

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$55.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$289.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

**COMMERCIAL PROPERTY COVERAGE - LOCATION 0002 SUMMARY**

	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$22.00
<b>LOCATION 0002</b>	<b>\$2,197.00</b>

**LOCATION 0003 - BUILDING 0001**

**Location:** 3103 -3123 Ne Chandler Ln., Ankeny, IA 50021

**Occupied As:** 6 Unit Townhome

**Secured Interested Parties:** None

**Rating Information**

Territory: 770

Program: Condominium-Residential A

Protection Class: 02

Class Rate - Building: 0.162

County: Polk

Construction: Frame

Class Code: 0331

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,525,010		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$458.00
Basic Group II	100%	\$2,500*		0.067	\$1,022.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$351.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$55.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$289.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0003 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$22.00
<b>LOCATION 0003</b>	<b>\$2,197.00</b>

**LOCATION 0004 - BUILDING 0001**

**Location:** 201 - 213 Ne Glendale Ln., Ankeny, IA 50021-9218

**Occupied As:** 4 Unit Townhome

**Secured Interested Parties:** None

**Rating Information**

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,025,346		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$308.00
Basic Group II	100%	\$2,500*		0.067	\$687.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$236.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$37.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$195.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0004 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$15.00
<b>LOCATION 0004</b>	<b>\$1,478.00</b>

**LOCATION 0005 - BUILDING 0001**

**Location:** 3101 - 3113 Ne 2Nd Ln., Ankeny, IA 50021

**Occupied As:** 4 Unit Townhome

**Secured Interested Parties:** None

**Rating Information**

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,025,346		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$308.00
Basic Group II	100%	\$2,500*		0.067	\$687.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$236.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$37.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$195.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0005 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$15.00
<b>LOCATION 0005</b>	<b>\$1,478.00</b>

**LOCATION 0006 - BUILDING 0001**

Location: 3102 - 3118 Ne 2Nd Ln., Ankeny, IA 50021

Occupied As: 5 Unit Townhome

Secured Interested Parties: None

**Rating Information**

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331



Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,249,708		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$375.00
Basic Group II	100%	\$2,500*		0.067	\$837.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$287.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$45.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$237.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0006 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$18.00
<b>LOCATION 0006</b>	<b>\$1,799.00</b>

**LOCATION 0007 - BUILDING 0001**

**Location:** 3013 - 3033 Ne 2Nd Ln., Ankeny, IA 50021

**Occupied As:** 6 Unit Townhome

**Secured Interested Parties:** None

**Rating Information**

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,488,198		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$446.00
Basic Group II	100%	\$2,500*		0.067	\$997.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$342.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$54.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$282.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0007 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$21.00
<b>LOCATION 0007</b>	<b>\$2,142.00</b>

**LOCATION 0008 - BUILDING 0001**

Location: 202 - 222 Ne Meadow Ln., Ankeny, IA 50021

Occupied As: 6 Unit Townhome

Secured Interested Parties: None

Rating Information

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,488,198		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$446.00
Basic Group II	100%	\$2,500*		0.067	\$997.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$342.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$54.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$282.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0008 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$21.00
<b>LOCATION 0008</b>	<b>\$2,142.00</b>

**LOCATION 0009 - BUILDING 0001**

**Location:** 226 - 246 Ne Meadow Ln., Ankeny, IA 50021

**Occupied As:** 6 Unit Townhome

**Secured Interested Parties:** None

**Rating Information**

Territory: 770  
 Program: Condominium-Residential A  
 Protection Class: 02  
 Class Rate - Building: 0.162

County: Polk  
 Construction: Frame  
 Class Code: 0331

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING (BLANKET)			\$1,488,198		
Causes of Loss					
Basic Group I	100%	\$2,500*		0.030	\$446.00
Basic Group II	100%	\$2,500*		0.067	\$997.00
Windstorm/Hail	100%	3% *			Included
Special	100%	\$2,500*		0.023	\$342.00
Theft	100%	\$2,500*			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 02-06-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$2,500	See Form 54843		\$54.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$282.00
Tier: Premier					
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$2,500	Incl in Bldg Limit		Included
Coverage B-Demolition		\$2,500	\$160,000		Included
Coverage C-Increased Cost		\$2,500	\$160,000		Included

\*This deductible will apply separately to each building.

Forms that apply to this building:

59350 (01-15)	54833 (07-08)	IL0276 (06-89)	IL0003 (07-02)	IL0022 (05-87)
CP0197 (11-05)	CP0151 (02-03)	64224 (01-16)	59325 (12-19)	64326 (07-19)
64036 (02-12)	CP0090 (07-88)	54585 (12-10)	64000 (12-10)	64013 (12-10)
64010 (12-10)	64352 (12-20)	54843 (07-19)	64020 (12-10)	64004 (12-10)
54754 (12-00)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0009 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54833, 59390	\$21.00
<b>LOCATION 0009</b>	<b>\$2,142.00</b>

55040 (11-87)

**COMMERCIAL GENERAL LIABILITY COVERAGE**

COVERAGE	LIMITS OF INSURANCE
General Aggregate (Other Than Products-Completed Operations)	\$4,000,000
Products-Completed Operations Aggregate	\$4,000,000
Personal And Advertising Injury	\$2,000,000
Each Occurrence	\$2,000,000

Owners Ins. Co.

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AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	LIMITS OF INSURANCE
Assn Directors/Officers Errors and Omissions Agg	\$2,000,000
Assn Directors/Officers Errors and Omissions Occ	\$2,000,000
Hired Auto & Non-Owned Auto	\$2,000,000 Each Occurrence
<b>COMMERCIAL GENERAL LIABILITY PLUS ENDORSEMENT</b>	
Damage to Premises Rented to You (Fire, Lightning, Explosion, Smoke or Water Damage)	\$300,000 Any One Premises
Medical Payments	\$10,000 Any One Person
Hired Auto & Non-Owned Auto	\$2,000,000 Each Occurrence
Expanded Coverage Details See Form:	
Extended Watercraft	
Personal Injury Extension	
Broadened Supplementary Payments	
Broadened Knowledge Of Occurrence	
Additional Products-Completed Operations Aggregate	
Blanket Additional Insured - Lessor of Leased Equipment	
Blanket Additional Insured - Managers or Lessors of Premises	
Newly Formed or Acquired Organizations Extension	
Blanket Waiver of Subrogation	

Twice the "General Aggregate Limit", shown above, is provided at no additional charge for each 12 month period in accordance with form 55885.

**AUDIT TYPE:** Non-Audited

Forms that apply to this coverage:

59350 (01-15)	55405 (07-08)	55826 (04-17)	55146 (06-04)	CG2106 (05-14)
CG2109 (06-15)	55091 (05-17)	55010 (05-17)	55028 (05-17)	CG2004 (11-85)
CG2167 (12-04)	IL0021 (07-02)	CG2648 (06-08)	59325 (12-19)	CG0001 (04-13)
IL0276 (06-89)	IL0017 (11-85)	55537 (05-17)	55513 (05-17)	55029 (05-17)
CG2132 (05-09)	CG2147 (12-07)	55885 (05-17)	55410 (09-14)	55581 (05-16)
55664 (04-15)	59571 (10-18)	59390 (11-20)		

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

**LOCATION 0001 - BUILDING 0001**

**Location:** 217 - 241 Ne Glendale Ln., Ankeny, IA 50021

**Territory:** 003

**County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Commercial General Liability Plus Endorsement Included At 7.5% Of The Premises Operation Premium	00501	Prem/Op	Prem/Op Prem Included	Included	Included
Assn Directors/Officers Errors And Omissions	00811	Professional	Flat Charge 50		\$394.00
Hired Auto & Non-Owned Liability	04001	Auto	Flat Charge		\$81.00
Condominiums - Residential - (Association Risk Only)	62003	Prem/Op Prod/Comp Op	Units	Each 1	
			7	24.260	\$170.00
			7	4.453	\$31.00

**COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0001 SUMMARY**

	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$7.00
<b>LOCATION 0001</b>	<b>\$683.00</b>

**LOCATION 0002 - BUILDING 0001**

**Location:** 3104 - 3124 Ne Chandler Ln., Ankeny, IA 50021

**Territory:** 003

**County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003	Prem/Op Prod/Comp Op	Units	Each 1	
			6	24.260	\$146.00
			6	4.453	\$27.00

**COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0002 SUMMARY**

	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$2.00
<b>LOCATION 0002</b>	<b>\$175.00</b>

**LOCATION 0003 - BUILDING 0001**

**Location:** 3103 -3123 Ne Chandler Ln., Ankeny, IA 50021

**Territory:** 003

**County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003	Prem/Op Prod/Comp Op	Units	Each 1	
			6	24.260	\$146.00
			6	4.453	\$27.00

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

<b>COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0003 SUMMARY</b>	<b>PREMIUM</b>
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$2.00
<b>LOCATION 0003</b>	<b>\$175.00</b>

**LOCATION 0004 - BUILDING 0001**

**Location:** 201 - 213 Ne Glendale Ln., Ankeny, IA 50021-9218

**Territory:** 003 **County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003		Units	Each 1	
		Prem/Op	4	24.260	\$97.00
		Prod/Comp Op	4	4.453	\$18.00

<b>COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0004 SUMMARY</b>	<b>PREMIUM</b>
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$1.00
<b>LOCATION 0004</b>	<b>\$116.00</b>

**LOCATION 0005 - BUILDING 0001**

**Location:** 3101 - 3113 Ne 2Nd Ln., Ankeny, IA 50021

**Territory:** 003 **County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003		Units	Each 1	
		Prem/Op	4	24.260	\$97.00
		Prod/Comp Op	4	4.453	\$18.00

<b>COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0005 SUMMARY</b>	<b>PREMIUM</b>
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$1.00
<b>LOCATION 0005</b>	<b>\$116.00</b>

**LOCATION 0006 - BUILDING 0001**

**Location:** 3102 - 3118 Ne 2Nd Ln., Ankeny, IA 50021

**Territory:** 003 **County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003		Units	Each 1	
		Prem/Op	5	24.260	\$121.00
		Prod/Comp Op	5	4.453	\$22.00

<b>COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0006 SUMMARY</b>	<b>PREMIUM</b>
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$1.00
<b>LOCATION 0006</b>	<b>\$144.00</b>

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

**LOCATION 0007 - BUILDING 0001**

**Location:** 3013 - 3033 Ne 2Nd Ln., Ankeny, IA 50021

**Territory:** 003

**County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003		Units	Each 1	
		Prem/Op	6	24.260	\$146.00
		Prod/Comp Op	6	4.453	\$27.00

COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0007 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$2.00
<b>LOCATION 0007</b>	<b>\$175.00</b>

**LOCATION 0008 - BUILDING 0001**

**Location:** 202 - 222 Ne Meadow Ln., Ankeny, IA 50021

**Territory:** 003

**County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003		Units	Each 1	
		Prem/Op	6	24.260	\$146.00
		Prod/Comp Op	6	4.453	\$27.00

COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0008 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$2.00
<b>LOCATION 0008</b>	<b>\$175.00</b>

**LOCATION 0009 - BUILDING 0001**

**Location:** 226 - 246 Ne Meadow Ln., Ankeny, IA 50021

**Territory:** 003

**County:** Polk

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Condominiums - Residential - (Association Risk Only)	62003		Units	Each 1	
		Prem/Op	6	24.260	\$146.00
		Prod/Comp Op	6	4.453	\$27.00

COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0009 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$2.00
<b>LOCATION 0009</b>	<b>\$175.00</b>



Owners Ins. Co.

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AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

**EMPLOYMENT PRACTICES LIABILITY COVERAGE**

**THIS FORM PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS.  
PLEASE READ THE ENTIRE FORM CAREFULLY.**

THE COVERAGE OF THIS ENDORSEMENT IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE EPL COVERAGE PERIOD, INCLUDING ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO THE INSURER.

THE AGGREGATE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS UNDER THIS COVERAGE ENDORSEMENT SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

Retroactive Date:

EPL Coverage Period:

02-06-2024 to 02-06-2025

COVERAGE	DEDUCTIBLE	AGGREGATE LIMIT	PREMIUM
EPL Coverage	\$2,500	\$50,000	\$129.00
Number of Full-Time Employees      1			
Number of Part-Time Employees      5			
TERRORISM - CERTIFIED ACTS    SEE FORM: 59350, 55405, 59390			\$1.00
EMPLOYMENT PRACTICES LIABILITY PREMIUM			\$130.00

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

**CYBER LIABILITY COVERAGE**

**THIS FORM PROVIDES COVERAGE ON A CLAIMS-MADE AND  
REPORTED BASIS.  
PLEASE READ THE ENTIRE FORM CAREFULLY.**

THE LIMIT OF INSURANCE FOR ANY COVERAGE INDICATED BELOW APPLIES TO COVERED LOSSES AS DEFINED IN THE CYBER LIABILITY COVERAGE FORM.

ONLY COVERAGE UNDER INSURING AGREEMENTS A AND B BELOW ARE LIMITED TO LIABILITY FOR THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE COVERAGE PERIOD, INCLUDING ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO THE INSURER.

THE AGGREGATE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS UNDER THIS COVERAGE PART FOR INSURING AGREEMENTS A AND B ONLY SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE EXPENSES. AMOUNTS INCURRED FOR DEFENSE EXPENSES SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

IN THE EVENT OF A CYBER LIABILITY RELATED LOSS, PLEASE CONTACT YOUR AGENT AS SOON AS POSSIBLE. IF YOU CANNOT REACH YOUR AGENT AFTER NORMAL BUSINESS HOURS, CALL THE CYBER LIABILITY HOTLINE AT 1-877-800-5032.

Retroactive Date  
Coverage Period

02-06-2024  
02-06-2024 to 02-06-2025

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM
<b>CYBER AGGREGATE</b>		\$ 50,000	
<b>CYBER THIRD PARTY COVERAGE</b>			
INSURING AGREEMENT A - Information Risk Liability and Communication Incident Liability	\$ 1,000	\$ 50,000	
INSURING AGREEMENT B - Privacy Administrative Awards and PCI DSS Assessments (including Defense)	\$ 1,000	\$ 50,000	
Privacy Administrative Awards - up to a maximum of:	\$ 1,000	\$ 5,000	
PCI DSS Assessments - up to a maximum of:	\$ 1,000	\$ 5,000	
<b>Cyber Third Party Premium</b>			\$ 140.00
<b>CYBER FIRST PARTY COVERAGE</b>			
INSURING AGREEMENT C - Data Loss Expenses	\$ 1,000	\$ 50,000	
Information Risk Expenses - up to a maximum of:	\$ 1,000	\$ 10,000	
Information Restoration Expenses - up to a maximum of:	\$ 1,000	\$ 10,000	
Notification Expenses	\$ 0	\$ 50,000	
INSURING AGREEMENT D - Personal Identity Recovery Expenses	\$ 1,000	\$ 50,000	
Information Risk Expenses - up to a maximum of:	\$ 1,000	\$ 10,000	
Information Restoration Expenses - up to a maximum of:	\$ 1,000	\$ 10,000	
Notification Expenses	\$ 0	\$ 50,000	
INSURING AGREEMENT E - Business Income and Extra Expense (Waiting period is 24 hours)		\$ 50,000	
INSURING AGREEMENT F - Computer and Funds Transfer Fraud	\$ 1,000	\$ 25,000	
INSURING AGREEMENT G - Telecommunications Theft Expense	\$ 1,000	\$ 10,000	
INSURING AGREEMENT H - Extortion Payments and Rewards	\$ 1,000	\$ 10,000	
INSURING AGREEMENT I - Fraudulent Impersonation	\$ 1,000	\$ 25,000	
<b>Cyber First Party Premium</b>			\$ 94.00
<b>Total Cyber Premium</b>			\$ 234.00
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390, 55826			\$2.00
		<b>CYBER LIABILITY PREMIUM</b>	<b>\$236.00</b>

Owners Ins. Co.

Issued 02-13-2024

AGENCY AGENCY 10 INSURANCE  
07-0531-00 MKT TERR 109

Company POLICY NUMBER 244607-39290517-24  
Bill 39-46-IA-2402

INSURED VILLAGE AT DEER CREEK CROSSING TOWN

Term 02-06-2024 to 02-06-2025

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55056 (07-87)

## SUPPLEMENTAL DECLARATIONS

BUILDING BLANKET LIMIT OF INSURANCE: \$12,573,621

54186 (12-10)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WATER BACK-UP FROM SEWERS OR DRAINS**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM  
BUSINESS INCOME AND EXTRA EXPENSE ACTUAL LOSS SUSTAINED COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

1. Subject to the provisions of paragraph **2.** below, under **B. EXCLUSIONS**, **g. Water** subparagraph **(3)** is deleted.
2. Under **C. LIMITATIONS** the following limitation is added:

In any one loss, we will not pay more than the Limit of Insurance shown in the Declarations under WATER BACK-UP FROM SEWERS OR DRAINS for loss of or damage to Covered Property caused by water back-up from sewers or drains. In the event that the amount of loss of or damage to Covered Property does not exceed the Limit of Insurance shown in the Declarations for WATER BACKUP FROM SEWERS OR DRAINS, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM, or the BUSINESS INCOME AND EXTRA EXPENSE ACTUAL LOSS SUSTAINED COVERAGE FORM.

All other policy terms and conditions apply.

54186 (12-10)

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54198 (12-10)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DEBRIS REMOVAL**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages, a. Debris Removal, (4)** is deleted and replaced by the following:

**(4)** We will pay an additional amount, up to the Limit of Insurance shown in the Declarations for DEBRIS REMOVAL, for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

**(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 the Covered Property that has sustained loss or damage.

**(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 to the Covered Property that has sustained 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 Property that has sustained loss or damage, plus the Limit of Insurance shown in the Declarations for DEBRIS REMOVAL.

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SALESPERSON'S SAMPLES**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

1. Under the **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:  
**Salesperson's Samples**

We will pay for direct physical loss of or damage to samples of merchandise described which are:

- a. Owned by you while in your care, custody or control;
- b. Owned by you and in the care, custody or control of your salesperson and/or agents; or
- c. While in transit, except by parcel post, between your premises and the salesperson and/or agent caused by or resulting from any Covered Cause of Loss.

This coverage does not apply to:

- (1) Jewelry, furs or articles consisting principally of fur;
- (2) Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises;
- (3) Property at or on the premises of your salespersons and/or agents; or
- (4) Merchandise intended for sale, which may be sold and shipped by you to others, or which has been purchased by you from others.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for SALESPERSON'S SAMPLES. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

2. Under **B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM, the following exclusions are added to apply only to this Additional Coverage:
- a. Misappropriation, secretion, conversion, infidelity or any dishonest act by you or other or the employees or agents of either to whom the covered property may be entrusted. This exclusion does not apply to carriers for hire.
  - b. Breakage, marring, scratching, tearing or denting, unless caused by: fire or lightning; aircraft; theft and/or attempted theft; earthquake; flood; explosion; malicious damage or collision, derailment or overturn of a transporting conveyance.
  - c. Mysterious or unexplained disappearance or from shortage disclosed by taking inventory.
  - d. Theft from any vehicle, unless at the time of the theft, there is actually in or upon such vehicle your salesperson, representative or a permanent employee, or a person whose sole duty it is to attend the vehicle. This exclusion shall not apply to property in the custody of a common carrier.
3. In addition to the conditions of this policy, the following conditions apply only this Additional Coverage:
- a. **PAIR OR SET**  
In case of loss of or damage to any part of a pair or set, we may:
    - (1) Repair or replace any part of the pair or set to restore it to its value before the loss; or
    - (2) Pay the difference between the actual cash value of the property before and after the loss.
  - b. **PARTS**  
In case of loss or damage to any part of property covered, consisting of several parts when complete, we shall pay only for the value of the part lost or damaged.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## BAILEES COVERAGE

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

**Bailees Coverage**

- a. We will pay for direct physical loss or damage to the property of others that:

- (1) Is in your possession or in the possession of any of your employees; or
- (2) Is being transported by you, any of your employees, a public carrier or mail service.

- b. We will also cover your actual incurred cost for labor and materials.

- c. We do not cover the following properties:

- (1) Property held for storage or for which a storage charge is made. If you do not have instructions from the owner of the goods to store goods held by you, such goods are not considered stored.
- (2) Property while in the possession of any person, company or corporation other than you, your employees, a public carrier or mail service.
- (3) Any land motor vehicle.
- (4) Watercraft.
- (5) Aircraft including objects falling from aircraft.
- (6) Animals, fish, fowl, reptiles or amphibians.
- (7) Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities.
- (8) Contraband or property in the course of illegal transportation or trade.

- d. In addition to other policy exclusions, we will not pay for loss or damage caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Misappropriation, secretion, conversion, infidelity or any dishonest act by you or others or the employees or agents of either

to whom the covered property may be entrusted. This exclusion does not apply to carriers for hire.

- (2) Delay.
  - (3) Vandalism or malicious mischief.
  - (4) Burglary of property left in your delivery vehicles overnight unless locked and in your building which you occupy.
- e. We will pay no more than the smallest of either:
- (1) The cost to replace damaged property with new property of similar quality and features reduced by the amount of decrease in value because of age, wear, obsolescence or market value applicable to the damaged property immediately prior to the loss; or
  - (2) The Limit of Insurance shown in the Declarations for BAILEES COVERAGE.

This is an additional amount of insurance.

Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

- f. No deductible applies to this Additional Coverage.

2. The Additional Condition, Coinsurance does not apply to this Additional Coverage.

All other policy terms and conditions apply.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## REFRIGERATED PRODUCTS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS - SPECIAL FORM

1. Under the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM, and the CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM, **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

### Refrigerated Products

Subject to **3. Limits of Insurance** below, we shall pay for loss of or damage to "perishable stock" caused directly by any of the following:

- (1) Mechanical or electrical breakdown of the refrigeration system; or
- (2) The interruption of electrical services to the refrigeration system caused by direct physical damage to the electrical generating or transmission equipment of your "local utility service" caused by or resulting from any Covered Cause of Loss.

You must exercise diligence in inspecting and maintaining refrigeration equipment. If interruption of electrical service or mechanical or electrical breakdown is known, you must use all reasonable means to protect the covered property from further damage.

2. Under the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, and the BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM, **A. COVERAGE, 5. Additional Coverages**, the following Additional Coverage is added:

### Refrigerated Products

Subject to **3. Limits of Insurance** below, we shall pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur because of loss or damage to "perishable stock" caused directly by any of the following:

- (1) Mechanical or electrical breakdown of the refrigeration system; or
- (2) The interruption of electrical services to the refrigeration system caused by direct physical damage to the electrical generating or transmission equipment of your "local utility service" caused by or resulting from any Covered Cause of Loss.

You must exercise diligence in inspecting and maintaining refrigeration equipment. If interruption of electrical service or mechanical or electrical breakdown is known, you must use all reasonable means to protect the covered property from further damage.

### 3. Limits of Insurance

Under:

- a. BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM, and CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM, **C. LIMITS OF INSURANCE**; and
- b. Under BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, and the BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM, **B. LIMITS OF INSURANCE** the following is added:

### Refrigerated Products

The most we shall pay for the sum of **1.** and **2.** above in any one loss, is the Limit of Insurance

shown in the Declarations for REFRIGERATED PRODUCTS.

**4. Under the CAUSE OF LOSS - SPECIAL FORM, B.**

**EXCLUSIONS:**

- a. Exclusion **1.e. Utility Services** is deleted and replaced by the following exclusion for this Additional Coverage only:
  - e. **Utility Services**  
We shall not pay for loss or damage caused by or resulting from the failure to supply "power supply services" from any regional or national grid.
- b. Exclusion **2.d.(6)** is deleted and replaced by the following exclusion for this Additional Coverage only:
  - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision or mechanical breakdown of refrigeration systems.

**5. Definitions**

The following definitions apply only to this Additional Coverage:

- a. "Local utility service" means your billing entity, repair entity or service entity directly providing "power supply services" to the premises described in the Declarations.
- b. "Perishable stock" means merchandise held in storage or for sale that is refrigerated for preservation and is susceptible to loss or damage if the refrigeration fails.
- c. "Power supply services" means the following types of property supplying electricity to the described premises that are not located on a described premises and not rented, leased or owned by an insured:
  - (1) Utility generating plants;
  - (2) Switching stations;
  - (3) Substations;
  - (4) Transformers; and
  - (5) Transmission lines.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **VALUABLE PAPERS AND RECORDS (OTHER THAN "ELECTRONIC DATA")**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

With respect to coverage provided under this endorsement only, **A. COVERAGE**, is amended as follows:

1. Under **2. Property Not Covered**, **o.** is deleted and replaced by the following:
  - o.** "Valuable papers and records" except as provided under the Additional Coverage - Valuable Papers and Records (Other Than "Electronic Data").
2. Under **4. Additional Coverages**, the following Additional Coverage is added:
 

**Valuable Papers and Records (Other Than "Electronic Data")**

We cover "valuable papers and records" that:

  - a.** You own; or
  - b.** Are owned by others and are in your care, custody or control.

If duplicates of "valuable papers and records" do not exist, we will pay the cost to research, and replace or restore the lost information.

This Additional Coverage does not apply to:

- a.** "Valuable papers and records" which exist as "electronic data";
- b.** Property held as samples or for delivery after sale;
- c.** Property in storage away from the premises shown in the Declarations; or
- d.** Errors or omissions in processing or copying "valuable papers and records", unless fire or explosion ensues and then only for direct loss caused by such fire or explosion.

The most we will pay under this Additional Coverage in any one occurrence are the Limits of Insurance shown in the Declarations for:

- a.** VALUABLE PAPERS AND RECORDS ON PREMISES; and

- b.** VALUABLE PAPERS AND RECORDS OFF PREMISES.

The Coinsurance Condition does not apply to this Additional Coverage.

Under **E. LOSS CONDITIONS**, **7. Valuation** does not apply to this endorsement. The following applies:

Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

The following additional definitions apply only to this endorsement.

- a.** "Valuable Papers and Records" means inscribed, printed or written:
  - (1)** Documents;
  - (2)** Manuscripts; and
  - (3)** Records including abstracts, books, deeds, drawings, films, maps or mortgages. However, "valuable papers and records" does not mean "money" or "securities".
- b.** "Money" means:
  - (1)** Currency, coins and bank notes in current use and having a face value; and
  - (2)** Travelers checks, register checks and money orders held for sale to the public.
- c.** "Securities" means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you but does not include "money".

- 3. Under 5. Coverage Extensions, c. Valuable Papers and Records (Other Than "Electronic Data") is deleted.

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ELECTRONIC DATA PROCESSING EQUIPMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS - SPECIAL FORM

**A. COVERAGE, 4. Additional Coverages** is amended. The following Additional Coverage is added.

### **Electronic Data Processing Equipment**

#### **a. Covered Property**

We will pay for:

- (1) Direct physical loss of or damage to electronic equipment, component parts of such equipment, "media" and air conditioning equipment necessary for the operation of the electronic equipment:
  - (a) Which you own or which is in your care, custody or control; and
  - (b) While located at the premises described in the Declarations. This provision (b) does not apply to "laptop computers"; and
  - (c) Caused by or resulting from any Covered Cause of Loss.
- (2) Your costs to research, replace or restore "electronic data" contained on damaged "media" because such "electronic data" has been destroyed or corrupted.

#### **b. Exclusions**

**B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM is amended. The following exclusions are added for purposes of this Additional Coverage only.

- (1) "Electrical disturbance" unless caused by lightning.
- (2) Loss or damage caused by:
  - (a) Data processing "media" failure; or
  - (b) Breakdown or malfunction of the data processing equipment and component parts while the "media" is being run through the system. We will cover loss, damage or expense caused directly by ensuing fire or explosion.
- (3) Actual work upon, installation or testing of Covered Property. We will cover loss, caused by ensuing fire or explosion.

- (4) "Mechanical breakdown". We will cover loss, damage or expense caused directly by lightning or by ensuing fire or explosion.
- (5) Faulty construction or error in design of the Covered Property. We will cover loss, damage or expense caused directly by ensuing fire or explosion.
- (6) Delay or loss of market.
- (7) Breakage, marring, scratching, tearing or denting of any "laptop computer", unless caused by:
  - (a) fire or lightning;
  - (b) aircraft;
  - (c) theft or attempted theft;
  - (d) windstorm or hail;
  - (e) earthquake;
  - (f) flood;
  - (g) explosion;
  - (h) vandalism or malicious mischief; or
  - (i) collision, derailment or overturn of a transporting conveyance.

#### **c. Limit of Insurance**

- (1) Our payment for electronic equipment, component parts of such equipment and air conditioning equipment necessary for the operation of such electronic equipment shall not exceed the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.
- (2) Our payment for "media" shall not exceed the smallest of the following:
  - (a) The actual cost to repair, replace or reproduce the "media", including your costs to research, replace or restore information;
  - (b) If the "media" is not repaired, replaced or reproduced, the value of blank "media"; or
  - (c) The Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.

The Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT is the total limit of our liability for loss or damage to all Covered Property in any one occurrence at one location. With respect to Covered Property you do not own, we will pay no more than the amount for which you are legally liable.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

**d. Coverage Extensions**

The following extensions apply only to this endorsement.

**(1) Property At Newly Acquired Or Temporary Locations**

- (a) You may extend the coverage provided under **a. Covered Property**, to apply to property:
- 1) At any location you acquire; or
  - 2) At any temporary location, other than fairs or exhibitions, you acquire within the territorial limits and intended for similar occupancy or warehousing purposes for the business described in the Declarations.

The most we will pay for loss or damage under this extension is the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.

- (b) This coverage extension will end when any of the following first occurs:
- 1) Sixty (60) days from your acquisition or use of such property;
  - 2) On the date values at such locations are reported to us; or
  - 3) On the expiration date of the policy.

**(2) Newly Acquired Property**

- (a) You may extend the coverage provided under **a. Covered Property**, to apply to property which you newly acquire, of the same type as the property covered at the described premises.

The most we will pay for loss or damage under this extension is the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.

- (b) This coverage extension will end when any of the following first occurs:
- 1) Sixty (60) days from your acquisition or use of such property;
  - 2) On the date values of such property are reported to us; or
  - 3) On the expiration date of the policy.

Each of these extensions is additional insurance.

- e. The following **Additional Coverages** apply only to this endorsement.

**(1) Transportation**

- (a) You may apply up to \$10,000, for any one occurrence for loss of or damage to property caused by:
- 1) Fire; lightning; explosion; smoke; riot and civil commotion; and vandalism and malicious mischief;
  - 2) The overturning, upset, or collision of the vehicle transporting the insured property, with another vehicle or object other than the road bed; or
  - 3) Theft of an entire shipping bale, case or package from a vehicle:
    - a) While such property is in a fully enclosed and securely locked body or compartment; and
    - b) Theft results from forcible entry, evidenced by visible marks which occurs during transportation by motor vehicles you own, lease or operate.
- (b) We do not cover under this extension property held as samples, held for rental or sale or that you rent to others while in the care, custody or control of salespersons.

**(2) Business Income and Extra Expense**

**(a) Business Income**

- 1) Subject to the Limit of Insurance provisions of this Additional Coverage, we will pay for the actual loss of Business Income you sustain as a direct result of the necessary "suspension" of your "operations" during the "period of restoration" caused by accidental direct physical loss of or damage to:
- a) The electronic equipment or "media" covered by this Additional Coverage;
  - b) The building housing the electronic equipment or "media" that prevents access to and use of the electronic equipment or "media"; or
  - c) The air conditioning or electrical systems that are required to operate the electronic equipment, provided such damage or destruction is inside the building or outside within 1,000 feet of the building caused by the perils insured against and subject to **b. Exclusions**.
- 2) We will also pay expenses you incur to reduce the covered loss. We will not pay for expenses:
- a) You incur to extinguish a fire; or

- b) That exceed the amount by which the covered loss is reduced.
  - 3) Business Income means the:
    - a) Net income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
    - b) Continuing normal operating expenses incurred, including payroll.
  - (b) **Extra Expense**
    - 1) Subject to the Limit of Insurance provisions of this Additional Coverage, we will pay necessary Extra Expense, other than loss of Business Income, you incur to continue "normal" operations of your business following accidental direct physical loss of or damage to:
      - a) The electronic equipment or "media" covered by this Additional Coverage;
      - b) The building housing the electronic equipment or "media" that prevents access to and use of the equipment or "media"; or
      - c) The air conditioning or electrical systems that are required to operate the electronic equipment, provided such damage or destruction is inside the building or outside within 1,000 feet of the building caused by the perils insured against and subject to **b. Exclusions**. You must resume normal operation of your business as soon as practical.
    - 2) a) We will also cover the cost to repair, replace or restore:
      - i. Books of account, abstracts, drawings;
      - ii. Card index systems; or
      - iii. Other records or data such as film, tape, disks, drum, cell or other magnetic storage or recording "media" for electronic data processing that have been damaged or destroyed by perils we insure against.
    - b) Such cost must:
      - i. Exceed the normal cost for such repair, replacement or restoration; and
      - ii. Be incurred to reduce loss under this endorsement.
  - 3) Extra Expense means expense incurred:
    - a) To avoid or minimize the "suspension" of business and continue "operations":
      - i. At the described premises; or
      - ii. At replacement premises or at temporary locations, including:
        - (i) Relocation expenses; and
        - (ii) Costs to equip and operate the replacement or temporary locations.
    - b) To minimize the suspension of business if you cannot continue "operations".
    - c) i. To repair or replace any Covered Property; or
      - ii. To research, replace or restore the lost information on damaged valuable papers and records to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.
- (c) **Coverage Extension - Civil Authority**

In this Coverage Extension - Civil Authority, the described premises are premises to which this endorsement applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, you may extend your Business Income and Extra Expense Coverages to apply to the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

  - 1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
  - 2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income and Extra Expense will begin immediately following the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which coverage began.

**(d) Exclusions**

The following exclusions apply to the Business Income and Extra Expense provided by this Additional Coverage only and are in addition to those contained in **b**.

**Exclusions.**

- 1) We will not be liable for any increase in loss of Business Income or Extra Expense caused by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:
  - a) Enforcement of any ordinance or law regulating construction, repair or demolition of buildings or structures;
  - b) Interference at the described premises by strikers or other persons with:
    - i. Rebuilding, repairing or replacing the property; or
    - ii. Resumption or continuation of business; or
  - c) The suspension, lapse, or cancellation of any lease, license, contract or order beyond the "period of restoration".
- 2) We will not cover loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:
  - a) Theft of any property, which is not an integral part of a building or structure at the time of loss. We will cover direct loss that ensues from a peril not excluded in this policy. We will cover direct loss by pillage and looting which occurs during and at the immediate place of riot or civil commotion.
  - b) Any other consequential or remote loss.

**(e) Limit of Insurance**

- 1) Business Income  
Subject to **(e) Limit of Insurance, Paragraph 3)**, we will pay only for loss of your Business Income that occurs during the "period of restoration", but not exceeding twelve (12) consecutive months after the date of accidental direct physical loss of or damage to Covered Property, resulting from a Covered Cause of Loss.

- 2) Extra Expense  
Subject to **(e) Limit of Insurance, Paragraph 3)**, we will pay for necessary Extra Expense during the "period of restoration" starting with the date of damage or destruction. Payments under this coverage shall not be limited by the expiration of the policy.
- 3) Our total payment for both Business Income and Extra Expense for any one occurrence shall not exceed \$100,000.

**(f) Loss Determination**

- 1) The amount of Business Income loss will be determined based on:
  - a) The Net Income of the business before the direct physical loss or damage occurred;
  - b) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - d) Other relevant sources of information, including:
    - i. Your financial records and accounting procedures;
    - ii. Bills, invoices and other vouchers; and
    - iii. Deeds, liens or contracts.
- 2) The amount of Extra Expense will be determined based on:
  - a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - i. The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and
    - ii. Any Extra Expense that is paid for by other insurance, except



for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- b) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

**3) Resumption Of Operations**

We will reduce the amount of your:

- a) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- 4) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**(g) Loss Payment - Business Income and Extra Expense**

We will pay for covered loss within thirty (30) days after we receive the sworn proof of loss, if:

- 1) You have complied with all of the terms of this endorsement; and
- 2) a) We have reached agreement with you on the amount of loss; or  
b) An appraisal award has been made.

**f. Definitions**

**H. DEFINITIONS** is amended. The following definitions are added for purposes of this Additional Coverage only.

- (1) "Electrical Disturbance" means electrical or magnetic damage, disturbance or erasure of electronic recordings.
- (2) "Laptop Computer" means portable data collectors, notebook (laptop) computers, subnotebook computers, palmtop computers, handheld

computers, tablet computers, credit card readers and portable or any similar computer. Laptop computer does not mean cellular phone, wireless phone or pager.

- (3) "Mechanical Breakdown" means component failure or mechanical malfunction, breakdown or failure.
- (4) "Media" means materials on which information is recorded such as film, magnetic tape, paper tape, disks, drums, and cards. Media includes computer software.
- (5) "Normal" means the condition that would have existed had no loss occurred.
- (6) "Operations" means your business activities occurring at the described premises.
- (7) "Period of Restoration":
  - (a) Means the period of time that:
    - 1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
    - 2) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.
  - (b) Does not include any increased period required resulting from the enforcement of any law that:
    - 1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - 2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
  - (c) The expiration date of this policy will not shorten or cause the "period of restoration" to terminate.
- (8) "Suspension" means:
  - (a) The slowdown or cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ACCOUNTS RECEIVABLE**

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

**Accounts Receivable**

We will pay:

- a. All amounts your customers owe you that you cannot collect;
- b. Interest charges on loans you secure to offset impaired receipts until we pay these amounts;
- c. Collection costs in excess of normal; and
- d. Other expenses you reasonably incur to re-establish your records which result from direct physical loss of or damage to your records of accounts receivable:
  - i. caused by or resulting from any Covered Causes Of Loss; and
  - ii. which occurs on the premises described in the Declarations.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for ACCOUNTS RECEIVABLE.

2. Under **B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM, the following exclusions are added to apply only to this Additional Coverage.
- a. Bookkeeping, accounting or billing errors or omissions.
  - b. Falsification, alteration, concealment or destruction of records done to conceal the wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
  - c. Electrical or magnetic injury, disturbance or erasure of electronic recordings. But we do cover direct loss caused by lightning.
  - d. We will not pay for any loss that relies solely upon an audit of records on an inventory computation to prove its factual existence.
3. In addition to the conditions of this policy, the following conditions apply only to this Additional Coverage:
- a. **Protection of Records of Accounts Receivable**  
For coverage to apply under this Additional Coverage, you must keep all records of accounts receivable in a locked safe or vault when:
    - (1) You are not open for business; or
    - (2) You are not using such records; or
    - (3) Such records are not removed from premises as permitted under the Additional Coverage, **Preservation of Property**.
  - b. The following is added to the Loss Payment Condition:
    - (1) If you cannot accurately establish the accounts receivable outstanding as of the time of loss or damage, the following method will be used:
      - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

- (b)** Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2)** The following will be deducted from the total amount of accounts receivable, however that amount is established:
  - (a)** The amount of the accounts for which there is no loss or damage;
  - (b)** The amount of the accounts that you are able to re-establish or collect;
  - (c)** An amount to allow for probable bad debts that you are normally unable to collect; and
  - (d)** All unearned interest and service charges.

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MONEY AND SECURITIES**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

**A. A. COVERAGE** is amended as follows:

1. Under **2. Property Not Covered**, **a.** is deleted and replaced by the following for this endorsement only:

- a.** Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities.

However, "money" and "securities" are covered as provided by this endorsement.

2. Under **4. Additional Coverages**, the following Additional Coverage is added:

**Money And Securities**

**a. Inside The Premises**

- (1) We will pay for loss of "money" and "securities" inside the "premises" or a "banking premises" resulting directly from:

- (a) "Theft"; or  
 (b) Disappearance or destruction.

- (2) We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities" if you are the owner of the "premises" or are liable for damage to it.

- (3) We will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the "premises" resulting directly from an actual or attempted:

- (a) "Theft" of; or  
 (b) Unlawful entry into those containers.

**b. Outside The Premises**

- (1) We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company. The loss must result from:

- (a) "Theft"; or

- (b) Disappearance or destruction.

- (2) Any covered "money" and "securities" loss from an armored motor vehicle company, we will pay only for the amount of loss you cannot recover:

- (a) Under your contract with the armored motor vehicle company; and  
 (b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**B. EXCLUSIONS**

1. The Covered Causes Of Loss Form shown in the Declarations as applicable to Property, does not apply to this coverage.
2. We will not pay for loss caused by any of the following:
- a. Accounting Or Arithmetical Errors Or Omissions:** Loss resulting from accounting or arithmetical errors or omissions.
- b. Acts Committed By You, Your Partners Or Your Members:** Loss resulting from any dishonest or criminal act committed by you or any of your partners or members whether acting alone or in collusion with other persons.
- c. Acts Of Employees, Managers, Directors, Trustees Or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees", managers, directors, trustees or authorized representatives:
- (1) Acting alone or in collusion with other persons; or  
 (2) While performing services for you or otherwise.
- d. Exchanges Or Purchases:** Loss resulting from the giving or surrendering of property in any exchange or purchase.
- e. Fire:** Loss from damage to the "premises" resulting from fire, however caused.

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- f. Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
- g. Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
- (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, "money" or "securities".
  - (2) Payment of damages of any type for which you are legally liable. However, we will pay compensatory damages arising directly from a loss covered under this insurance.
  - (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- h. Legal Expenses:** Expenses related to any legal action.
- i. Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- j. War And Military Action:** Loss or damage resulting from:
- (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.
- k. Money Operated Devices:** Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- l. Transfer Or Surrender Of Property:**
- (1) Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
    - (a) On the basis of unauthorized instructions; or
    - (b) As a result of a threat to do:
      - 1) Bodily harm to any person; or
      - 2) Damage to any property.
  - (2) However, this exclusion does not apply under **A.2.b.** above to loss of covered "money" and "securities" while outside the "premises" in the care and custody of a "messenger" if you:
    - (a) Had no knowledge of any threat at the time the conveyance began; or
    - (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- m. Vandalism:** Loss from damage to the "premises" or its exterior or to containers of covered "money" and "securities" by vandalism or malicious mischief.
- n. Voluntary Parting Of Title To Or Possession Of Property:** Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
- C. LIMIT OF INSURANCE**  
The most we will pay for loss of "money" and "securities" inside the "premises", and outside the "premises" are the Limits of Insurance shown in the Declarations for MONEY AND SECURITIES.
- D. DEDUCTIBLE**  
We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations for MONEY AND SECURITIES. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance.
- E. GENERAL CONDITIONS**  
The following Conditions apply in addition to the Common Policy Conditions:
- 1. Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
    - a. Any additional persons become "employees"; or
    - b. You acquire the use and control of any additional "premises" any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
      - a. Give us written notice within 30 days thereafter; and
      - b. Pay us an additional premium.
  - 2. Discovery Period For Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
  - 3. Duties In The Event Of Loss**
    - a. After you discover a loss or a situation that may result in loss of, or loss from damage to, covered "money" or "securities" you must:
      - (1) Notify us as soon as possible.

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- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
  - (3) Give us a detailed, sworn proof of loss within 120 days.
  - (4) Cooperate with us in the investigation and settlement of any claim.
- b. If you have reason to believe that any loss of or loss from damage to, covered "money" or "securities" involves a violation of law, you must notify the police.
- 4. Joint Insured**
- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
  - b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
  - c. An "employee" of any Insured is considered to be an "employee" of every Insured.
  - d. If this insurance or any of its coverages are canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
  - e. We will not pay more for loss sustained by more than one Insured than the amount we should pay if all the loss had been sustained by one Insured.
- 5. Legal Action Against Us:** You may not bring any legal action against us involving loss:
- a. Unless you have complied with all the terms of this insurance;
  - b. Until 90 days after you have filed proof of loss with us; and
  - c. Unless brought within 2 years from the date you discover the loss.
- 6. Loss Covered Under More Than One Coverage Of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
- a. The actual amount of loss; or
  - b. The sum of the limits of insurance applicable to those coverages.
- 7. Loss Sustained During Prior Insurance**
- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
    - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
    - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
  - b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance and is limited to the lesser of the amount recoverable under:
    - (1) This insurance as of its effective date; or
    - (2) The prior insurance had it remained in effect.
- 8. Loss Covered Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate:** If any loss is covered:
- a. Partly by this insurance; and
  - b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- 9. Non-Cumulation Of Limit Of Insurance:** Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- 10. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity, but not or more than the Limit of Insurance.
- 11. Ownership Of Property; Interests Covered:** The property covered under this insurance is limited to property:
- a. That you own or hold; or
  - b. For which you are legally liable.
- However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.
- 12. Policy Period**
- a. The Policy Period is shown in the Declarations.
  - b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss

that you sustain through acts committed or events occurring during the Policy Period.

- 13. Records:** You must keep records of all Covered Property so we can verify the amount of any loss.
- 14. Recoveries**
- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
- (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made; and
  - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
- (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (2) Of original "securities" after duplicates of them have been issued.
- 15. Territory:** This insurance covers only acts committed or events occurring within the United States of America (including its territories and possessions), Puerto Rico and Canada.
- 16. Transfer Of Your Rights Of Recovery Against Others To Us:** You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.
- 17. Valuation - Settlement**
- a. Subject to the Limit of Insurance provision we will pay for:
- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
    - (a) At face value in the "money" issued by that country; or
    - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
  - (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
    - (a) Pay the value of such "securities" or

replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
    - 1) Value of the "securities" at the close of the business on the day the loss was discovered; or
    - 2) Limit of Insurance.
  - (3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:
    - (a) Actual cash value of the property on the day the loss was discovered;
    - (b) Cost of repairing the property or "premises"; or
    - (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.
  - b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":
    - (1) In the "money" of the country in which the loss occurred; or
    - (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
  - c. Any property that we pay for or replace becomes our property.
- F. DEFINITIONS**
1. "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
  2. "Employee" means:
    - a. Any natural person:
      - (1) While in your service (and for 30 days after termination of service);
      - (2) Whom you compensate directly by salary, wages or commissions; and

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- (3) Whom you have the right to direct and control while performing services for you; or
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the "premises".  
However, "employee" does not mean any:
  - (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
  - (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.
- 3. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".
- 4. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
- 5. "Occurrence" means an:
  - a. Act or series of related acts involving one or more persons; or
  - b. Act or event, or a series of related acts or events not involving any person.
- 6. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 7. "Property Other Than Money And Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form as Property Not Covered.
- 8. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you but does not include "money".
- 9. "Theft" means any act of stealing.
- 10. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

All other policy terms and conditions apply.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FORGERY OR ALTERATION**

This endorsement adds Crime Coverage to the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

### **A. COVERAGE**

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

- 1. Covered Instruments:** Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - a. Made or drawn by or drawn upon you;
  - b. Made or drawn by one acting as your agent; orthat are purported to have been so made or drawn.
- 2. Covered Cause of Loss:** Forgery or alteration of, on or in any Covered Instrument.

### **3. Coverage Extension**

**Legal Expenses:** If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend the suit, we will pay for any reasonably legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

### **B. EXCLUSIONS**

We will not pay for loss as specified below:

- 1. Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
- 2. Acts of Employees, Directors, or Trustees:** We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:
  - a. Whether acting alone or in collusion with other persons; or
  - b. Whether while performing services for you or otherwise.
- 3. Governmental Action:** Loss resulting from seizure or destruction or property by order of governmental authority.

4. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
  - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Instruments.
  - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
  - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
5. **Legal Expenses:** Expenses related to any legal action.
6. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
7. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

#### C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the Limit of Insurance shown in the Declarations for FORGERY AND ALTERATION.

#### D. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations for FORGERY AND ALTERATION. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

#### E. GENERAL CONDITIONS

1. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
  - a. Any additional persons become "employees"; or
  - b. You acquire the use and control of any additional "premises";any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
  - a. Give us written notice within 30 days thereafter; and
  - b. Pay us an additional premium.
2. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
3. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Instruments you must:
  - a. Notify us as soon as possible.

- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

#### 4. Joint Insured

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we should pay if all the loss had been sustained by one Insured.

#### 5. Legal Action Against Us: You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance;
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

#### 6. Loss Covered Under More Than One Coverage of This Insurance: If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

#### 7. Loss Sustained During Prior Insurance

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
  - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance and is limited to the lesser of the amount recoverable under:
  - (1) This insurance as of its effective date; or

(2) The prior insurance had it remained in effect.

**8. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate:** If any loss is covered:

- a. Partly by this insurance; and
- b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

**9. Non-Cumulation of Limit of Insurance:** Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

**10. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity, but not or more than the Limit of Insurance.

**11. Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

**12. Policy Period**

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

**13. Records:** You must keep records of all Covered Instruments so we can verify the amount of any loss.

**14. Recoveries**

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
  - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made;
  - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
  - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(2) Of original "securities" after duplicates of them have been issued.

**15. Territory:** This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

**16. Transfer of Your Rights of Recovery Against Others to Us:** You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

### 17. Valuation - Settlement

a. Subject to the Limit of Insurance provision we will pay for:

(1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;

(a) At face value in the "money" issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Value of the "securities" at the close of the business on the day the loss was discovered; or

ii. Limit of Insurance.

(3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:

(a) Actual cash value of the property on the day the loss was discovered;

(b) Cost of repairing the property or "premises"; or

(c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than "money:"

(1) In the "money" of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

**18. Facsimile Signatures:** We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

**19. Proof of Loss:** You must include with your proof of loss any instrument involved in that loss, or if that is not possible, an affidavit setting forth the amount and cause of loss.

## F. DEFINITIONS

1. **"Employee"** means:

a. Any natural person:

(1) While in your service (and for 30 days after termination of service);

(2) Whom you compensate directly by salary, wages or commissions; and

(3) Whom you have the right to direct and control while performing services for you; or

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

(1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. **"Money"** means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

3. **"Occurrence"** means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

4. **"Property Other Than Money and Securities"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form and Property Not Covered.

5. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE DISHONESTY**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

**A. A. COVERAGE** is amended as follows:

We will pay for loss involving Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property** for this endorsement means "money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss** means "Employee Dishonesty".
3. **Coverage Extension**  
**Employee Temporarily Outside Coverage Territory:** We will pay for loss caused by any "employee" while temporarily outside the territory specified in **E. GENERAL CONDITIONS, 15. Territory** for a period not more than 90 days. The amount we pay under this Extension is part of, not in addition to, the Limit of Insurance shown in the Declarations for **EMPLOYEE DISHONESTY**.
4. "Money" and "securities" as defined in this endorsement are withdrawn from **2. Property Not Covered**.

**B. EXCLUSIONS**

1. The Covered Causes Of Loss Form shown in the Declarations as applicable to Property, does not apply to this Coverage.
2. We will not pay for loss caused by any of the following:
  - a. **Acts Committed By You, Your Partners Or Your Members:** Loss resulting from any dishonest or criminal act committed by you, any of your partners or members whether acting alone or in collusion with other persons.
  - b. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
  - c. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
- (2) Payment of damages of any type for which you are legally liable. However, we will pay compensatory damages arising directly from a loss covered under this insurance.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

- d. **Legal Expenses:** Expenses related to any legal action.
- e. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- f. **War And Military Action:**  
 Loss or damage resulting from:
  - (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. **Employee Canceled Under Prior Insurance:** Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
- h. **Inventory Shortages:** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

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- (1) An inventory computation; or
- (2) A profit and loss computation.

#### C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the Limit of Insurance shown in the Declarations for EMPLOYEE DISHONESTY.

#### D. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations for EMPLOYEE DISHONESTY. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.
2. You must:
  - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
  - b. Upon our request, give us a statement describing the loss.

#### E. GENERAL CONDITIONS

1. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
  - a. Any additional persons become "employees"; or
  - b. You acquire the use and control of any additional "premises"
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
  - a. Give us written notice within 30 days thereafter; and
  - b. Pay us an additional premium.
2. **Discovery Period For Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
3. **Duties In The Event Of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to Covered Property, you must:
  - a. Notify us as soon as possible.
  - b. Submit to examination under oath at our request and give us a signed statement of your answers.
  - c. Give us a detailed, sworn proof of loss within 120 days.
  - d. Cooperate with us in the investigation and settlement of any claim.
4. **Joint Insured**
  - a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named

Insured ceases to be covered, then the next named Insured will become the first named Insured.

- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
  - c. An "employee" of any Insured is considered to be an "employee" of every Insured.
  - d. If this insurance or any of its coverages are canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
  - e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
5. **Legal Action Against Us:** You may not bring any legal action against us involving loss:
    - a. Unless you have complied with all the terms of this insurance;
    - b. Until 90 days after you have filed proof of loss with us; and
    - c. Unless brought within 2 years from the date you discover the loss.
  6. **Loss Covered Under More Than One Coverage Of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
    - a. The actual amount of loss; or
    - b. The sum of the limits of insurance applicable to those coverages.
  7. **Loss Sustained During Prior Insurance**
    - a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
      - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
      - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
    - b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance and is limited to the lesser of the amount recoverable under:
      - (1) This insurance as of its effective date; or
      - (2) The prior insurance had it remained in effect.

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## 8. Loss Covered Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate:

If any loss is covered:

- a. Partly by this insurance; and
  - b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

## 9. Non-Cumulation Of Limit Of Insurance:

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- 10. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity, but not for more than the Limit of Insurance.

## 11. Ownership Of Property; Interests Covered:

The property covered under this insurance is limited to property:

- a. That you own or hold; or
  - b. For which you are legally liable.
- However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

## 12. Policy Period

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

- 13. Records:** You must keep records of all Covered Property so we can verify the amount of any loss.

## 14. Recoveries

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
  - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made; and

- (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

- b. Recoveries do not include any recovery:

- (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (2) Of original "securities" after duplicates of them have been issued.

- 15. Territory:** This insurance covers only acts committed or events occurring within the United States of America (including its territories and possessions), Puerto Rico and Canada.

## 16. Transfer Of Your Rights Of Recovery Against Others To Us:

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

## 17. Valuation - Settlement

- a. Subject to the Limit of Insurance provision we will pay for:
  - (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
    - (a) At face value in the "money" issued by that country; or
    - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
  - (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
    - (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
    - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
      - 1) Value of the "securities" at the close of the business on the day

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the loss was discovered; or

2) Limit of Insurance.

- (3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered;  
 (b) Cost of repairing the property or "premises"; or  
 (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":
- (1) In the "money" of the country in which the loss occurred; or
- (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- c. Any property that we pay for or replace becomes our property.

**18. Cancellation As To Any Employee:** This insurance is canceled as to any "Employee":

- a. Immediately upon discovery by:
- (1) You; or
- (2) Any of your partners, officers or directors not in collusion with the "employee" of any dishonest act committed by that "employee" whether before or after becoming employed by you.
- b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The notice will be mailed to you at your last mailing address known to us.

**F. DEFINITIONS**

1. "Employee" means:
- a. Any natural person:
- (1) While in your service (and for 30 days after termination of service);
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you; or

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the "premises". However, "employee" does not mean any:
- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "Employee Dishonesty" in paragraph **A.2.** means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
- a. Cause you to sustain loss; and also
- b. Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
- (1) The "employee"; or
- (2) Any person or organization intended by the "employee" to receive that benefit.
3. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.
4. "Occurrence" means all loss caused by, or involving one or more "employees", whether the result of a single act or series of acts.
5. "Property Other Than Money And Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form as Property Not Covered.
6. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you but does not include "money".

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## UTILITY SERVICES FAILURE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS - SPECIAL FORM

**A. A. COVERAGE** is amended as follows:

1. Under BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM AND CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM, **4. Additional Coverages**, the following is added:

**Utility Services Failure**

We shall pay for loss or damage to Covered Property due to the interruption of utility service(s) to the premises described in the Declarations. The interruption must result from direct physical damage by a Covered Cause of Loss to the property of your "local utility service".

2. Under BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM and BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM, **5. Additional Coverages**, the following is added:

**Utility Services Failure**

We shall pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to the interruption of utility service(s) to the premises described in the Declarations. The interruption must result from direct physical damage by a Covered Cause of Loss to the property of your "local utility service".

**B. Limits of Insurance**

The most we shall pay for the sum of **A.1.** and **2.** above, in any one loss, is the Limit of Insurance shown in the Declarations for UTILITY SERVICES FAILURE.

**C. Exclusions**

The following exclusions apply only to this endorsement:

**1. Perishable Stock**

We will not pay for loss or damage to "perishable stock".

**2. Power or Other Utility Grid Failure**

Under CAUSES OF LOSS - SPECIAL FORM, **B. EXCLUSIONS**, exclusion **1.e. Utility Services** is deleted and replaced by the following:

**e. Utility Services**

We shall not pay for loss or damage caused by or resulting from the failure to supply "communication supply services", "power supply services" or "water supply services" from any regional or national grid.

**D. Definitions**

1. Under BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, **F. DEFINITIONS**, and BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM, **D. DEFINITIONS**, **4.** "Period of restoration" is deleted and replaced by the following with respect to the coverage provided by this endorsement only:

4. "Period of restoration" means period of time that:

- a. Begins immediately following the time of the interruption of utility service(s) to premises described in the Declarations caused by or resulting from direct physical loss or damage by a Covered Cause of Loss to the property of your "local utility service"; and

- b. Ends on the date when the interruption of utility service to the premises described in the Declarations is restored.

"Period of restoration" does not mean any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. Regulates the prevention, control, re-

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pair, clean-up or restoration of environmental damage.

The expiration date of this policy will not shorten or cause the "period of restoration" to terminate.

2. The following definitions apply only to this Additional Coverage:
- a. "Communication Supply Services" meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, that are not located on a described premises and not rented, leased or owned by any insured, such as:
    - (1) Communication transmission lines, including optic fiber transmission lines;
    - (2) Coaxial cables; and
    - (3) Microwave radio relays, except satellites.
  - b. "Local Utility Service" means your billing entity, repair entity or service entity directly supplying your "communication supply services", "power supply services" or "water supply services" to the premises described in the Declarations.

- c. "Perishable Stock" means merchandise held in storage or for sale that is refrigerated for preservation and is susceptible to loss or damage if the refrigeration fails.
- d. "Power Supply Services" meaning the following types of property supplying electricity, steam or gas to the described premises, that are not located on a described premises and not rented, leased or owned by any insured:
  - (1) Utility generating plants;
  - (2) Switching stations;
  - (3) Substations;
  - (4) Transformers; and
  - (5) Transmission lines.
- e. "Water Supply Services" mean the following types of property supplying water to the described premises, that are not located on a described premises and not rented, leased or owned by any insured:
  - (1) Pumping stations; and
  - (2) Water mains.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FINE ARTS, COLLECTIBLES AND MEMORABILIA**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS - SPECIAL FORM

**A. Under A. COVERAGE, 4. Additional Coverages,**  
 the following Additional Coverage is added:

### **Fine Arts, Collectibles and Memorabilia**

#### **1. Coverage**

We will pay for direct physical loss or damage to "fine arts", "collectibles" and "memorabilia" that are:

- a. Located at the premises described in the Declarations;
- b. Not held for sale; and
- c. Owned by:
  - (1) You; or
  - (2) If you are:
    - (a) An individual, your spouse.
    - (b) A partnership or a joint venture, your members, your partners and their spouses.
    - (c) A limited liability company, your members.
    - (d) An organization other than a partnership, joint venture or limited liability company, your "executive officers".
    - (e) A trust, your trustees.

#### **2. Exclusions**

Under **B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM, the following exclusions are added to apply only to this Additional Coverage.

- a. An action committed by you or at your direction with the intent to cause loss or damage.
- b. Damage caused by any repairing, restoration or retouching process.
- c. Breakage of art glass windows, statuary, marble, glassware, bric-a-brac, porcelains and similar fragile articles unless caused by:
  - (1) Fire or lightning;
  - (2) Aircraft;

(3) Theft or attempted theft;

(4) Earthquake;

(5) Flood or storm surge;

(6) Malicious damage; or

(7) Collision, derailment or overturn of conveyance

except as we may state otherwise.

d. Mysterious disappearance unless the loss is a direct result of forcible entry of which there is visible evidence.

e. 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. Limit Of Insurance**

We will pay no more than the smallest of either:

- a. The cost to replace damaged property with new property of similar quality and features reduced by the amount of decrease in value because of age, wear, obsolescence or market value applicable to the damaged property immediately prior to the loss; or
- b. The limits shown in the Declarations for FINE ARTS, COLLECTIBLES AND MEMORABILIA.

In no event shall our payment for all items in any one loss exceed the limits shown in the Declarations for FINE ARTS, COLLECTIBLES AND MEMORABILIA.

Our payment for loss of or damage to "fine arts", "collectibles", and "memorabilia" will only be for the account of the owner of the property.

This is an additional amount of insurance.

#### **4. Deductible**

No deductible applies to this Additional Coverage.

#### **5. Conditions**

- a. In case of loss of or damage to any part of a pair or set, we may:

- (1) Repair or replace any part of the pair or set to restore it to its value before the loss; or
  - (2) Pay the difference between the actual cash value of the property before and after the loss.
- b. In case of loss or damage to any part of property covered, consisting of several parts when complete, we shall pay only for the value of the part lost or damaged.
  - c. In the event of loss or damage to property covered, claim payment is subject to the insurable interest of the covered insured.
- B.** Under **F. ADDITIONAL CONDITIONS, Coinsurance**, does not apply to this coverage.
- C.** Under **C. LIMITATIONS** of CAUSES OF LOSS - SPECIAL FORM, paragraph **2.b.** does not apply to this Additional Coverage.
- D.** The following **Definitions** apply to this Additional Coverage only:

1. "Fine arts" mean paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value or artistic merit.
2. "Collectibles" mean objects collected as a hobby, for display or as an investment whose value may appreciate.
3. "Memorabilia" means objects valued for their connection to historical events, culture, entertainment or experiences worthy of remembrance.
4. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

All other policy terms and conditions apply.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUILDERS RISK COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

The Windstorm or Hail Deductible, as shown in the Declarations and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded elsewhere in this policy. If you have a flood insurance policy, a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

- a.** Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance.
- b.** Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance.

Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

### **WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS**

#### **A. Calculation Of The Deductible - All Policies**

- 1.** A deductible is calculated separately for, and applies separately to:
  - a.** Each building that sustains covered loss or damage;

- b.** Personal Property in or on the building or in the open (or in a vehicle) within 1,000 feet of the described premises that sustains covered loss or damage; and
- c.** Other Covered Property:
  - (1)** That is scheduled in the Declarations; and
  - (2)** Sustains loss or damage.

If there is damage to both a building and personal property as described in **a.** and **b.** above, separate deductibles apply to the building and to the personal property.

- 2.** We will not pay for loss or damage until the amount of covered loss or damage exceeds the applicable Deductible. We will then pay the amount of covered loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction by any of the following:
  - a.** Coinsurance Condition;
  - b.** Agreed Value Optional Coverage; or
  - c.** Any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
- 3.** When property is covered under Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for covered loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Declarations for any described premises.

## **B. Calculation Of The Deductible - Specific Insurance Other Than Builders' Risk**

### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for covered loss or damage, we will deduct an amount equal to the percentage (as shown in the Declarations) of the Limit(s) of Insurance applicable to the property that has sustained covered loss or damage.

### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for covered loss or damage, we will deduct an amount equal to the percentage (as shown in the Declarations) of the value(s) of the property that has sustained covered loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

## **C. Calculation Of The Deductible - Blanket Insurance Other Than Builders' Risk**

### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for covered loss or damage, we will deduct an amount equal to the percentage (as shown in the Declarations) of the value(s) of the property that has sustained covered loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

## **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained covered loss or damage, we will deduct an amount equal to the percentage (as shown in the Declarations) of the value(s) of that property as of the time of covered loss or damage.

## **D. Calculation Of The Deductible - Builders' Risk Insurance**

### **1. Builders' Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage (as shown in the Declarations) of the actual cash value(s) of that property as of the time of covered loss or damage.

### **2. Builders' Risk Reporting Form**

In determining the amount, if any, that we will pay for covered loss or damage, we will deduct an amount equal to the percentage (as shown in the Declarations) of the value(s) of the property that has sustained covered loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- b. If the first Report of Values is not filed with us prior to covered loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of covered loss or damage.

All other policy terms and conditions apply.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## IOWA CHANGES

This endorsement modifies insurance provided under the COMMERCIAL PROPERTY COVERAGE PART.

If the following forms are included in this Coverage Part:

- A. Money and Securities;
- B. Forgery Or Alteration; or
- C. Employee Dishonesty;

then 17. Valuation - Settlement Condition in E. GENERAL CONDITIONS of such form(s) is deleted and replaced by the following:

### 17. Valuation - Settlement

a. Subject to the Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
  - (a) At face value in the "money" issued by that country; or
  - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
- (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
  - (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
  - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
    - 1) Value of the "securities" at the close of the business on the day the loss was discovered; or
    - 2) Limit of Insurance.
- (3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:
  - (a) Actual cash value of the property on the day the loss was discovered;

**(b)** Cost of repairing the property or "premises"; or

**(c)** Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost may be determined by arbitration.

**b.** We may, at our option, pay for loss of, or loss from damage to, property other than "money":

**(1)** In the "money" of the country in which the loss occurred; or

**(2)** In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

**c.** Any property that we pay for or replace becomes our property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS - BASIC FORM  
 CAUSES OF LOSS - BROAD FORM  
 CAUSES OF LOSS - SPECIAL FORM

1. BUILDING AND PERSONAL PROPERTY COVERAGE FORM, CONDOMINIUM ASSOCIATION COVERAGE FORM and CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM are amended.
  - a. **A. COVERAGE** is amended. The following coverage is added for purposes of this endorsement only.
 

We will pay for "Equipment Breakdown" in any one occurrence at any one location where "Equipment Breakdown" is shown in the Declarations. The most we will pay for "Equipment Breakdown" is shown in the Declarations and is subject to the Limits of Insurance section of this endorsement.
  - b. **A. COVERAGE, 4. Additional Coverages** is amended for purposes of this endorsement only.
    - (1) **d. Pollutant Clean-up And Removal** is deleted and replaced by the following Additional Coverage.
      - d. Pollutant Clean-up And Removal**  
 We will pay for the pollutant clean-up, removal, repair or replacement of damaged Covered Property resulting from an "Equipment Breakdown". The amount we pay is subject to the Limits of Insurance section of this endorsement. This coverage does not include contamination of perishable stock by a refrigerant.
    - (2) **e. Electronic Data** is deleted and replaced by the following Additional Coverage.
      - e. Electronic Data Restoration**
        - (1) We will pay for your reasonable and necessary cost to research, replace or restore "electronic data" which has been destroyed or corrupted as a result of "Equipment Breakdown". 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 which the "electronic data" was stored, with blank media of substantially identical type.
        - (2) The amount we pay is subject to the Limits of Insurance section of this endorsement.
  - (3) The following Additional Coverages are added.
    - (a) Expediting Expenses**  
 We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the "reasonable extra cost" to:
      - 1) Make temporary repairs;
      - 2) Expedite permanent repairs; or
      - 3) Expedite permanent replacement.
 "Reasonable extra cost" shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation". The amount we pay is subject to the Limits of Insurance section of this endorsement.
    - (b) Refrigerant Contamination**  
 We will pay for loss to your Covered Property that is damaged by contamination by a refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as

a result of an "Equipment Breakdown". The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(c) Spoilage Coverage**

1) We will pay for loss of "perishable goods" caused by spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "Equipment Breakdown" to types of property covered by this policy, that are:

- a) Located on or within 1,000 feet of your described premises; and
- b) Owned by you, the building owner (if you are a tenant), or owned by a public utility, or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission.

2) However, we will not pay for any physical loss or damage caused by or resulting from any of the causes of loss listed below, unless loss or damage not otherwise excluded results, then we will pay for such resulting damage:

- a) Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement; or
- b) Flood, unless an "Equipment Breakdown" ensues.

Our payment will be based upon the actual replacement cost of the "perishable goods" at the time of loss. The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(d) CFC Refrigerants**

We will pay for the "additional costs" to repair or replace Covered Property because of the use or presence of a

refrigerant containing CFC (chlorofluorocarbon) substances.

"Additional costs" mean those in excess of what would have been required to repair or replace Covered Property, had no CFC refrigerant been involved. We will also pay for additional loss as described under Spoilage Coverage or loss of Business Income Coverage provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We will pay no more than the least of the following:

- 1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- 2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- 3) The cost to replace the system with one using a non-CFC refrigerant.

The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(e) Computer Equipment**

We will pay for direct physical loss or damage to your computers as a result of an "Equipment Breakdown".

The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(f) Business Interruption, Extra Expense, Electronic Data and Service Interruption**

Any insurance provided for Business Income, Extra Expense or Electronic Data is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, data transmission or "cloud computing". The equipment must meet the definition of "Equipment Breakdown" except that it is not Covered Property.

We will pay:

- 1) Your actual loss sustained from a total or partial interruption of business; and
- 2) The reasonable extra expense you sustain to run your business during the interruption, caused solely by an "Equipment Breakdown", including an "Equipment Breakdown" to any transformer, electrical apparatus, or any covered equipment that is:
  - a) Located on or within 1,000 feet of your described premises;
  - b) Owned by you, the building owner (if you are a tenant), or owned by a public utility company; and
  - c) Used to supply electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission.

The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(g) Temperature Fluctuation**

We will pay for loss of "perishable goods" only caused by or resulting from any condition or event to Covered Property that can be resolved by calibrating, resetting, tightening, adjusting or cleaning.

However, we will not pay for loss of "perishable goods" as a result of resetting the power supply to the Covered Property containing the "perishable goods".

The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(h) Unauthorized Instruction**

We will pay for loss or damage to your "computer equipment" caused by an "unauthorized instruction" which results in an "Equipment Breakdown".

"Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment and electronic media and records.

"Unauthorized instruction" means a virus, harmful code or similar instruction

introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(i) Risk Improvement**

If Covered Property suffers direct physical loss or damage caused by an "Equipment Breakdown", we will pay for the insured to improve the "power quality" of the electrical system or equipment at the loss location where the "Equipment Breakdown" occurred. "Power quality" means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability or the lifespan of the electrical system.

We will pay the reasonable extra cost to improve "power quality" for the following electrical systems and/or equipment improvements:

- 1) Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification. However, SPD's do not include any SPD's which are cord-connected surge strips, direct plug-in SPD's or receptacle SPD's;
- 2) An upgrade and/or replacement of electrical panels, switchgear and/or circuit breakers; or
- 3) Electrical wire and wiring improvements which include installation of flexible conduit, junction boxes and/or ground wiring.

An invoice for implementation of this Additional Coverage must be sent to us within 180 days after the payment of the loss is received.

The amount we pay is subject to the Limits of Insurance section of this endorsement.

**(j) Off-Premises Coverage**

We will pay for loss or damage to Covered Property resulting from a covered "Equipment Breakdown" while temporarily at a premises or location that is not a described premises.

The amount we pay is subject to the Limits of Insurance section of this endorsement.

- (4) 5. Coverage Extensions** is amended. The following coverage extension is added.

**Replacement Cost Coverage**

We will pay you the amount you actually spend to repair or replace your damaged property with new property of like kind, capacity, size and quality, whichever is less except for the following.

If any damaged property is not repaired or replaced, then we will pay only the actual cash value at the time of the "Equipment Breakdown".

**c. B. EXCLUSIONS AND LIMITATIONS** is

amended. The following provision is added for purposes of this endorsement only.

Under Business Interruption, Extra Expense and Service Interruption, we will not pay for:

- (1)** The interruption of business that would not or could not have been carried on if the "Equipment Breakdown" had not occurred;
- (2)** Your failure to use due diligence and dispatch and all reasonable means to resume business at the location(s) shown on the Declarations page; or
- (3)** The part of any loss or expense that is due solely to the suspension, lapse or cancellation of a contract following an "Equipment Breakdown" extending beyond the time business would have resumed if the contract had not lapsed, been suspended or canceled.

- d. C. LIMITS OF INSURANCE** is deleted and replaced by the following provisions for purposes of this endorsement only.

**C. LIMITS OF INSURANCE**

- 1.** The most we will pay for "Equipment Breakdown" for one or more coverages in any one occurrence at any one location is the amount equal to the "total insured value" at each location where "Equipment Breakdown" is shown in the Declarations. This provision does not apply to paragraph **C.4.**
- 2.** The limit of insurance for **Pollutant Clean-up And Removal, Electronic Data Restoration, Refrigerant Contamination, Spoilage Coverage,**

**Temperature Fluctuation, Risk Improvement and Off-Premises Coverage** are not additional limits of insurance, but are included in the "total insured value". We will pay the lesser of "total insured value" or:

- a.** For Pollutant Clean-up And Removal, the greater of \$250,000 or the limit shown in the Declarations for Pollutant Clean-up And Removal or the limit shown in an endorsement that is attached to the property form;
  - b.** For Electronic Data Restoration, up to \$100,000 for loss, damage or expense including actual loss of Business Income you sustain and necessary Extra Expense you incur;
  - c.** For Refrigerant Contamination, up to \$750,000 for loss or damage;
  - d.** For Spoilage Coverage, up to \$750,000 for loss or damage;
  - e.** For Temperature Fluctuation, up to \$5,000 for loss including actual loss of Business Income you sustain and necessary Extra Expense you incur;
  - f.** For Risk Improvement, 10% of the loss amount paid, up to a maximum limit of \$10,000; and
  - g.** For Off-Premises Coverage, up to \$25,000 for loss or damage.
- 3.** In no event will we pay more than the "total insured value" for each location where "Equipment Breakdown" is shown in the Declarations.
- 4.** As regards Business Interruption, Extra Expense and Service Interruption, our limit of liability for any one "Equipment Breakdown" is equal to twelve (12) consecutive months of actual loss sustained for a total or partial interruption of your business. The twelve (12) consecutive months begin on the date of the "Equipment Breakdown".
- e.** When the Equipment Breakdown Deductible Exception Schedule is attached to this policy, for purposes of this endorsement only, **D. DEDUCTIBLE** is deleted and replaced by the following wherever it appears in this Coverage Part or any endorsement attached to this Coverage Part.
- D. DEDUCTIBLE**  
The applicable Deductible shown in the Equipment Breakdown Deductible Exception Schedule (hereinafter referred to as Schedule) will apply unless otherwise stated

in the endorsement. If no applicable Deductible is shown in the Schedule for a coverage, the policy Deductible shown in the Declarations will apply to such coverage unless otherwise stated.

In any one occurrence of loss or damage (hereinafter referred to as loss), the Deductible will apply as follows.

1. Multiple Deductibles may apply to a loss.  
However, if multiple types of Covered Property are involved in a loss and different Deductibles are shown in the Schedule for the different types of Covered Property, only the largest applicable Deductible for each coverage will apply.  
When a Deductible in the Schedule applies to a Business Income or Extra Expense loss, such Deductible applies in place of any waiting period set forth in the BUSINESS INCOME form attached to this policy.
2. 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 amount of loss we would otherwise pay and will pay the resulting amount or the Limit of Insurance, whichever is less.
3. The Schedule may indicate Direct Coverages Deductibles and Indirect Coverages Deductibles. Unless otherwise indicated in the Schedule, Indirect Coverages Deductibles apply to Business Income loss and Extra Expense loss and Direct Coverages Deductibles apply to all other loss.
4. When a Dollar Deductible is shown in the Schedule, we will subtract the Deductible amount from the amount of loss we would otherwise pay and will pay the resulting amount or the Limit of Insurance, whichever is less.
5. When a Time Deductible is shown in the Schedule, we will not pay for loss that occurs during the specified time period immediately following the "Equipment Breakdown" occurrence. If the Time Deductible is expressed as a number of days, each day means twenty-four consecutive hours.

6. When a Multiple of ADV Deductible is shown in the Schedule, the amount of Deductible will be calculated as follows:
  - a. Take the amount of Business Income that you would have earned during the "period of restoration" had no "Equipment Breakdown" loss occurred (Business Income and "period of restoration" have the meanings set forth in the BUSINESS INCOME form attached to this policy). The Business Income will include the entire location regardless of the loss affecting the entire location or part of the location. If two or more locations are affected in the "Equipment Breakdown" loss, the Business Income will be the combined amount of all affected locations.
  - b. Take the result in paragraph 6.a. and divide it by the number of days your business would have been operating during the "period of restoration" had no "Equipment Breakdown" occurred. This result is the Average Daily Value.
  - c. The Average Daily Value calculated in paragraph 6.b. multiplied by the number shown in the Schedule is the amount of the Multiple of ADV Deductible. We will subtract this amount from the amount of loss we would otherwise pay and will pay the resulting amount or the Limit of Insurance, whichever is less.

- f. **F. ADDITIONAL CONDITIONS** is amended. The following Conditions are added for purposes of this endorsement only.

**(1) Suspension**

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension or coverage reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. However, the suspension will be effective even if we have not yet made or offered a refund.

**(2) Jurisdictional Inspections**

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**(3) Environmental, Safety and Efficiency Improvements**

If Covered Property requires replacement caused by an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality. This condition does not apply to any property to which Actual Cash Value applies.

**(4) Green Environmental and Efficiency Improvements**

**(a)** If Covered Property requires repair or replacement caused by an "Equipment Breakdown", we will pay:

- 1) The lesser of the reasonable and necessary additional cost incurred by you to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "Green". Like kind and quality includes similar size and capacity.
- 2) The additional reasonable and necessary fees incurred by you for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- 3) The additional reasonable and necessary cost incurred by you for certification or recertification of the repaired or replaced Covered Property as "Green".
- 4) The additional reasonable and necessary cost incurred by you for "Green" in the removal, disposal or recycling of damaged Covered Property.
- 5) The business interruption (if coverage is provided by the policy to

which this endorsement is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverage above.

We will not pay more than 150%, up to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs and any business interruption loss incurred as stated above.

**(b) Green Environmental and Efficiency Improvements** does not cover any of the following.

- 1) Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which you are legally liable, or personal property of others.
- 2) Any loss adjusted on any valuation basis other than a repair or replacement cost basis as per **E. LOSS CONDITIONS, 4. Loss Payment.**
- 3) Any loss covered under any other section of this policy.
- 4) Any cost incurred because of any law or ordinance with which you were legally obligated to comply with prior to the time of the "Equipment Breakdown".

**(5) Other Insurance Issued By Us**

If this policy provides coverage for Data Processing Equipment Coverages, Electronic Data Processing Equipment, Refrigerated Products, Spoilage or Mechanical Breakdown where two or more of this policy's coverages apply to the same loss or damage, the coverage of this endorsement shall supersede any coverages provided outside of this Equipment Breakdown Endorsement for the loss or damage that arises out of an "Equipment Breakdown" loss.

This Condition supersedes any similar Condition when provided by us in this policy.

**2. B. EXCLUSIONS** of the CAUSES OF LOSS FORMS is amended.

- a. CAUSES OF LOSS - BASIC FORM and CAUSES OF LOSS - BROAD FORM are



amended. The following exclusions are deleted for purposes of this endorsement only.

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.

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

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

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

However, 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.

- b. **CAUSES OF LOSS - SPECIAL FORM, B. EXCLUSIONS, 2.** is amended. The following exclusions are deleted for purposes of this endorsement only.

- 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.

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

- d. (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision; or

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. However, 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. We will also pay for loss or damage caused by or resulting from 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.

- 3. **CAUSES OF LOSS - SPECIAL FORM, C. LIMITATIONS** is amended. The following limitations are deleted for purposes of this endorsement only.

- a. Steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment. However, we will pay for loss of or damage to such equipment caused by or resulting from an 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.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than any explosion.

- 4. **DEFINITIONS** is amended.

- a. **CAUSES OF LOSS - SPECIAL FORM, "Specified Causes of Loss"** is amended to include "Equipment Breakdown" for purposes of this endorsement only.
- b. **CAUSES OF LOSS - SPECIAL FORM, CAUSES OF LOSS - BASIC FORM and CAUSES OF LOSS - BROAD FORM** are amended. The following definitions are added for purposes of this endorsement only. "Cloud computing" means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.

"Electronic equipment" means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.

"Electronic equipment deficiency" means the quality or condition inside of "electronic equipment" which renders this equipment unexpectedly inoperable and which is operable again once a piece of "electronic equipment" has been replaced.

However, "electronic equipment deficiency" will not include replacement of "electronic equipment" for any condition that could have been resolved without replacement of the "electronic equipment" including but not limited to "computer equipment" maintenance or the reinstallation or incompatibility of software.

"Equipment Breakdown" means:

- (1) Physical loss or damage both originating within:
  - (a) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
    - 1) Waste disposal piping;
    - 2) Any piping forming part of a fire protective system;
    - 3) Insulating or refractory material including any surrounding shell; and
    - 4) Any water piping other than:
      - a) Boiler feed water piping between the feed pump and the boiler;
      - b) Boiler condensate return piping; or
      - c) Water piping forming part of a refrigerating or air conditioning system.
  - (b) All mechanical, electrical, "electronic equipment" or fiber optic equipment; and
- (2) Caused by, resulting from, or consisting of:
  - (a) Mechanical breakdown;
  - (b) Electrical or electronic breakdown and "electronic equipment deficiency"; or
  - (c) Rupture, bursting, bulging, implosion, or steam explosion.
- (3) However, "Equipment Breakdown" does not mean:
 

Physical loss or damage caused by or resulting from any of the following; however, if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

- (a) Wear and tear;
- (b) Rust or other corrosion, decay, deterioration, hidden or latent defect, "fungi", wet rot, dry rot, virus, bacteria or any other quality in property that causes it to damage or destroy itself;
- (c) Smog;
- (d) Settling, cracking, shrinking or expansion;
- (e) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (f) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
- (g) Scratching or marring; and
- (h) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
  - 1) Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement; or
  - 2) Flood, unless an "Equipment Breakdown" ensues.

"Green" means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

"Green Authority" means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative, Green Globes®, Energy Star Rating System or any other recognized "Green" rating system.

"Perishable goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

"Production machinery" means any machine which processes, forms, shapes or transports raw materials, materials in process, waste materials or finished products.

"Total insured value" means:

The sum of the limits for the following coverages if shown at the location where "Equipment Breakdown" is shown in the Declarations:

- (1) Building;
- (2) Business Personal Property;
- (3) Stock;
- (4) Personal Property of Others;
- (5) Tenants Improvements and Betterments;
- (6) Improvements and Alterations;
- (7) Furniture;
- (8) Fixtures;

- (9) Machinery and Equipment;
- (10) Personal Property in the Open;
- (11) Legal Liability Real Property;
- (12) Business Income and Extra Expense (when Business Income and Extra Expense - Actual Loss Sustained is shown in the Declarations, Business Income and Extra Expense applies at 25% of the sum of the building and business personal property limits at that location);
- (13) Business Income (Without Extra Expense);
- (14) Extra Expense; and
- (15) Any other property described.

All other policy terms and conditions apply.

64013 (12-10)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LIMITATION - SPECIALTY GLASS

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL FORM  
CAUSES OF LOSS - BROAD FORM  
CAUSES OF LOSS - BASIC FORM

- A.** Under **LIMITATIONS** in Causes of Loss - Special Form and **LIMITATION** in Causes of Loss - Broad Form and Basic Form, the following limitation is added:  
We will not pay more than \$500 in any one occurrence for direct physical loss of or damage to "specialty glass" at the premises described in the Declarations regardless of the number of panes, plates or similar units of glass. Subject to this aggregate, we will not pay more than \$100 for any one pane, plate, multiple plate insulating unit, jalousie, louver or shutter.

This limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

- B.** Under **DEFINITIONS**, the following definition is added:  
"Specialty glass" means art glass, etched glass, half tone screens, memorial windows, mosaic art, roto-gravure screens, stained glass or stained glass in leaded sections.

All other policy terms and conditions apply.

64013 (12-10)

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64224 (1-16)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## CHANGES - TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- COMMERCIAL PROPERTY CONDITIONS, I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** is amended. The following condition is added.  
If the claim paid is less than the agreed loss because of any deductible or other limiting terms, the recovery is

prorated between you and us based on the interest of each in the loss. This condition only applies if we pay for a loss and then payment is made by those responsible for the loss.

All other policy terms and conditions apply

64224 (1-16)

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64326 (7-19)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CHANGES - ACTUAL CASH VALUE AND DEPRECIATION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

Wherever it appears in this Coverage Part and any endorsement attached to this Coverage Part:

- 1.** Actual cash value means the cost to repair or replace lost or damaged property with property of similar quality and features reduced by the amount of depreciation applicable to the lost or damaged property immediately prior to the loss.
- 2.** Depreciation means a decrease in value because of age, wear, obsolescence or market value and includes:
  - a.** The cost of materials, labor and services;

- b.** Any applicable taxes; and
- c.** Profit and overhead necessary to repair, rebuild or replace lost or damaged property.

The meanings of actual cash value and depreciation in this endorsement supersedes any provision in this Coverage Part and any endorsement attached to this Coverage Part to the contrary.

All other policy terms and conditions apply.

64352 (12-20)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CHANGES - EXCLUSION FOR INSECTS, BIRDS, RODENTS OR OTHER ANIMALS**

This endorsement modifies insurance provided under the following:

### CAUSES OF LOSS - SPECIAL FORM

**B. EXCLUSIONS, 2.d.(5)** is deleted and replaced by the following exclusion.

**(5)** Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

All other policy terms and conditions apply.

## 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**.

The descriptions in the headings of this Coverage Form and all applicable endorsements are solely for convenience and form no part of the terms and conditions of coverage.

### 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 Section **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

- 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) Building glass, meaning glass that is part of the building or structure;
  - (5) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
    - (a) Fire-extinguishing equipment;
    - (b) Outdoor furniture;
    - (c) Floor coverings; and
    - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
  - (6) If not covered by other insurance:
    - (a) Additions under construction, alterations and repairs to the building or structure; and
    - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described prem-

ises, used for making additions, alterations or repairs to the building or structure.

- b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation Of Coverage endorsement:
- (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 of others;
  - (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
    - (a) Made a part of the building or structure you occupy but do not own; and
    - (b) You acquired or made at your expense but cannot legally remove; and
  - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.
- 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 a vehicle) within 1,000 feet of the described premises.

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

## 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 in your care, custody or control, or if owned by you, only as "stock" while inside of buildings;
- 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 or filling;
- 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 basement;
- 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 docks;
- 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. This Paragraph n. does not apply to your "stock" of prepackaged software;
- 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 Valu-

able Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as "electronic data";

- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (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 automobiles you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than automobiles, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
    - (1) Grain, hay, straw or other crops; or
    - (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) below, 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 of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4) below, the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit



of Insurance applicable to the Covered Property that has sustained loss or damage.

(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 pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(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 the Covered Property that has sustained loss or damage.

(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 to the Covered Property that has sustained 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 Property that has sustained loss or damage, plus \$10,000.

**(5) Examples**

In the following examples, the figures used are for illustrative purposes only and do not reflect your actual insurance.

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 removal expense is payable in accordance with the terms of Paragraph (3).

**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) x .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 45 days, unless a higher number of days are shown in the Declarations, after the property is first moved.

**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 \$2,500 per occurrence, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

**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 paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". However, we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000, unless a higher limit is shown in the Declarations, 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. Electronic Data**

- (1) 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 which the "electronic data" was stored, with blank media of substantially identical type.
- (2) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
  - (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, includes Collapse as set forth in that form.
  - (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 coverage provided under this Additional Coverage, Electronic Data.
  - (d) The Covered Causes of Loss include a computer 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. However, there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (3) Limit of Insurance
- (a) Annual Aggregate Limit – The most we will pay under this Additional Coverage, Electronic Data, 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 is \$10,000, unless a higher limit is shown in the Declarations.
  - (b) Per Occurrence Limit - Subject to (a) above, we will pay up to the following amounts in any one occurrence of loss or damage:
    - 1) \$10,000 if the computer system(s) are equipped with active virus scanning or anti-virus software at the time of loss; or

- 2) \$2,500 if the computer system(s) are not equipped with active virus scanning or anti-virus software at the time of loss.

If loss payment for the first occurrence does not exhaust the annual aggregate limit shown in (a) above, 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 loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

**f. Fire Extinguisher Systems Recharge Expense**

- (1) We will pay:

- (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises; and
- (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$10,000, unless a higher limit is shown in the Declarations, in any one occurrence.

**g. Arson Reward**

- (1) We will pay for information which leads to a conviction for arson in connection with a fire loss to Covered Property insured by this policy.
- (2) The most we will pay per occurrence is \$7,500, unless a higher limit is shown in the Declarations, regardless of the number of persons who provide information.

**h. Theft Reward**

- (1) We will pay for information which leads to a conviction for theft of Covered Property insured by this policy.

- (2) The most we will pay per occurrence is 25% of the amount of covered loss or \$7,500, whichever is less, unless a higher limit is shown in Declarations, regardless of the number of persons who provide information.

**i. Rekeying of Locks**

- (1) If the keys to locks on doors of the building described in the Declarations are a part of a theft loss covered by this policy, we will pay reasonable necessary expenses you incur to rekey locks on doors of the building described in the Declarations.
- (2) The most we will pay per occurrence is \$1,000, unless a higher limit is shown in the Declarations.

**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 1,000 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 on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
- 1) Similar use as the building described in the Declarations; or
  - 2) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000, unless a higher limit is shown in the Declarations, at each building.

**(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
- 1) Business personal property (other than "stock"), including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

- 2) Business personal property (other than "stock"), including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- 3) Business personal property (other than "stock") that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000, unless a higher limit is shown in the Declarations, at each building.

- (b) This Extension does not apply to:
- 1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - 2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property, unless a higher number of days are shown in the Declarations; or
- (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 qualify as covered property.

**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 by theft.

- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher limit is shown in the Declarations, 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. However, this Extension does not apply to valuable papers and records which exist as "electronic data".

- (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 in any one occurrence to replace or restore the lost information is:

(a) \$10,000 at each described premises; and

(b) \$10,000 while valuable papers and records are away from a described premises

unless higher limit(s) are shown in the Declarations. Such amounts are additional insurance.

- (5) 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 applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property, including "stock",

while it is away from the described premises, if it is:

- (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to Covered 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 control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000, unless a higher limit is shown in the Declarations.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor:

- (1) Fences, 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 Covered Causes of Loss:
- (a) Fire;
  - (b) Lightning;
  - (c) Explosion;
  - (d) Riot or Civil Commotion; or
  - (e) Aircraft.
- The most we will pay for loss or damage is \$10,000, but not more than \$1,000 for any one tree, shrub or plant, unless higher limits are shown in the Declarations. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.
- (2) Radio and television antennas (including satellite dishes), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:
- (a) Fire;
  - (b) Lightning;
  - (c) Windstorm or Hail;
  - (d) Ice, snow or sleet;
  - (e) Explosion;
  - (f) Riot or Civil Commotion; or

**(g) Aircraft.**

The most we will pay for loss or damage is \$2,000, unless a higher limit is shown in the Declarations. This limit applies to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**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 business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (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 motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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**

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$5,000, unless a higher limit is shown in the Declarations, per sign in any one occurrence.
3. The amounts of insurance stated in the following Additional Coverages apply in accordance with

the terms of such coverages and are in addition to the Limit(s) of Insurance shown in the Declarations for any other coverage, unless otherwise indicated:

- a. Fire Department Service Charge;
  - b. Pollutant Clean-up And Removal;
  - c. Electronic Data;
  - d. Fire Extinguisher Systems Recharge Expense;
  - e. Arson Reward;
  - f. Theft Reward; and
  - g. Rekeying of Locks.
4. Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.
5. **Your Business Personal Property Limit - Seasonal Increase**
- a. Subject to Paragraph 5.b. below, the Limit of Insurance for Your Business Personal Property is automatically increased by:
    - (1) The percentage shown in the Declarations for Your Business Personal Property - Seasonal Increase; or
    - (2) 25%, if no percentage is shown in the Declarations for Your Business Personal Property - Seasonal Increase to provide for seasonal variances.
  - b. The increase described above in Paragraph 5.a., will apply only if the Limit of Insurance shown for Your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
    - (1) The 12 months immediately preceding the date loss or damage occurs; or
    - (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. DEDUCTIBLE**

The applicable Deductible shown in the Declarations will apply unless otherwise stated by endorsement.

In any one occurrence of loss or damage (hereinafter referred to as loss), the Deductible will apply as follows:

- 1. We will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage.
  - a. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss.
  - b. 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 amount or the Limit of Insurance, whichever is less.

- 2. If Paragraph 1., above does not apply:
  - a. If the amount of loss is less than or equal to the Deductible, we will not pay for that loss.
  - b. If the amount of loss exceeds the Deductible, we will then subtract the Deductible from the loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

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. However, the Deductible will be applied only once per occurrence.

- 3. No Deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Fire Extinguisher Systems Recharge Expense;
  - c. Arson Reward;
  - d. Theft Reward; and
  - e. Rekeying of Locks.

In the following examples, the figures used are for illustrative purposes only and do not reflect your actual insurance.

The following examples assume there is no Coinsurance penalty.

**EXAMPLE #1**

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:

\$60,100
<u>    250</u>
\$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

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

Loss to Building #1: (Exceeds Limit of Insurance plus Deductible)	\$70,000
Loss to Building #2: (Exceeds Limit of Insurance plus Deductible)	\$90,000
Loss Payable – Building #1: (Limit of Insurance)	\$60,000
Loss Payable - Building #2: (Limit of Insurance)	\$80,000
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 to us.

### 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 the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. 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 Property:
  - (1) Notify the police if a law may have been broken.
  - (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 or damage occurred.

- (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 damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- 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 insured's books and records. In the event of an examination, an insured's answers must be signed.

### 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 within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
- (1)** We have reached agreement with you on the amount of loss; or
- (2)** An appraisal award has been made.
- 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.

If you recover the property, at your option, you may retain the property. You must then return to us the amount we paid to you for the property less any expenses to repair the Covered Property and expenses incurred to recover the property. You may give us the recovered property in which case we will pay recovery expenses, subject to the Limit of Insurance.

If we recover the property, at your option, we may return the property to you. We will pay any recovery expenses, subject to the Limit of Insurance. We will also pay any expenses to repair the Covered Property, subject to the Limit of Insurance. However, before we return the Covered Property or pay for the repair of the Covered Property, you must first return to us the amount we paid to you for the property.

## **6. Vacancy**

### **a. Description Of Terms**

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (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:
- 1)** Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - 2)** 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, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

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 attached 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 follows:
  - (a) Multiply the original cost by the number 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 the procedure.
- (3) Nothing if others pay for repairs or replacement.

**F. ADDITIONAL CONDITIONS**

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

In the following examples, the figures used are for illustrative purposes only and do not reflect your actual insurance.

**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 Co-insurance requirements)

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

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

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

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**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 Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). 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: \$ 75,000  
 \$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: \$ 20,000  
 \$ 50,000

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

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

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

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

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**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 mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- 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 Part 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 any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

In the following example, the figures used are for illustrative purposes only and do not reflect your actual insurance.

**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:  
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200$

**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 damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 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 Optional Coverage may also be shown as applicable. If the Declarations show this Optional Coverage 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. "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 data.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

## BUSINESS INCOME (AND EXTRA EXPENSE) 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 F., DEFINITIONS.

The descriptions in the headings of this Coverage Form and all applicable endorsements are solely for convenience and form no part of the terms and conditions of coverage.

### A. COVERAGE

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations.

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business

Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at

replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

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

### 4. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under the Additional Coverage - Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under the Additional Coverage - Interruption Of Computer Operations.

### 5. Additional Coverages

#### a. Civil Authority

In this Additional Coverage - Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not

more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin immediately following the time of the first action of civil authority that prohibits access to the described premises; however, if a waiting period is shown in the Declarations, then after such period following the time of the first action of civil authority that prohibits access to the described premises.

Civil Authority Coverage for Business Income will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or  
 (2) When your Civil Authority Coverage for Business Income ends

whichever is later.

#### b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;  
 (2) Alterations or additions to existing buildings or structures; and  
 (3) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:  
 (a) Used in the construction, alterations or additions; or  
 (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period

of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
  - 1)** The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - 2)** 30 consecutive days after the date determined in **(1)(a)** above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b)** Ends on the earlier of:
  - 1)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the

"Rental Value" that would have existed if no direct physical loss or damage had occurred; or

- 2)** 30 consecutive days after the date determined in **(2)(a)** above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1)** Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.
- (2)** With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a)** If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations 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 - Interruption Of Computer Operations includes Collapse as set forth in that form.
  - (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 coverage provided under this Additional Coverage - Interruption Of Computer Operations.
  - (d)** The Covered Causes of Loss include a computer 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. However, there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved is \$10,000, unless a higher limit is shown in the Declarations, subject to the following:
- (a) If at the time of interruption, the computer system is equipped with active virus scanning or anti-virus software, this entire amount is available.
  - (b) If at the time of interruption, the computer system is not equipped with active virus scanning or anti-virus software, payment will be limited to \$2,500 for that occurrence.

If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or

incurred in the policy year in which the interruption began.

- (4) This Additional Coverage - Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.

#### 6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

##### NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions, if the location you acquire is intended for:
  - (1) Similar use as the location described in the Declarations; or
  - (2) Use as a warehouse.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (1) This policy expires;
  - (2) 60 days expire after you acquire or begin to construct the property; or
  - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

#### B. LIMITS OF INSURANCE

- 1. The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
- 2. Payments under the following coverages will not increase the applicable Limit of Insurance:
  - a. Alterations And New Buildings;
  - b. Civil Authority;
  - c. Extra Expense; or
  - d. Extended Business Income.
- 3. The amounts of insurance stated in the following apply in accordance with the terms of those



coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- a. Interruption Of Computer Operations Additional Coverage; and
- b. Newly Acquired Locations Coverage Extension.

### C. LOSS CONDITIONS

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

#### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense 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 amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. 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.

#### 2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:
  - (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the direct physical 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 direct physical loss or damage occurred.
  - (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 damage resulting from a cause of loss that is not a

Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- 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 insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c. **Resumption Of Operations**  
We will reduce the amount of your:
  - (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have compiled with all of the terms of this Coverage Part and;

- a. We have reached agreement with you on the amount of loss; or

- b. An appraisal award has been made.

#### D. ADDITIONAL CONDITION COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

Step(1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

Step(2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and

Step(3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) 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.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight - outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;

- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

In the following examples, the figures used are for illustrative purposes only and do not reflect your actual insurance.

**EXAMPLE #1 (UNDERINSURANCE)**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000  
 The Coinsurance percentage is: 50%  
 The Limit of Insurance is: \$150,000  
 The amount of loss is: \$ 80,000

Step (1):  $\$400,000 \times 50\% = \$200,000$   
 (the minimum amount of insurance to meet your Co-insurance requirements)

Step (2):  $\$150,000 \div \$200,000 = .75$

Step (3):  $\$ 80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

**EXAMPLE #2 (ADEQUATE INSURANCE)**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000  
 The Coinsurance percentage is: 50%  
 The Limit of Insurance is: \$200,000  
 The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ).

Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

**E. OPTIONAL COVERAGES**

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

**1. Maximum Period Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
  - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit of Insurance shown in the Declarations.

**2. Monthly Limit Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

In the following example, the figures used are for illustrative purposes only and do not reflect your actual insurance.

**EXAMPLE**

When: The Limit of Insurance is: \$120,000  
 The fraction shown in the Declarations for this Optional Coverage is: 1/4  
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
 ( $\$120,000 \times 1/4 = \$30,000$ )  
 If, in this example, the actual amount of loss is:  
 Days 1-30: \$ 40,000  
 Days 31-60: \$ 20,000  
 Days 61-90: \$ 30,000  
 \$ 90,000

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We will pay:	
Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

**3. Business Income Agreed Value**

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and
    - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
  - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
    - (a) The Coinsurance percentage shown in the Declarations; multiplied by
    - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
  - (1) 12 months after the effective date of this Optional Coverage; or
  - (2) The expiration date of this policy whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
  - (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
  - (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

In the following example, the figures used are for illustrative purposes only and do not reflect your actual insurance.

**EXAMPLE**

When:	The Limit of Insurance is:	\$ 100,000
	The Agreed Value is:	\$ 200,000
	The amount of loss is:	\$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

**4. Extended Period Of Indemnity**

Under Paragraph A.5.c., **Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

**F. DEFINITIONS**

- 1. "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 data.
- 2. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

- 3. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
- 4. "Period of restoration" means period of time that:
  - a. Begins:
    - (1) Immediately following the time of direct physical loss or damage; however, if a

waiting period is shown in the Declarations, then after such period following the time of direct physical loss or damage for Business Income Coverage; or

- (2) Immediately following the time of direct physical loss or damage for Extra Expense Coverage

caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not mean any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not shorten or cause the "period of restoration" to terminate.

5. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

6. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- b. Continuing normal operating expenses incurred in connection with that premises, including:

- (1) Payroll; and

- (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

7. "Suspension" means:

- a. The slowdown or cessation of your business activities; or

- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

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## CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS in the Commercial Property Coverage Part.

### A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations that follow.

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

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

Volcanic Action means 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.

Volcanic Action 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.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority. However, 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. However, 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.

However, 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 (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 Paragraph (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 **g.(1)** through **(5)** is caused by an act of nature or is otherwise caused.

However, if any of the above in Paragraphs **g.(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.

**h. "Fungi", Wet Rot Or Dry Rot**

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot. However, if "fungi", wet rot or dry rot results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

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

**i. Virus Or Bacteria**

We will not pay for loss or damage caused by or resulting from virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

With respect to any loss or damage subject to this exclusion, such exclusion supersedes any exclusion relating to "pollutants".

Exclusions **B.1.a.** through **B.1.i.** 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 any of the following:
  - 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.

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

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.**
  - (1)** Wear and tear;
  - (2)** Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3)** Smog;
  - (4)** Settling, cracking, shrinking or expansion;
  - (5)** Insects, birds, rodents or other animals;
  - (6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision; or
  - (7)** The following causes of loss to personal property:
    - (a)** Dampness or dryness of atmosphere;
    - (b)** Changes in or extremes of temperature; or
    - (c)** Marring or scratching.

However, if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. However, 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. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or with-

in the flues or passages through which the gases of combustion pass.

- f.** 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.
- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1)** You do your best to maintain heat in the building or structure; or
  - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1)** Acting alone or in collusion with others; or
  - (2)** Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:
  - (1)** An abrupt falling down or caving in;
  - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

However, if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage - Collapse; or



- (b) To collapse caused by one or more of the following:
  - 1) The "specified causes of loss";
  - 2) Breakage of building glass;
  - 3) Weight of rain that collects on a roof; or
  - 4) Weight of people or personal property.
- I. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". However, if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".  
This exclusion, I., does not apply to damage to glass caused by chemicals applied to the glass.
- m. 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. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** However, if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance of part or all of any property on or off the described premises.
- 4. **Special Exclusions**  
The following provisions apply only to the specified Coverage Forms.
  - a. **Business Income (And Extra Expense) Coverage Form, Business Income (And Extra Expense) Actual Loss Sustained**

**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. However, 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 Extra Expense caused by or resulting from any delay in rebuilding, repairing or replacing the property or resuming "operations" due to an insufficiency of or failure to maintain adequate Limits of Insurance for Building or Business Personal Property.
- (6) 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 canceling 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. However, 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:
- 1) Your assumption of liability was executed prior to the accident; and
  - 2) 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.

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This ex-

clusion applies to any effect that compromises the form, substance or quality of the product. However, if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**C. LIMITATIONS**

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. However, we will pay for loss of or damage to such equipment caused by or resulting from an 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.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft. However, this limitation does not apply to:
    - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
    - (2) Business Income Coverage or Extra Expense Coverage.
  - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- 2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property. However, this limitation does not apply:
    - (1) If the property is located on or within 1,000 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.
- 3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$500 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
 These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property. This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.
- 4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. However, we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.
- However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. ADDITIONAL COVERAGE - COLLAPSE**

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

- 1. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
- 3. This **Additional Coverage - Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging,

bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

  - (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
  - (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
  - a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in **D.1.** through **D.7.**

#### **E. ADDITIONAL COVERAGE - LIMITED COVERAGE FOR "FUNGI", WET ROT OR DRY ROT**

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungi", wet rot or dry rot is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy term 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.
2. We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to 10% of the building or personal property limit of insurance, whichever is greater, subject to a maximum of \$100,000 and a minimum of \$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 "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy term). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than this limit even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy term.
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 "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property. If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage - Collapse.
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 "fungi", wet rot or dry rot does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, 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 45 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), however, such coverage is limited to 45 days. The days need not be consecutive.

## F. ADDITIONAL COVERAGE EXTENSIONS

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations. This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

## G. DEFINITIONS

1. "Fungi" means any type or form of fungus, including, but not limited to, any mold, mildew, mycotoxins, spores, scents or by-products produced or released by any type or form of fungus.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct

result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CAUSES OF LOSS - SPECIAL FORM  
 CAUSES OF LOSS - BROAD FORM  
 CAUSES OF LOSS - BASIC FORM

- A.** Each Coverage - Coverage **A**, Coverage **B**, Coverage **C** and Coverage **D** - of Section **E. Coverages** below, is provided under this endorsement only if a Limit of Insurance for that Coverage(s) is shown in the Declarations and then only with respect to the building identified for that Coverage(s) in the Declarations.
- B.** The following provisions do not apply to the extent that they conflict with the coverage provided by this endorsement only:
- 1.** BUILDING AND PERSONAL PROPERTY COVERAGE FORM:
    - a.** **E. LOSS CONDITIONS:**
      - (1) **4. Loss Payment, b.;** and
      - (2) **7. Valuation, b.,** second paragraph; and
    - b.** **G. OPTIONAL COVERAGES, 3. Replacement Cost, f.**
  - 2.** CONDOMINIUM ASSOCIATION COVERAGE FORM:
    - a.** **E. LOSS CONDITIONS:**
      - (1) **4. Loss Payment, b.;** and
      - (2) **8. Valuation, b.,** second paragraph; and
    - b.** **G. OPTIONAL COVERAGES, 3. Replacement Cost, f.**
  - 3.** Section **B. EXCLUSIONS, 1.a.** of CAUSES OF LOSS - SPECIAL, BROAD and BASIC FORMS.

**C. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement apply only if both **C.1.** and **C.2.** are satisfied and are then subject to the qualifications set forth in **C.3.**

- 1.** The ordinance or law:
  - a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - b.** Is in force at the time of loss.

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

- 2.**
  - a.** The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
  - b.** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
  - c.** However, if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- 3.** In the situation described in **C.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A, B, C** and/or **D** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage. However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A, B, C** and/or **D** of this endorsement.
- D.** We will not pay under Coverage **A, B, C** or **D** of this endorsement for:

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1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

#### E. Coverages

##### 1. Coverage A - Coverage For Loss To The Undamaged Portion Of The Building

With respect to a covered building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

The Coinsurance Additional Condition does not apply to the undamaged portion of the building when the Limit of Insurance shown in the Declarations for Coverage A is less than the applicable building Limit of Insurance shown in the Declarations.

##### 2. Coverage B - Demolition Cost Coverage

With respect to a covered building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires Demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

##### 3. Coverage C - Increased Cost Of Construction Coverage

a. With respect to a covered building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

(1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

(1) The cost of excavations, grading, backfilling and filling;

(2) Foundation of the building;

(3) Pilings; and

(4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, 3.b.

##### 4. Coverage D - Tenant's Improvements and Betterments

With respect to your use interest as tenant in improvements and betterments that have sustained covered direct physical damage, we will pay the increased cost to repair or reconstruct damaged portions of those improvements and betterments when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

The Coinsurance Additional Condition does not apply to Tenant's Improvements and Betterments.

#### F. Loss Payment

1. All following loss payment Provisions, F.2. through F.5., are subject to the apportionment procedures set forth in Section C.3. of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

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- (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
  - (2) The Limit of Insurance for Coverage **A** shown in the Declarations as applicable to the covered building.
- b.** If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
- (1) The actual cash value of the building at the time of loss; or
  - (2) The Limit of Insurance for Coverage **A** shown in the Declarations as applicable to the covered building.
- 3.** Loss payment under Coverage **B** - Demolition Cost Coverage will be determined as follows: We will not pay more than the lesser of the following:
- a.** The amount you actually spend to demolish and clear the site of the described premises; or
  - b.** The applicable Limit of Insurance shown for Coverage **B** in the Declarations.
- 4.** Loss payment under Coverage **C** - Increased Cost of Construction Coverage will be determined as follows:
- a.** We will not pay under Coverage **C**:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) 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 period in writing during the two years.
  - 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 under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **C** in the Declarations.
  - c.** If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **C** in the Declarations.
- 5.** Loss payment under Coverage **D** - Tenant's Improvements and Betterments will be determined as follows:
- a.** We will not pay under Coverage **D**:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) 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 period in writing during the two years.
  - b.** If the improvements and betterments are repaired or replaced at the same premises, or if you elect to rebuild the improvements and betterments at another premises, the most we will pay under Coverage **D** is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **D** in the Declarations.
  - c.** If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **D** is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **D** in the Declarations.
- G.** The terms of this endorsement apply separately to each building to which this endorsement applies.
- H.** Under this endorsement we will not pay for loss due to any ordinance or law that:
- 1.** You were required to comply with before the loss, even if the building was undamaged; and
  - 2.** You failed to comply with.
- I.** The following definition is added:  
"Fungi" means any type or form of fungus, including but not limited to, mold, mildew, mycotoxins, spores, scents or by-products produced or released by any type or form of fungus.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## AMENDMENT OF PROPERTY DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

SECTION **D. DEDUCTIBLE** is deleted and replaced by the following:

**D. DEDUCTIBLE**

The applicable Deductible shown in the Declarations will apply separately to:

1. Each building sustaining loss or damage.
2. The personal property at each building at which there is loss or damage to personal property.

However, if there is loss or damage to both a building and its personal property, only one deductible will apply for that building.

In any one occurrence of loss or damage (hereinafter referred to as loss), the Deductible shown in the Declarations will apply as follows:

- a. We will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage.
  - (1) If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss.
  - (2) If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of the loss and will pay the resulting amount or the Limit of Insurance, whichever is less.
- b. If paragraph a., above does not apply:
  - (1) If the amount of loss is less than or equal to the Deductible, we will not pay for that loss.
  - (2) If the amount of loss exceeds the Deductible, we will then subtract the Deductible from the loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

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.

- c. No Deductible applies to the following Additional Coverages:

- (1) Fire Department Service Charge;
- (2) Fire Extinguisher Systems Recharge Expense;
- (3) Arson Reward;
- (4) Theft Reward; and
- (5) Rekeying of Locks.

In the following Examples, the figures used are for illustrative purposes only and do not reflect your actual insurance.

The following Examples assume there is no Coinsurance penalty.

**EXAMPLE #1**

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:	\$80,200

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 amount of loss to Building #2 (\$80,200) is less than the sum (\$80,250) of the Limit of Insurance applicable to Building #2 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1 and Building #2.

\$60,100	
- 250	
\$59,850	Loss Payable - Building #1
\$80,200	
- 250	
\$79,950	Loss Payable - Building #2

**EXAMPLE #2**

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

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

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## IOWA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the **Standard Property Policy CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The Legal Action Against Us Loss Condition in the Legal Liability Coverage Form is replaced by the following:  
No person or organization has a right under this Coverage Form:
- a.** To join us as a party or otherwise bring us into a "suit" asking for damages from you; or
  - b.** To sue us on this Coverage Form unless all of its terms have been fully complied with.
- A person or organization may sue us to recover on an agreed settlement or on a final judgment against you that is returned unsatisfied; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. The judgment creditor shall have a right of action against us to the same extent that you could have enforced a claim against us had you paid such judgment. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or claimant's legal representative.
- C.** The Legal Action Against Us Additional Condition in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:
- a.** No one may bring a legal action against us under Coverages **A** and **B** unless:
    - (1)** There has been full compliance with all of the terms of Coverages **A** and **B**; and
    - (2)** The action is brought within 2 years after you discover the error or accidental omission.
- b.** No person or organization has a right under Coverages **C** and **D**:  
**(1)** To join us as a party or otherwise bring us into a "suit" asking for damages from you; or  
**(2)** To sue us on this Coverage Form unless all of its terms have been fully complied with.  
A person or organization may sue us to recover on an agreed settlement or on a final judgment against you that is returned unsatisfied; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. The judgment creditor shall have a right of action against us to the same extent that you could have enforced a claim against us had you paid such judgment. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or claimant's legal representative.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## 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 neces-

sary 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.

**COMMERCIAL PROPERTY  
CP 01 97 11 05**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## IOWA - STANDARD FIRE POLICY PROVISIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

The provisions of the Standard Fire Policy are stated below. State law requires that they be attached to all policies. If any conditions of this form are construed to be more liberal than any other policy conditions relating to the perils of fire, lightning or removal, the conditions of this form will apply.

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO, AND OF THE PREMIUM SPECIFIED in the Declarations or in endorsements made a part hereof, this Company, for the term of *years specified in the Declarations from inception date shown in the Declarations At Noon (Standard Time) to expiration date shown in the Declarations At Noon (Standard Time)* at location of property involved, to an amount not exceeding the limit of liability specified in the Declarations, does insure *the Insured named in the Declarations* and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND OTHER PERILS INSURED AGAINST IN THIS POLICY INCLUDING REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described in the Declarations while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

- |    |  |  |
|----|--|--|
| 1  | <b>Concealment,</b>  | This entire policy shall be void if, whether before or after a loss, an insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of an insured therein, or in case of any fraud or false swearing by an insured relating thereto. |
| 2  | <b>fraud.</b>  |  |
| 3  |  |  |
| 4  | terial fact or circumstance concerning this insurance or the       | This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.  |
| 5  | subject thereof, or the interest of an insured therein, or in case |  |
| 6  | of any fraud or false swearing by an insured relating thereto.     |  |
| 7  | <b>Uninsurable</b>   | This Company shall not be liable for loss by fire or other perils insured against in this  |
| 8  | <b>and</b>   |  |
| 9  | <b>excepted property.</b>  |  |
| 10 |  |  |
| 11 | <b>Perils not</b>  |  |
| 12 | <b>included.</b>   |  |

13 policy caused, directly or indirectly, by: (a)  
14 enemy attack by armed forces, including action taken by mili-  
15 tary, naval or air forces in resisting an actual or an immediately  
16 impending enemy attack; (b) invasion; (c) insurrection; (d)  
17 rebellion; (e) revolution; (f) civil war; (g) usurped power; (h)  
18 order of any civil authority except acts of destruction at the time  
19 of and for the purpose of preventing the spread of fire, provided  
20 that such fire did not originate from any of the perils excluded  
21 by this policy; (i) neglect of an insured to use all reasonable  
22 means to save and preserve the property at and after a loss, or  
23 when the property is endangered by fire in neighboring prem-  
24 ises; (j) nor shall this Company be liable for loss by theft.

25 **Other Insurance.** Other insurance may be prohibited or the  
26 amount of insurance may be limited by en-  
27 dorsement attached hereto.

28 **Conditions suspending or restricting insurance. Unless other-**  
29 **wise provided in writing added hereto this Company shall not**  
30 **be liable for loss occurring under any of the following circumstances:**  
31 (a) while the hazard is created or increased by any means within the con-  
32 trol or knowledge of an insured.  
33 (b) while a described building, whether intended for occupancy  
34 by owner or tenant, is vacant or unoccupied beyond a period of  
35 sixty consecutive days.  
36 (c) as a result of explosion or riot, unless fire ensue, and in  
37 that event for loss by fire only.

38 **Other perils** Any other peril to be insured against or sub-  
39 **or subjects.** ject of insurance to be covered in this policy  
40 shall be by endorsement in writing hereon or  
41 added hereto.

42 **Added provisions.** The extent of the application of insurance  
43 under this policy and of the contribution to  
44 be made by this Company in case of loss, and any other pro-  
45 vision or agreement not inconsistent with the provisions of this  
46 policy, may be provided for in writing added hereto, but no pro-  
47 vision may be waived except such as by the terms of this policy  
48 is subject to change.

49 **Waiver** No permission affecting this insurance shall  
50 **provisions.** exist, or waiver of any provision be valid,  
51 unless granted herein or expressed in writing  
52 added hereto. No provision, stipulation or forfeiture shall be  
53 held to be waived by any requirement or proceeding on the part  
54 of this Company relating to appraisal or to any examination  
55 provided for herein.

56 **Cancellation** This policy shall be cancelled at any time  
57 **of policy.** at the request of the insured, in which case  
58 this Company shall, upon demand and sur-  
59 render of this policy, refund the excess of paid premium above  
60 the customary short rates of the expired time. This pol-  
61 icy may be cancelled at any time by this Company by giving  
62 to the insured a five days' written notice of cancellation with  
63 or without tender of the excess of paid premium above the pro



64 rata premium for the expired time, which excess, if not ten-  
65 dered, shall be refunded on demand. Notice of cancellation shall  
66 state that excess premium (if not tendered) will be re-  
67 funded on demand.

68 **Mortgagee** If loss hereunder is made payable, in whole  
69 **interests and** or in part, to a designated mortgagee not  
70 **obligations.** named herein as the insured, such interest in  
71 this policy may be cancelled by giving to such  
72 mortgagee a ten days' written notice of can-  
73 cellation.

74 If the insured fails to render proof of loss such mortgagee, upon  
75 notice, shall render proof of loss in the form herein specified  
76 within sixty (60) days thereafter and shall be subject to the pro-  
77 visions hereof relating to appraisal and time of payment and of  
78 bringing suit. If this Company shall claim that no liability ex-  
79 isted as to the mortgagor or owner, it shall, to the extent of pay-  
80 ment of loss to the mortgagee, be subrogated to all the mort-  
81 gagee's rights of recovery, but without impairing mortgagee's  
82 right to sue; or it may pay off the mortgage debt and require  
83 an assignment thereof and of the mortgage. Other provisions  
84 relating to the interests and obligations of such mortgagee may  
85 be added hereto by agreement in writing.

86 **Pro rata liability.** This Company shall not be liable for a greater  
87 proportion of any loss than the amount  
88 hereby insured shall bear to the whole insurance covering the  
89 property against the peril involved, whether collectible or not.

90 **Requirements in** The insured shall give immediate written  
91 **case loss occurs.** notice to this Company of any loss, protect  
92 the property from further damage, forthwith  
93 separate the damaged and undamaged personal property, put  
94 it in the best possible order, furnish a complete inventory of  
95 the destroyed, damaged and undamaged property, showing in  
96 detail quantities, costs, actual cash value and amount of loss  
97 claimed; **and within sixty days after the loss, unless such time**  
98 **is extended in writing by this Company, the insured shall render**  
99 **to this Company a proof of loss**, signed and sworn to by the  
100 insured, stating the knowledge and belief of the insured as to  
101 the following: the time and origin of the loss, the interest of the  
102 insured and of all others in the property, the actual cash value of  
103 each item thereof and the amount of loss thereto, all encum-  
104 brances thereon, all other contracts of insurance, whether valid  
105 or not, covering any of said property, any changes in the title,  
106 use, occupation, location, possession or exposures of said prop-  
107 erty since the issuing of this policy, by whom and for what  
108 purpose any building herein described and the several parts  
109 thereof were occupied at the time of loss and whether or not it  
110 then stood on leased ground, and shall furnish a copy of all the  
111 descriptions and schedules in all policies and, if required, verified  
112 plans and specifications of any building, fixtures or machinery  
113 destroyed or damaged. The insured, as often as may be reason-  
114 ably required, shall exhibit to any person designated by the

115 Company all that remains of any property herein described, and  
116 submit to examinations under oath by any person named by this  
117 Company, and subscribe the same; and, as often as may be  
118 reasonably required, shall produce for examination all books of  
119 accounts, bills, invoices and other vouchers, or certified copies  
120 thereof if originals be lost, at such reasonable time and place as  
121 may be designated by this Company or its representative, and  
122 shall permit extracts and copies thereof to be made.

123 **Appraisal.** In case the insured and this Company shall  
124 fail to agree as to the actual cash value or  
125 the amount of loss, then, on the written demand of either, each  
126 shall select a competent and disinterested appraiser and notify  
127 the other of the appraiser selected within twenty days of such  
128 demand. The appraisers shall first select a competent and dis-  
129 interested umpire; and failing for fifteen days to agree upon  
130 such umpire, then, on request of the insured or this Company,  
131 such umpire shall be selected by a judge of a court of record in  
132 the state in which the property covered is located. The ap-  
133 praisers shall then appraise the loss, stating separately actual  
134 cash value and loss to each item; and, failing to agree, shall  
135 submit their differences, only, to the umpire. An award in writ-  
136 ing, so itemized, of any two when filed with this Company shall  
137 determine the amount of actual cash value and loss. Each  
138 appraiser shall be paid by the party selecting him and the ex-  
139 penses of appraisal and umpire shall be paid by the parties  
140 equally.

141 **Company's** It shall be optional with this Company to  
142 **options.** take all, or any part, of the property at the  
143 agreed or appraised value, and also to re-  
144 pair, rebuild or replace the property destroyed or damaged with  
145 other of like kind and quality within a reasonable time, on giv-  
146 ing notice of its intention so to do within thirty days after the  
147 receipt of the proof of loss herein required.

148 **Abandonment.** There can be no abandonment to this Com-  
149 pany of any property.

150 **When loss** The amount of a loss for which this Company  
151 **payable.** may be liable shall be payable sixty days  
152 after proof of loss, as herein provided, is  
153 received by this Company and ascertainment of the loss is made  
154 either by agreement between the insured and this Company ex-  
155 pressed in writing or by the filing with this Company of an  
156 award as herein provided.

157 **Suit.** No suit or action on this policy for the recov-  
158 ery of any claim shall be sustainable in any  
159 court of law or equity unless all the requirements of this policy  
160 shall have been complied with, and unless commenced within  
161 twelve months next after inception of the loss.

162 **Subrogation.** This Company may require from the insured  
163 an assignment of all right of recovery against  
164 any party for loss to the extent that payment therefor is made  
165 by this Company.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASBESTOS EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SECTION I - COVERAGES** is amended.

**1. COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is

amended. The following exclusion is added.

This insurance does not apply to:

Any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos-related particles, dust, irritants, contaminants, "pollutants", toxic elements or materials.

**2. COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** is amended.

The following exclusion is added.

This insurance does not apply to:

Any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal,

release, escape or inhalation of any asbestos-related particles, dust, irritants, contaminants, "pollutants", toxic elements or materials.

**3. COVERAGE C - MEDICAL PAYMENTS, 2.**

**Exclusions** is amended. The following exclusion is added.

We will not pay expenses for "bodily injury":

For any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos-related particles, dust, irritants, contaminants, "pollutants", toxic elements or materials.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IOWA CHANGES - AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to any construction contract subject to Iowa Code § 537A.5, Paragraph **9.** of **SECTION V - DEFINITIONS** is deleted and replaced by the following paragraph.

**9.** "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement; or
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, but only to the extent that the "bodily injury" or "property damage" is not caused by or does not result from the negligent act or omission of the indemnitee, the indemnitee's employees, or any other person or entity for whom the indemnitee is responsible.

Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

All other policy terms and conditions apply.

55885 (5-17)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is agreed:

**SECTION III – LIMITS OF INSURANCE** is amended.

The following provision is added.

Beginning with the effective date of this policy, we will provide twice the General Aggregate Limit (other than Products-Completed Operations), shown in the Declarations.

If this policy is written for more than one 12 month period, the General Aggregate Limit for each 12

month period shall never exceed twice the General Aggregate Limit shown in the Declarations. The General Aggregate Limit applies separately to each 12 month period starting with the beginning of the policy period shown in the Declarations.

All other policy terms and conditions apply.

55885 (5-17)

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## IOWA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

### CYBER LIABILITY COVERAGE PART

Common Policy Conditions is amended.

**A. A. CANCELLATION** is deleted and replaced by the following:

#### **CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this policy by returning it to us or by notifying us of the date cancellation is to take effect.
2. **a.** We may cancel this policy, by mailing or delivering to the first Named Insured and any loss payee written notice of cancellation at least:
  - (1) 30 days before the effective date of cancellation if we cancel due to loss of reinsurance coverage;
  - (2) 10 days before the effective date of cancellation if we cancel for any other reason.
- b.** If this policy is a new policy and has been in effect for less than 60 days, we may cancel for:
  - (1) Loss of reinsurance, subject to **d.** below; or
  - (2) Any other reason.
- c.** If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) Misrepresentation or fraud made by or with your knowledge in obtaining the policy, when renewing the policy, or in presenting a claim under the policy;
  - (3) Acts or omissions by you that substantially change or increase the risk insured;
  - (4) Determination by the commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;

(5) You have acted in a manner which you knew or should have known was in violation or breach of a policy term or condition; or

(6) Loss of reinsurance, subject to **d.** below.

- d.** We may cancel due to loss of reinsurance which provides coverage to us for a significant portion of the underlying risk insured, but only if the commissioner determines that such cancellation is justified.
3. We will mail or deliver our notice to the first Named Insured's and any loss payee's last mailing address known to us.
4. Notice of cancellation will state:
  - a.** The reason for cancellation; and
  - b.** The effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, a post office department certificate of mailing is proof of receipt of notice. However, if cancellation is for nonpayment of premium, a certificate of mailing is not required.
- B.** The following condition is added:
 

#### **NONRENEWAL**

  1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and any loss payee at least 45 days before the expiration date of this policy, except if:
    - a.** We have offered to issue a renewal policy; or
    - b.** You have failed to pay a premium due or any advance premium required by us for renewal.
  2. If notice is mailed, a post office department certificate of mailing is proof of receipt of notice.

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASSOCIATION DIRECTORS AND OFFICERS ERRORS AND OMISSIONS COVERAGE**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. SECTION I - COVERAGES** is amended. The following coverage is added.

#### **ASSOCIATION DIRECTORS AND OFFICERS ERRORS AND OMISSIONS COVERAGE**

##### **1. Insuring Agreement**

We will pay those sums the insured becomes legally obligated to pay as "damages" because of any negligent act, error, omission or breach of duty directly related to the management of the premises, shown in the Declarations, which occurs during the policy period. We will settle, as we consider appropriate, any claim or "suit" for damages covered by this policy. We will defend any "suit" for damages covered by this policy at our expense, using attorneys of our choice. This agreement to settle or defend claims or "suits" ends when we have paid the limit of our liability.

##### **2. Exclusions**

This coverage does not apply to:

- a.** "Bodily injury", "property damage" or "personal and advertising injury".
- b.** Any transactions of any insured from which any insured gained any personal profit or advantage not shared equitably by the members of the association.
- c.** Any failure to:
  - 1)** Procure or maintain any insurance policy or bond; or
  - 2)** Obtain proper amounts, forms, conditions or provisions of any insurance policy or bond.
- d.** Violation of any civil rights law, whether federal, state or local ordinance, including but not limited to discrimination based on race, religion, sex or age.
- e.** Any criminal or malicious act.
- f.** Liability based upon any intentionally dishonest or fraudulent act, or any judgment based upon any intentionally dishonest or fraudulent act.

- g.** To the liability of any insured to return salaries or bonuses received illegally or without the permission of association members.
- h.** To any claims for which your officer or director receives indemnity from you or has a right to be indemnified by you.
- i.** An actual or alleged error or omission or breach of duty, committed by any insured in the discharge or fiduciary duties, obligations or responsibilities imposed by the Employee Retirement Income Act of 1974 or any similar legislation.
- j.** Any insured's failure to comply with any law concerning workers compensation, unemployment insurance, social security, disability benefits or any similar law.
- k.** To any claim for "damages" made by you, your officers or your directors.
- l.** Any claim or liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - 1)** At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured;
  - 2)** At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - 3)** Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom an insured may be legally responsible;
  - 4)** At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or

indirectly on any insured's behalf are performing operations:

- a) If the "pollutants" are brought on or to the premises, site, or location in connection with such operations by such insured, contractor or subcontractor; or
  - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to, or assess the effects of pollutants.
- m. Any loss, cost or expense arising out of any:
- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - 2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".
- n. Any claim or liability arising out of any nuclear reaction, nuclear radiation, or radioactive contamination, or to any act or condition relating to any of these.
- B. SECTION II - WHO IS AN INSURED** is deleted and replaced by the following provision for the purposes of this endorsement only.

## **SECTION II - WHO IS AN INSURED**

Each of the following is an insured with respect to this coverage, but only to the extent set forth below:

- 1. Your directors and officers, but only while acting within the scope of their duties for you.
- 2. You with respect to your liability for the negligent act, error, omission or breach of duty committed by an officer or director.

## **C. SECTION III - LIMITS OF INSURANCE** is

amended. The following provision is added for the purposes of this endorsement only.

- 1. The limit of insurance shown in the Declarations for this coverage:
  - a. Is the total limit of our liability for all "damages" for one or more persons as a result of any one negligent act, error, omission or breach of duty whether committed collectively or individually; and
  - b. Applies regardless of the number of insureds.
- 2. The coverage provided by this endorsement is subject to a separate aggregate limit which is:
  - a. Shown in the Declarations; and
  - b. The most we will pay for all "damages" covered under this endorsement for any one policy period.

## **D. SECTION V - DEFINITIONS** is amended. The following definition is added for the purposes of this endorsement only.

"Damages" means only actual compensatory damages for loss suffered but does not include fines, taxes or any other cost or expense assessed against any insured.

All other policy terms and conditions apply.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The coverage for "bodily injury" and "property damage" liability provided under **SECTION I COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is extended as follows.

#### **A. COVERAGE**

We will pay those sums the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" arising out of the maintenance or use of an "auto":

1. You do not own;
2. Which is not registered in your name; or
3. Which is not leased or rented to you for more than ninety consecutive days and which is used in your business.

#### **B. EXCLUSIONS**

**SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended. With respect to only the coverage extended by this endorsement, all exclusions other than the Nuclear Energy Liability Exclusion, are deleted and replaced by the following exclusions.

This coverage does not apply to:

1. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
2. Any obligations of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
3. a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (1) That are, or are contained in any property that is:
    - (a) Being transported or towed by, handled or prepared for placement into or upon, or taken from the "auto";
    - (b) Otherwise in the course of transit by you or on your behalf; or

- (c) Being disposed of, stored, treated or processed into or upon the "auto";
- (2) Before such pollutants or property containing pollutants are moved from the place they are accepted by you or anyone acting on your behalf for placement into or onto the "auto"; or
- (3) After such "pollutants" or property containing "pollutants" are removed from the "auto" to where they are delivered, disposed of or abandoned by you or anyone acting on your behalf.

**3.a.(1)** above does not apply to "pollutants" that are needed or result from the normal mechanical, electrical or hydraulic functioning of the "auto" or its parts, if the discharge, release, escape, seepage, migration or dispersal of such "pollutants" is directly from a part of the "auto" designed to hold, store, receive or dispose of such "pollutants" by the "auto" manufacturer.

**3.a.(2)** and **3.a.(3)** above do not apply, if as a direct result of maintenance or use of the "auto", "pollutants" or property containing "pollutants" which are not in or upon the "auto", are upset, overturned or damaged at any premises not owned by or leased by you. The discharge, release, escape, seepage, migration or dispersal of the "pollutants" must be directly caused by such upset, overturn or damage.

- b. Any loss, cost or expense arising out of any:
  - (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way

responding to or assessing the effects of "pollutants".

4. "Bodily injury" or "property damage" however caused, arising, directly or indirectly, out of:
  - a. War, including undeclared or civil war;
  - b. 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
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
5. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
  - a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. However, if the insurance under this policy does not apply to the liability of the insured, it also does not apply to such liability assumed by the insured under an "insured contract".
  - b. That the insured would have in the absence of the contract or agreement.
6. "Property damage" to:
  - a. Property owned or being transported by, or rented or loaned to any insured; or
  - b. Property in the care, custody or control of any insured

other than property damage to a residence or a private garage by a private passenger "auto" covered by this coverage.
7. a. "Bodily injury" to:
  - (1) An "employee" of the insured arising out of and in the course of employment by the insured; or
  - (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.
  - b. This exclusion applies:
    - (1) Whether the insured may be liable as an employer or in any other capacity; and
    - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
  - c. This exclusion does not apply to:
    - (1) Liability assumed by the insured under an "insured contract".
    - (2) "Bodily injury" to any "employee" of the insured arising out of and in the course of his or her domestic employment by

the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

#### C. WHO IS AN INSURED

**SECTION II - WHO IS AN INSURED** is amended. With respect to only the coverage extended by this endorsement, its provisions are deleted and replaced by the following.

1. Each of the following is an insured with respect to this coverage:
  - a. You.
  - b. Your partners if you are designated in the Declarations as a partnership or a joint venture.
  - c. Your members if you are designated in the Declarations as a limited liability company.
  - d. Your executive officers if you are designated in the Declarations as an organization other than a partnership, joint venture or limited liability company.
  - e. Any person using the "auto" and any person or organization legally responsible for the use of an "auto" not owned by such person or organization, provided the actual use is with your permission.
2. None of the following is an insured:
  - a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment.
  - b. Any person using the "auto" and any person other than you, legally responsible for its use with respect to an "auto" owned or registered in the name of:
    - (1) Such person; or
    - (2) Any partner or executive officer of yours or a member of his or her household; or
    - (3) Any employee or agent of yours who is granted an operating allowance of any sort for the use of such "auto".
  - c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate.
  - d. The owner or lessee (of whom you are a sub-lessee) of a hired "auto" or the owner of an "auto" you do not own or which is not registered in your name which is used in your business or any agent or employee of any such owner or lessee.
  - e. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

**D. LIMITS OF INSURANCE****SECTION III - LIMITS OF INSURANCE** is

amended. With respect to only the coverage extended by this endorsement, its provisions are deleted and replaced by the following.

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. We will pay damages for "bodily injury" or "property damage" up to the limits of liability shown in the Declarations for this coverage. Such damages shall be paid as follows:
  - a. When Hired Auto and Non-Owned Auto Each Occurrence Limit is shown in the Declarations, such limit is the total amount of coverage and the most we will pay for all damages because of or arising out of all "bodily injury" and "property damage" in any one "occurrence".
  - b. When Bodily Injury Hired Auto and Non-Owned Auto Each Occurrence Limit and

Property Damage Hired Auto and Non-Owned Auto Each Occurrence Limit are shown in the Declarations:

- (1) The limit shown for Bodily Injury Hired Auto and Non-Owned Auto Each Occurrence is the total amount of coverage and the most we will pay for all damages because of or arising out of all "bodily injury" in any one "occurrence".
- (2) The limit shown for Property Damage Hired Auto and Non-Owned Auto Each Occurrence is the total amount of coverage and the most we will pay for all damages because of or arising out of all "property damage" in any one "occurrence".

**E. ADDITIONAL DEFINITION**

**SECTION V - DEFINITIONS** is amended. The following definition is added and applies only to the coverage extended by this endorsement.

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

All other policy terms and conditions apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## COMMERCIAL GENERAL LIABILITY PLUS COVERAGE

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- 1. EXTENDED WATERCRAFT LIABILITY**  
**SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended. Exclusion **g.(2)** is deleted and is replaced by the following exclusion.  
**(2)** A watercraft you do not own that is:  
**(a)** Less than 50 feet long; and  
**(b)** Not being used to carry persons or property for a charge;

- 2. HIRED AUTO AND NON-OWNED AUTO LIABILITY**  
 Coverage for "bodily injury" and "property damage" liability provided under **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, is extended as follows under this item, but only if you do not have any other insurance available to you which affords the same or similar coverage.

#### Coverage

We will pay those sums the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" arising out of the maintenance or use of an "auto":

- a.** You do not own;
- b.** Which is not registered in your name; or
- c.** Which is not leased or rented to you for more than ninety consecutive days and which is used in your business.

#### Exclusions

With respect to only **HIRED AUTO AND NON-OWNED AUTO LIABILITY**, the exclusions which apply to **SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, other than the Nuclear Energy Liability Exclusion Endorsement, do not apply. The following exclusions apply to this coverage.

This coverage does not apply to:

- a.** "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b.** Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- c. (1)** "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a)** That are, or are contained in any property that is:
    - 1)** Being transported or towed by, handled or prepared for placement into or upon, or taken from the "auto";
    - 2)** Otherwise in the course of transit by you or on your behalf; or
    - 3)** Being disposed of, stored, treated or processed into or upon the "auto";
  - (b)** Before such "pollutants" or property containing "pollutants" are moved from the place they are accepted by you or anyone acting on your behalf for placement into or onto the "auto"; or
  - (c)** After such "pollutants" or property containing "pollutants" are removed from the "auto" to where they are delivered, disposed of or abandoned by you or anyone acting on your behalf.

Paragraph **c.(1)(a)** does not apply to "pollutants" that are needed or result from the normal mechanical, electrical or hydraulic functioning of the "auto" or its parts, if the discharge, release, escape, seepage, migration or dispersal of such "pollutants" is directly from a part of the "auto" designed to hold, store, receive or dispose of such "pollutants" by the "auto" manufacturer.

Paragraphs **c.(1)(b)** and **c.(1)(c)** do not apply, if as a direct result of maintenance or use of the "auto", "pollutants" or property containing "pollutants" which are not in or upon the "auto", are upset, overturned or damaged at any premises not owned by or leased to you. The discharge, release, escape, seepage, migration or dispersal of the "pollutants" must be directly caused by such upset, overturn or damage.

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".
- d. "Bodily injury" or "property damage" however caused, arising directly or indirectly, out of:
- (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.
- e. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
- (1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. However, if the insurance under this policy does not apply to the liability of the insured, it also does not apply to such liability assumed by the insured under an "insured contract".
  - (2) That the insured would have in the absence of the contract or agreement.
- f. "Property damage" to:
- (1) Property owned or being transported by, or rented or loaned to any insured; or
  - (2) Property in the care, custody or control of any insured other than "property damage" to

a residence or a private garage by a private passenger "auto" covered by this coverage.

- g. (1) "Bodily injury" to:
- (a) An "employee" of the insured arising out of and in the course of employment by the insured; or
  - (b) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **g.(1)(a)**.
- (2) This exclusion applies:
- (a) Whether the insured may be liable as an employer or in any other capacity; and
  - (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- (3) This exclusion does not apply to:
- (a) Liability assumed by the insured under an "insured contract".
  - (b) "Bodily injury" to any "employee" of the insured arising out of and in the course of his or her domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

#### Who Is An Insured

With respect to only this coverage, **SECTION II - WHO IS AN INSURED** is deleted and replaced by the following provision.

#### **SECTION II - WHO IS AN INSURED**

- a. Each of the following is an insured with respect to this coverage.
- (1) You.
  - (2) Your partners if you are designated in the Declarations as a partnership or a joint venture.
  - (3) Your members if you are designated in the Declarations as a limited liability company.
  - (4) Your "executive officers" if you are designated in the Declarations as an organization other than a partnership, joint venture or limited liability company.
  - (5) Any person using the "auto" and any person or organization legally responsible for the use of an "auto" not owned by such person or organization, provided the actual use is with your permission.
- b. None of the following is an insured:
- (1) Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-"employee" of such person injured in the course of employment.
  - (2) Any person using the "auto" and any person other than you, legally responsible for its use with respect to an "auto" owned or registered in the name of:

- (a) Such person; or
  - (b) Any partner or "executive officer" of yours or a member of his or her household; or
  - (c) Any "employee" or agent of yours who is granted an operating allowance of any sort for the use of such "auto".
- (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate.
- (4) The owner or lessee (of whom you are a sub-lessee) of a hired "auto" or the owner of an "auto" you do not own or which is not registered in your name which is used in your business or any agent or employee of any such owner or lessee.
- (5) Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

#### Additional Definitions

The following definition applies to only this coverage. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

#### Limits of Insurance

With respect to only this coverage, **SECTION III - LIMITS OF INSURANCE** is deleted and replaced by the following provision.

#### **SECTION III - LIMITS OF INSURANCE**

- a. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) Claims made or "suits" brought; or
  - (3) Persons or organizations making claims or bringing "suits".
- b. We will pay damages for "bodily injury" or "property damage" up to the limits of liability shown in the Declarations for this coverage. Such damages shall be paid as follows:
  - (1) When Hired Auto and Non-Owned Auto Each Occurrence Limit is shown in the Declarations, such limit is the total amount of coverage and the most we will pay for all damages because of or arising out of all "bodily injury" and "property damage" in any one "occurrence".
  - (2) When Bodily Injury Hired Auto and Non-Owned Auto Each Occurrence Limit and Property Damage Hired Auto and Non-Owned Auto Each Occurrence Limit are shown in the Declarations:

- (a) The limit shown for Bodily Injury Hired Auto and Non-Owned Auto Each Occurrence is the total amount of coverage and the most we will pay for all damages because of or arising out of all "bodily injury" in any one "occurrence".
- (b) The limit shown for Property Damage Hired Auto and Non-Owned Auto Each Occurrence is the total amount of coverage and the most we will pay for all damages because of or arising out of all "property damage" in any one "occurrence".

#### **3. BROADENED SUPPLEMENTARY PAYMENTS SUPPLEMENTARY PAYMENTS - COVERAGES A AND B, Paragraph 1.d. is amended.**

The amount we will pay for the actual loss of earnings is increased from \$250 per day to \$400 per day.

#### **4. ADDITIONAL PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT**

If the endorsement, EXCLUSION - PRODUCTS COMPLETED OPERATIONS HAZARD, CG 21 04, is not attached to this policy, then the following provision is added to **SECTION III - LIMITS OF INSURANCE**.

Commencing with the effective date of this policy, we will provide one additional Products-Completed Operations Aggregate Limit, for each annual period, equal to the amount of the Products-Completed Operations Aggregate Limit shown in the Declarations. The maximum Products-Completed Operations Aggregate Limit for any annual period will be no more than two times the original Products-Completed Operations Aggregate Limit.

#### **5. PERSONAL INJURY EXTENSION**

- a. If the endorsement EXCLUSION - PERSONAL AND ADVERTISING INJURY, CG 21 38, is attached to this policy, then this provision, **5. PERSONAL INJURY EXTENSION**, does not apply.
- b. If the endorsement EXCLUSION - PERSONAL AND ADVERTISING INJURY, CG 21 38, is not attached to this policy, then under **SECTION V - DEFINITIONS, 14.** "Personal and advertising injury" is deleted and replaced by the following definition.
  - 14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
    - a. False arrest, detention or imprisonment;
    - b. Malicious prosecution;
    - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private

occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement";
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or
- h. Discrimination, humiliation, sexual harassment and any violation of civil rights caused by such discrimination, humiliation or sexual harassment.

**6. BROADENED KNOWLEDGE OF OCCURRENCE SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is amended. The following condition is added.

Paragraphs **a.** and **b.** of this condition will not serve to deny any claim for failure to provide us with notice as soon as practicable after an "occurrence" or an offense which may result in a claim:

- a. If the notice of a new claim is given to your "employee"; and
- b. That "employee" fails to provide us with notice as soon as practicable.

This exception shall not apply to you or to any officer, director, partner, risk manager or insurance manager of yours.

**7. DAMAGE TO PREMISES RENTED TO YOU**

**a. SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended.

- (1) The last paragraph is deleted and replaced by the following paragraph.  
Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or water damage to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **7. DAMAGE TO PREMISES RENTED TO YOU, b. Limits of Insurance.**
- (2) The following additional exclusions apply to "property damage" arising out of water damage to premises rented to you or

temporarily occupied by you with permission of the owner.

- (a) "Property damage" to:
  - 1) The interior of the premises caused by or resulting from rain or snow, whether driven by wind or not; or
  - 2) Heating, air conditioning, plumbing or fire protection systems, or other equipment or appliances.
- (b) "Property damage" caused by or resulting from any of the following:
  - 1) Mechanical breakdown, including bursting or rupture caused by centrifugal force;
  - 2) Cracking, settling, expansion or shrinking;
  - 3) Smoke or smog;
  - 4) Birds, insects, rodents or other animals;
  - 5) Wear and tear;
  - 6) Corrosion, rust, decay, fungus, deterioration, hidden or latent defect or any quality in property that causes such property to destroy or damage itself; or
  - 7) Water that flows or leaks from any heating, air conditioning, plumbing or fire protection system caused by or resulting from freezing, unless:
    - a) You make a reasonable effort to maintain heat in the building or structure; or
    - b) You drain the equipment and shut off the water supply if the heat is not maintained.
- (c) "Property damage" caused directly or indirectly by any of the following:
  - 1) Water that backs up from a drain or sewer;
  - 2) Mud flow or mudslide;
  - 3) Volcanic eruption, explosion or effusion;
  - 4) Any earth movement, such as earthquake, landslide, mine subsidence, earth sinking, earth rising or earth shifting;
  - 5) Regardless of the cause, flood, surface water, waves, tides, tidal waves, storm surge, overflow of any body of water, or their spray, all whether wind driven or not; or
  - 6) Water under the ground surface pressing on, or seeping or flowing through:
    - a) Walls, foundations, floors or paved surfaces;

- b) Basements, whether paved or not; or
    - c) Doors, windows or other openings.
  - (d) "Property damage" for which the insured is obligated to pay as damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of this contract or agreement.
- b. Limits of Insurance**  
With respect to this coverage only, under **SECTION III - LIMITS OF INSURANCE**, Paragraph 6. is deleted and replaced by the following Paragraph.
6. The most we will pay under Coverage A for damages because of "property damage" to premises rented to you or temporarily occupied by you with permission of the owner arising out of or caused by fire, lightning, explosion, smoke and water damage is the amount shown in the Declarations under Damage to Premises Rented to You.
- c. SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance**, Paragraph b. is amended. The word fire is amended to include fire, lightning, explosion, smoke or water damage.
- 8. BLANKET ADDITIONAL INSURED - LESSOR OF LEASED EQUIPMENT**
- a. (1) **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization with whom you have agreed:
    - (a) In a written contract or agreement, executed prior to loss, to name as an additional insured; or
    - (b) In an oral contract or agreement, executed prior to loss, to name as an additional insured only if a Certificate of Insurance was issued prior to loss indicating that the person or organization was an additional insured.
  - (2) This provision applies only with respect to liability for:
    - (a) "Bodily injury";
    - (b) "Property damage"; or
    - (c) "Personal and advertising injury" caused in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.
  - b. With respect to the insurance afforded to an additional insured, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.
- c. The following provision is added to SECTION III - LIMITS OF INSURANCE.**  
The Limits of Insurance for the additional insured are those specified in the written contract or agreement between the insured and the lessor, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.
- 9. BLANKET ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES**
- a. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization with whom you have agreed:
    - (1) In a written contract or agreement, executed prior to loss, to name as an additional insured; or
    - (2) In an oral contract or agreement, executed prior to loss, to name as an additional insured only if a Certificate of Insurance was issued prior to loss indicating that the person or organization was an additional insured
 but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.
  - b. This provision is subject to the following additional exclusions.
    - (1) Any "occurrence" which takes place after you cease to be a tenant in that premises.
    - (2) Structural alterations, new constructions or demolition operations performed by or on behalf of the additional insured.
  - c. The following provision is added to **SECTION III - LIMITS OF INSURANCE.**  
The Limits of Insurance for the additional insured are those specified in the written contract or agreement between the insured and the manager or lessor of the premises, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.
- 10. NEWLY FORMED OR ACQUIRED ORGANIZATIONS**  
**SECTION II - WHO IS AN INSURED** is amended. Paragraph 3. is deleted and replaced by the following provision.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain



ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**11. BLANKET WAIVER OF SUBROGATION**  
**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended. The following provision is added to **8. Transfer Of Rights of Recovery Against Others To Us**.

When you have agreed to waive your right of subrogation in a written contract, executed prior to loss, with any person or organization, we waive any right to recovery we may have against such person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

All other policy terms and conditions apply.

**COMMERCIAL GENERAL LIABILITY  
55146 (6-04)**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **UPSET AND OVERSPRAY COVERAGE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

It is agreed the coverage for "property damage" liability with respect to your operations is extended as follows:

### **1. COVERAGE**

We will pay those sums which you become legally obligated to pay for "property damage" caused directly by immediate, abrupt and accidental:

- a. Upset, overturn or collision of your "mobile equipment" while transporting; or
- b. "Overspray" during your application or dispersal of

"pollutants" which are intended for and normally used in your operations. The operations must be in compliance with local, state, and federal ordinances and laws.

This is not an additional amount of insurance and does not increase the Limits of Insurance stated in the Declarations.

### **2. EXCLUSIONS**

- a. With regard only to the coverage provided by this endorsement, Exclusion **f.** of **Section I - Coverage A - Bodily Injury And Property Damage Liability** is deleted and replaced by the following:

- f. Pollution**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of covered "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**b. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This coverage does not apply to "overspray" resulting from aerial application or dispersal of "pollutants".

**3. DEDUCTIBLE**

Any deductible provision of the policy which is applicable to Property Damage Liability coverage applies to this coverage extension.

**4. DEFINITIONS**

The following definition applies in addition to those in the policy.

"Overspray" means spray, from a device specifically designed for spray application or dispersal, that goes beyond the entire area of intended application or dispersal.

All other policy terms and conditions apply.

55405 (7-08)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

### **A. Applicability Of This Endorsement**

**1. The provisions of this endorsement will apply if and when one of the following situations occurs:**

**a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or**

**b. The Program is renewed, extended or otherwise continued in effect:**

**(1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and**

**(2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.**

**2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism**

**endorsement already endorsed to this policy that addresses "certified acts of terrorism".**

**3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to provide revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.**

**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 segments thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government or the civilian population, 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 "bodily injury", "property damage", "personal injury" or "advertising injury" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". All "bodily injury", "property damage", "personal injury" or "advertising injury" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such

injury or damage. 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;
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

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, regardless of whether this endorsement was in effect during the entirety of that time period or not.

# EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT

**THIS ENDORSEMENT PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS  
AND DEFENSE COSTS ARE PAYABLE WITHIN THE LIMITS OF INSURANCE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage Endorsement"), the words "you" and "your" refer to the "Named Insured(s)" shown in the Declarations and any other person(s) or organization(s) qualifying as a "Named Insured" under this EPL Coverage Endorsement. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION III. WHO IS AN INSURED**. Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII. DEFINITIONS**. The descriptions in the headings of this EPL Coverage Endorsement are solely for convenience and form no part of the terms and conditions of coverage.

The provisions of this EPL Coverage Endorsement apply only to this endorsement. With the exception of the cancellation, nonrenewal, terrorism and examination of your books and records provisions applicable to the Coverage Form to which this EPL Coverage Endorsement is a part, no other terms and conditions of such Coverage Form apply to this EPL Coverage Endorsement, unless specifically stated otherwise.

## SECTION I. WHAT IS COVERED

### A. Insuring Agreement

1. We shall pay those "losses" arising out of an insured's "wrongful employment act" against your "employees", "recognized volunteers" and applicants for employment to which this insurance applies. The "wrongful employment acts" must commence or take place after the Retroactive Date shown on the Declarations, but before the end of the "EPL coverage period". If no Retroactive Date appears on the Declarations then the Retroactive Date shall be the date of organization of the "Named Insured". A "claim" or "suit" for a "wrongful employment act" must be first made against you during the "EPL coverage period" or any Extended Reporting Period (if applicable) and reported pursuant to the terms of this EPL Coverage Endorsement.
2. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
  - a. When written notice of such "claim" or "suit" is received and recorded by any insured or by us, whichever comes first; or

- b. When we make any settlement in accordance with terms of this endorsement.

A "claim" or "suit" received or recorded by any insured during the "EPL coverage period" and reported to us within thirty (30) days after the end of the "EPL coverage period" will be deemed to have been reported within the "EPL coverage period". However, coverage does not apply to any "claim" or "suit" reported to us within this thirty (30) day period which are covered under any subsequent insurance or that would be covered under any other insurance but for the exhaustion of insurance applicable to such "claim" or "suit".

### B. Defense

1. We have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any insured for a "wrongful employment act" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.
2. We have the right to investigate and settle any "claim" or "suit" that we believe is proper. You shall be entitled to consent to such

settlement, provided your consent is not unreasonably withheld and is provided as soon as practicable. If you refuse to consent to any settlement that we recommend and that is acceptable to the claimant, then our liability under this EPL Coverage for such "claim" or "suit" shall not exceed the amount for which we could have settled had your consent not been withheld at the time of our recommendation. You shall thereafter negotiate and defend that "claim" or "suit" at your own cost and without our involvement.

3. We shall pay all reasonable costs we ask the insured to incur while helping us investigate or defend a "claim" or "suit", however, we will not pay more than \$250 per day for earnings lost by an insured because of time taken off from work.
4. We shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". We shall only pay for bonds valued up to the Aggregate EPL Limit of Liability. We shall have no obligation to apply for or to obtain these bonds.
5. Our duty to defend or to make payment of any "claim" or "suit" pursuant to Paragraphs 1. through 4. above, ends after the Aggregate EPL Limit of Liability has been exhausted by payment of "loss".
6. Payments for "defense costs" are included within the Aggregate EPL Limit of Liability. They are not in addition to the Aggregate EPL Limit of Liability.
7. We shall pay all interest on that amount of any judgment within the Aggregate EPL Limit of Liability:
  - a. Which accrues after entry of judgment; and
  - b. Before we pay, offer to pay, or deposit in court that part of the judgment within the Aggregate EPL Limit of Liability.
 These interest payments shall be in addition to and not part of the Aggregate EPL Limit of Liability.

#### C. Transfer of Control

1. You may take over control of any outstanding "claim" or "suit" previously reported to us, but only if we in our sole discretion, decide that you should, or if a court orders you to do so, or in accordance with Paragraph 2. below. Your assumption of control will release us of any further obligation under this endorsement.
2. Notwithstanding Subsection 1. of this Paragraph C., if the Aggregate EPL Limit of Liability is exhausted:
  - a. We shall notify you of all outstanding "claims" or "suits" and you must take over control of the defense;
  - b. We will help transfer control of the "claims" and "suits" to you;

- c. We shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to you. If we do so, we shall not waive or give up any of our rights;
- d. You shall pay all reasonable expenses we incur for taking such steps in defense of the "claim" or "suit" and in avoiding a default judgment during transfer of control to you, after the Aggregate EPL Limit of Liability is exhausted; and
- e. In no event shall we be obligated to defend under this endorsement after sixty (60) days following exhaustion of the Aggregate EPL Limit of Liability.

## SECTION II. EXCLUSIONS - WHAT IS NOT COVERED

This insurance does not apply to:

### A. Profit or Advantage

Any gaining of any profit or advantage to which an insured was not legally entitled. However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement, we will defend a "claim" or "suit" asserting that an insured gained a profit or advantage to which the insured was not legally entitled until such time as the insured is determined to have gained a profit or advantage to which the insured was not legally entitled.

### B. Criminal Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any insured. However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement we will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the insured is determined to have committed such dishonest, fraudulent, criminal or malicious act.

The "wrongful employment act(s)" of an insured shall not be imputed to any other insured for the purpose of determining the applicability of the foregoing Exclusions A. and B.

### C. "Property Damage"

Any "property damage".

### D. "Bodily Injury"

Any "bodily injury".

Except that this exclusion does not apply to any "claim" for emotional distress arising out of "wrongful employment acts" as defined in SECTION VII.

## DEFINITIONS.

### E. Workers Compensation, Social Security and Unemployment, Disability and Retirement Benefits

Any liability arising out of any obligation pursuant to any workers compensation, disability benefits, unemployment compensation, unemployment

insurance, retirement benefits, social security benefits or similar law. This exclusion does not apply to "loss" from a "claim" or "suit" for "retaliation".

**F. Contractual Liability**

Any liability arising out of any actual or alleged contractual liability of any insured under any express contract or agreement. This exclusion shall not apply to any liability the insured would have in the absence of such express contract or agreement.

**G. ERISA, FLSA, NLRA, WARN, COBRA and OSHA**

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law.

It is acknowledged that "claims" and "suits" for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law", as such quoted language is used in the immediately preceding paragraph, include, without limitation, any and all "claims" and "suits" which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. The refusal, failure or inability of any insured(s) to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. Improper deductions from pay taken by any insured(s) from any "employee(s)" or purported employee(s); or
3. Failure to provide or enforce legally required meal or rest break periods.

Notwithstanding the foregoing, this Exclusion G. shall not apply to the extent that a "claim" or "suit" is for "retaliation".

**H. Non-Monetary Relief**

That part of any "claim" or "suit" seeking any non-monetary relief, including but not limited to: (1) injunctive relief; (2) declaratory relief; (3) disgorgement; (4) job reinstatement; (5) costs or expenses incurred in accommodating any disabled person, pursuant to the Americans with Disabilities Act of 1990 (ADA), including amendments to that law or similar federal, state or local statutory or common

law; (6) any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar relating to a "claim" or "suit" alleging discrimination or other "wrongful employment act"; or (7) other equitable remedies, including as to all of the above, the cost of compliance therewith, provided, however, if such request for non-monetary relief is part of an otherwise covered "claim" or "suit", we will not seek to allocate "defense costs" for the portion of the "claim" or "suit" seeking non-monetary relief.

**I. Certain Insureds**

Any "claim" or "suit" brought by any insured. This exclusion does not apply to a "claim" or "suit" brought by an "employee" of the insured, other than an "employee" who is or was a director or executive officer of the insured.

**J. Prior Knowledge**

Any liability arising out of incidents, circumstances or "wrongful employment acts", which an insured:

1. Had knowledge of; or
2. Could have reasonably foreseen might result in a "claim" or "suit"

and which were known to the insured prior to the effective date of this EPL Coverage or the EPL Coverage issued by us for which this EPL Coverage is an uninterrupted renewal.

**K. Prior Notice**

Any liability arising out of the facts alleged, or to the same or "related wrongful employment acts" alleged or contained in any "claim" or "suit" which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage Endorsement is a renewal or replacement or which it may succeed in time.

**L. Securities Holder**

Any "claim" or "suit" brought by a securities holder of the insured in their capacity as such, whether directly, derivatively on behalf of the insured, or by class action.

**M. Outside Boards**

Any liability arising out of any actual or alleged act or omission of an insured serving in any capacity, other than as a director, officer or "employee" of the insured entity.

**N. Prior Litigation**

Any liability arising out of any prior:

1. Litigation; or
2. Administrative or regulatory proceeding or investigation

of which an insured had notice, or alleging the same or "related wrongful employment acts" alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the insured had knowledge of prior to the



effective date of this EPL Coverage or the first EPL Coverage issued by us of which this EPL Coverage is an uninterrupted renewal.

### SECTION III. WHO IS AN INSURED

- A. 1.** If you are designated in the Declarations as:
- a.** An individual, you and your spouse or "Domestic Partner" are insureds, only for the conduct of a business of which you are the sole owner.
  - b.** A partnership or joint venture, you are an insured. Your members, any past or present partners, or co-venturers, and their spouses or "Domestic Partners" are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
  - e.** An organization other than a partnership, joint venture or limited liability company, you are an insured.
- 2.** Each of the following is also an insured:
- a.** Your "employees", executive officers and directors are insureds, but only with respect to the conduct of your business within the scope of employment or their duties as your executive officers or directors.
  - b.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a "Named Insured" if there is no other similar insurance available to that organization.

However, coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy term, whichever is earlier.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a "Named Insured" in the Declarations.

#### **B. Extensions**

- 1.** Subject to the terms of this EPL Coverage Endorsement we shall cover "loss" arising from any "claims" or "suits" made against the estates, heirs or legal representative of deceased individual insureds, and the legal representatives of individual insureds, in the event of incompetency,

who were individual insureds at the time the "wrongful employment acts", upon which such "claims" or "suits" are based, were committed.

- 2.** Subject to the terms of this EPL Coverage Endorsement we shall cover "loss" arising from all "claims" and "suits" made against the lawful spouse or "Domestic Partner" (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual insured, including a "claim" or "suit" that seeks damages recoverable from marital community property, property jointly held by the individual insured and the spouse or "Domestic Partner", or property transferred from the individual insured to the spouse or "Domestic Partner"; provided that this extension shall not afford coverage for a "claim" or "suit" arising out of any "wrongful employment act" of the spouse or "Domestic Partner", but shall apply only to "claims" or "suits" arising out of any "wrongful employment acts" of an individual insured, subject to this EPL Coverage Endorsement's terms, conditions and exclusions.

### SECTION IV. LIMIT OF LIABILITY (including "defense costs")

- A.** The Aggregate EPL Limit of Liability shown in the Declarations and this section limits the most we shall pay for all "loss" for this coverage (other than post-judgment interest described in **SECTION I., B., 7.**) arising out of "claims" and "suits" first made against insureds during the "EPL coverage period" or Extended Reporting Periods (if applicable), regardless of:
- 1.** The number of persons or organizations;
  - 2.** The number of "claims" made or "suits" brought; or
  - 3.** The length of the "EPL coverage period".
- B.** The Aggregate EPL Limit of Liability is the most we shall pay for all "losses" (other than post-judgment interest described in **SECTION I., B., 7.**) covered under this EPL Coverage Endorsement, including amounts incurred for "defense costs".
- C.** The Aggregate EPL Limit of Liability for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to the Aggregate EPL Limit of Liability for the "EPL coverage period".
- D.** All "claims" and "suits" arising from the same or "related wrongful employment acts" shall be treated as arising out of a single "wrongful employment act".
- E.** All "claims" or "suits" arising out of one "wrongful employment act" shall be deemed to be made on the date that the first such "claim" is made or "suit" is brought. All "claims" asserted in a "class action suit" will be treated as arising out of a single "wrongful employment act".

- F. Any "claim" or "suit" which is made subsequent to the "EPL coverage period" or Extended Reporting Periods (if applicable) which, pursuant to **SECTION VI. CONDITIONS**, conditions **D.3.** and **4.** is considered made during the "EPL coverage period" or Extended Reporting Periods (if applicable) shall also be subject to the one Aggregate EPL Limit of Liability shown in the Declarations for this EPL Coverage Endorsement.

#### **SECTION V. DEDUCTIBLE**

You shall be responsible for the deductible amount shown in the Declarations for this EPL Coverage Endorsement with respect to each "claim" or "suit" and you may not insure against it. A single deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "related wrongful employment acts". Expenses we incur in investigating, defending and settling "claims" and "suits" are included in the deductible. The deductible is not included within the Aggregate EPL Limit of Liability. At our option, we may pay any part or all of the EPL Deductible Amount to effect settlement of any "claim" or "suit" and upon notification of the action taken, you shall promptly reimburse us for such part of the deductible that has been paid by us.

#### **SECTION VI. CONDITIONS**

We have no duty to provide coverage under this EPL Coverage Endorsement, unless there has been full compliance with the following conditions.

##### **A. Assignment**

The interest of any insured is not assignable. You cannot assign or transfer your interest in this EPL Coverage Endorsement without our written consent.

##### **B. Bankruptcy or Insolvency**

Your bankruptcy, insolvency or inability to pay, will not relieve us from the payment of any "claim" or "suit" covered by this EPL Coverage Endorsement. Under no circumstances will your bankruptcy, insolvency or inability to pay, require us to drop down, in any way replace, or assume any of your obligations with respect to the Deductible provisions of this EPL Coverage Endorsement.

##### **C. Coverage Territory**

We cover "wrongful employment acts" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" in the United States of America, its territories and possessions, Puerto Rico or Canada.

##### **D. Duties in the Event of an Incident, "Claim" or "Suit"**

1. If, during the "EPL coverage period", incidents or events occur which you reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the

potential claimant or the potential claimant's representative; or notice of a complaint filed with the Equal Employment Opportunity Commission (EEOC), Department Of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency); or upon an oral "claim", allegation or threat, you shall give written notice to us as soon as practicable.

2. If a "claim" is made or a "suit" is brought against any insured, you must:
  - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
  - b. Provide us with written notice, as described in Subsection **3.** immediately below, as soon as practicable and either:
    - (1) Anytime during the "EPL coverage period"; or
    - (2) Anytime during the Extended Reporting Periods (if applicable).
3. Such written notice of "claim" or "suit" shall contain:
  - a. The identity of the person(s) alleging a "wrongful employment act";
  - b. The identity of the insured(s) who allegedly were involved in the incidents or events;
  - c. The date the alleged incidents or events took place; and
  - d. The written notice or a memorandum of the oral "claim", allegation or threat referred to above.

If written notice is given to us during the "EPL coverage period" or Extended Reporting Periods (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any insured and reported to us alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.
4. If you submit written notice of a "claim" or "suit", pursuant to this Paragraph **D.**, then any "claim" or "suit" that may subsequently be made against an insured and reported to us alleging the same or a "related wrongful employment act" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purposes of this insurance, to have been first made during the "EPL coverage period" or Extended Reporting Period in effect at the time such written notice was first submitted to us.
5. You and any other insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers

received in connection with any "claim" or "suit";

- b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement or defense of the "claim" or "suit";
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply; and
  - e. Take no action, or fail to take any required action, that prejudices the rights of the insureds or us with respect to such "claim" or "suit".
6. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

#### **E. Transfer of Rights of Recovery Against Others to Us**

You may be able to recover all or part of a "loss" from someone other than us. You shall do all that is possible after a "loss" to preserve any such right of recovery. If we make a payment under this EPL Coverage Endorsement, that right of recovery shall belong to us or our designee. You shall do whatever is necessary, including signing documents, to help us or our designee obtain that recovery.

#### **F. Extended Reporting Periods**

1. You shall have the right to the Extended Reporting Periods described in **2.** immediately below, in the event that:
  - a. You or we cancel this EPL Coverage Endorsement or your entire policy for any reason other than for nonpayment of premium;
  - b. You or we refuse to renew this EPL Coverage Endorsement or your entire policy; or
  - c. We renew this EPL Coverage Endorsement with a Retroactive Date later than the Retroactive Date shown in the current Declarations.
2. If an event as specified in Paragraph **1.** of this Clause **F.** has occurred, you shall have the right to the following:
  - a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal at no additional premium in which to give to us written notice of "claims" first made or "suits" first brought against the insureds during said Automatic Extended Reporting Period for any "wrongful employment acts" which take place before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage Endorsement; and

- b. Upon receipt of payment of the full annual premium, you will be provided a Supplemental Extended Reporting Period of one (1) year following the Automatic Extended Reporting Period. You must give us written notice of "claims" first made or "suits" first brought against the insured during said Supplemental Extended Reporting Period for any "wrongful employment acts" which take place before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage Endorsement.

3. To obtain a Supplemental Extended Reporting Period, within thirty (30) days of the effective date of cancellation or nonrenewal of this EPL Coverage Endorsement, you must:
  - a. Request the Supplemental Extended Reporting Period in writing; and
  - b. Pay the additional premium due. Such additional premium must accompany such written request.
4. The Supplemental Extended Reporting Period cannot be canceled by either party. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.
5. The insurance provided for "claims" or "suits" reported during the Automatic Extended Reporting Period and the Supplemental Extended Reporting Period is excess over any other valid and collectible insurance that begins or continues in effect after the Automatic Extended Reporting Period and the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent or any other basis.
6. In the event of a "Transaction" as defined in Paragraph **G.** below, the "Named Insured" shall have the right within thirty (30) days before the end of the "EPL coverage period" to request an offer from us of a Supplemental Extended Reporting Period. We shall offer such Supplemental Extended Reporting Period pursuant to such terms, conditions and premium as we may reasonably decide. In the event of a "Transaction", the right to a Supplemental Extended Reporting Period shall not otherwise exist except as indicated in this Paragraph.

#### **G. Change in Control of "Named Insured"**

If during the "EPL coverage period":

1. The "Named Insured" consolidates with or merges into, or sells all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or

2. Any person or entity or group of persons or entities acting in concert acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "Named Insured" (in the event the "Named Insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
3. A General Partner of the "Named Insured" (in the event the "Named Insured" is a partnership) withdraws, resigns or is terminated

(any of the above events herein referred to as the "Transaction"),

then this EPL Coverage Endorsement shall continue in full force and effect as to "wrongful employment acts" occurring prior to the effective time of the "Transaction", but there shall be no coverage afforded by any provision of this EPL Coverage Endorsement for any actual or alleged "wrongful employment acts" occurring after the effective time of the "Transaction".

This EPL Coverage Endorsement may not be canceled after the effective time of the "Transaction" and the entire premium for this EPL Coverage Endorsement shall be deemed earned as of such time. You shall also have the right to an offer by us of a Supplemental Extended Reporting Period described in Paragraph F. of this **SECTION VI. CONDITIONS**. You shall give us written notice of the "Transaction" as soon as practicable, but not later than thirty (30) days after the effective date of the "Transaction".

#### H. Legal Action Against Us

No person or organization has the right to join us as a party or otherwise bring us into a "suit" asking for damages from an insured.

#### I. Other Insurance

Except as provided in Paragraph F. of this **SECTION VI. CONDITIONS**, unless expressly written to be excess over other applicable insurance, the insurance provided by this EPL Coverage Endorsement shall be primary.

#### J. EPL Coverage Endorsement Changes

This EPL Coverage Endorsement contains all the agreements between you and us concerning this insurance. Only the first "Named Insured" in the Declarations of this EPL Coverage Endorsement is authorized to request changes to this EPL Coverage Endorsement. This EPL Coverage Endorsement can only be changed by a written endorsement we issue and make part of this EPL Coverage Endorsement.

#### K. Representations

Any and all relevant provisions of this EPL Coverage Endorsement may be voidable by us in any case of fraud, intentional concealment, or misrepresentation of material fact by any insured.

#### L. Special Rights and Duties of the "Named Insured"

You agree that when there is more than one person and/or entity covered under this EPL Coverage Endorsement, the first "Named Insured" shown in the Declarations shall act on behalf of all insureds as to:

1. Giving of notice of a "claim" or "suit";
2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage Endorsement; or
5. Purchasing or deciding not to purchase the Supplemental Extended Reporting Period.

#### M. Audit

1. We will compute all premiums for this EPL Coverage Endorsement in accordance with our rules and rates.
2. The premium shown in this EPL Coverage Endorsement as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first "Named Insured". If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first "Named Insured".
3. The first "Named Insured" must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### N. Coverage Under More Than One Policy

With respect to any "claim" or "suit" in which at least one person/entity claimed against is an insured under this EPL Coverage Endorsement and at least one person/entity claimed against is an insured under any other EPL Coverage issued to you by us (the Other Policy), the combined Aggregate EPL Limit of Liability under both this EPL Coverage Endorsement and the Other Policy for all "losses" arising from such "claims" or "suits" combined shall not exceed the highest applicable limit of insurance under either this EPL Coverage Endorsement or the Other Policy. This limitation shall apply even if both this EPL Coverage Endorsement and the Other Policy have been triggered due to a "claim" or "suit" made against the same person/entity but alleging "wrongful employment acts" both in his, her or its capacity as an insured under the Other Policy and as an insured under this EPL Coverage Endorsement.

**SECTION VII. DEFINITIONS**

- A.** "Bodily injury" means physical injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.
- B.** "Claim" means a written demand for money. The term "claim" shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to you. In no event, shall the term "claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement.
- C.** "Class action suit" means any "suit" seeking certification or certified as a class action by a federal or state court.
- D.** "Defense costs" means reasonable and necessary fees, costs and expenses consented to by us resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against you. In no event shall "defense costs" include your or our routine on-going expenses, including, without limitation, the salaries of your or our "employees" or officers.
- E.** "Domestic Partner" means any natural person legally recognized as a domestic or civil union partner under:
1. The provisions of any applicable federal, state or local law; or
  2. The provisions of any formal program established by you.
- F.** "Employee" means an individual whose labor or service is engaged by and directed by you for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal and temporary "employees". "Employee" also means any independent contractor or a "leased worker" who is treated under applicable law as an "employee" of the Company, which shall be determined at the time of the "wrongful employment act".
- G.** "EPL coverage period" means the period for this EPL Coverage shown in the Declarations. This period ends on the earlier of the expiration date of the policy term shown in the Declarations or the effective date of cancellation of this EPL Coverage Endorsement. If you became an insured under this EPL Coverage Endorsement after the effective date, the "EPL coverage period" begins on the date you became an insured.
- H.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a temporary worker.
- I.** "Loss(es)" means monetary damages to which this insurance applies and which you are legally obligated to pay (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by us, statutory attorney fees, and "defense costs", however, "loss" shall not include:
1. Civil or criminal fines or penalties imposed by law;
  2. Taxes;
  3. Employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
  4. Any liability or costs incurred by any insured to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or
  5. Matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage shall be construed.
- Where permitted by law, "loss" shall include punitive or exemplary damages imposed upon any insured (subject to the terms, conditions and exclusions of this EPL Coverage Endorsement).
- J.** "Named Insured" means the person or organization designated in the Declarations.
- K.** "Property damage" means physical injury to, or destruction of, tangible property including the loss of use thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- L.** "Recognized volunteer" means an uncompensated individual who volunteers labor or services to you, but only when performing such labor or services at the request of and under the direction of you.
- M.** "Related wrongful employment acts" means "wrongful employment acts" which are the same, related or continuous, or "wrongful employment acts" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, insureds or legal causes of actions.
- N.** "Retaliation" means a "wrongful employment act" of an insured alleged to be in response to, the actual or attempted exercise by an "employee" of the insured, "recognized volunteer" or applicants for employment of any right that such person has under the law. "Retaliation" shall not include the "wrongful employment act" of an insured alleged to be in response to the threat of or the actual filing of any "claim" or

- "suit" under the Federal False Claims Act or any other federal, state, local or foreign "whistleblower law".
- O.** "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the insured must submit or may submit with our consent. "Suit" shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- P.** "Whistleblower law" means a statute, rule or regulation, which protects an "employee" of the insured against discrimination from his or her employer, if the "employee" discloses or threatens to disclose to a superior or any governmental agency; or who gives testimony relating to, any action with respect to the employer's operation, which may be a violation of public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, and professional codes of ethics.
- Q.** "Wrongful employment act" means any actual or alleged:
1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
  2. Harassment (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
  3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
  4. "Retaliation" (including lockouts);
  5. Employment-related misrepresentation(s) to your "employee", "recognized volunteer" or applicant for employment with you;
  6. Employment-related:
    - a. Libel, slander or defamation;
    - b. Humiliation;
    - c. Mental anguish;
    - d. Invasion of privacy; or
    - e. Intentional infliction of emotional distress;
  7. Wrongful failure to employ or promote;
  8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
  9. Wrongful discipline;
  10. Failure to provide or enforce adequate or consistent policies and procedures relating to any "wrongful employment act";
  11. Negligent supervision or hiring by an insured, relating to any of the above; or
  12. Violation of an individual's civil rights relating to 1. through 11. above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## EMPLOYER'S LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. SECTION I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended. Exclusion **e. Employer's Liability** is deleted and replaced by the following exclusion.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of any insured arising out of and in the course of employment by any insured; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **e.(1)**.

This exclusion applies:

- (1) Whether any insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by any insured under an "insured contract".

**B. SECTION II - WHO IS AN INSURED** is amended. Paragraph **1.** is deleted and replaced by the following paragraph for purposes of this endorsement only.

1. **a.** If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business.

- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**b.** However, with respect to paragraphs **1.a.(1)** through **1.a.(5)**, no person is an insured for "bodily injury" or "personal and advertising injury":

(1) To:

- (a) You and your spouse if the Named Insured is an individual;
  - (b) Your members, your partners and their spouses if the Named Insured is a partnership or joint venture;
  - (c) Your members if the Named Insured is a Limited Liability Company;
  - (d) Your "executive officers" and directors if the Named Insured is other than a partnership, joint venture or limited liability company; or
  - (e) Your trustees if the Named Insured is a trust.
- (2) To an "employee" of any insured while in the course of his or her employment or performing duties related to the conduct of any insured's business.
  - (3) To any insured's "volunteer workers" while performing duties related to the conduct of any insured's business;
  - (4) To the spouse, child, parent, brother or sister of any "employee" or "volunteer worker" as a consequence of Paragraphs **1.b.(2)** or **(3)**.
  - (5) For which there is any obligation to share damages with or repay someone

else who must pay damages because of the injury described in Paragraphs **1.b.(1), (2) and (3)**.

**(6)** Arising out of his or her providing or failing to provide professional health care services.

All other policy terms and conditions apply.

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# CYBER LIABILITY COVERAGE FORM

**INSURING AGREEMENTS A AND B PROVIDE COVERAGE  
ON A CLAIMS-MADE AND REPORTED BASIS AND DEFENSE EXPENSES  
ARE PAYABLE WITHIN THE LIMITS OF INSURANCE.  
PLEASE READ THIS ENTIRE FORM CAREFULLY.**

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

For purposes of this Coverage Form only the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Form. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION IV - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION IX - DEFINITIONS**.

The descriptions in the headings of this Coverage Form and all applicable endorsements are solely for convenience and form no part of the terms and conditions of coverage.

## **SECTION I - INSURING AGREEMENTS THIRD PARTY LIABILITY INSURING AGREEMENTS**

### **1. a. Insuring Agreement A - Information Risk Liability And Communication Incident Liability**

We will pay:

- (1) Those sums that the insured becomes legally obligated to pay as "damages"; and
- (2) "Defense expenses" because of an "information risk incident" or a "communication incident" to which this insurance applies.

### **b. Insuring Agreement B - Privacy Administrative Awards; Payment Card Industry Data Security Standards (PCI DSS) Assessments**

#### **(1) Privacy Administrative Awards**

We will pay:

- (a) Those sums that the insured becomes legally obligated to pay as "privacy administrative awards"; and
- (b) "Defense expenses" because of a "privacy administrative claim" resulting from a violation of a "privacy regulation" to which this insurance applies.

#### **(2) PCI DSS Assessments**

We will pay:

- (a) Those sums that the insured becomes legally obligated to pay as a "PCI DSS assessment"; and

#### **(b) "Defense expenses"**

resulting from an "information risk incident" to which this insurance applies.

We will have the right and duty to defend the insured against any "suit" seeking "damages" under **Insuring Agreement A** because of an "information risk incident" or "communication incident". We will have the right and duty to defend the insured against any "privacy administrative claim" under **Insuring Agreement B**.

2. We may investigate and settle any "information risk incident", "communication incident" or "privacy administrative claim", however:
  - a. The amount we will pay for "damages", "privacy administrative awards", "PCI DSS assessments" or for "defense expenses" is limited as described in **SECTION V - LIMITS OF INSURANCE**; and
  - b. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of "damages" and "defense expenses" under **Insuring Agreement A**, or "privacy administrative awards", "PCI DSS assessments" and "defense expenses" under **Insuring Agreement B**.
3. **Insuring Agreements A and B** apply to "claims" and "privacy administrative claims" first made against the insured during the "coverage period" or any applicable Extended Reporting Period if the

"claims" arise out of an "information risk incident", "communication incident" or violation of a "privacy regulation" that takes place:

- a. On or after the retroactive date, if any, shown in the Declarations; or
  - b. On or after the effective date of this Coverage Form; and
  - c. Before the end of the "coverage period".
4. We will deem each "information risk incident", "communication incident" or violation of a "privacy regulation" in a series of related incidents arising out of or in any way involving the same or related facts, circumstances, transactions or events to have been committed or taken place on the date the first of those "information risk incidents", "communication incidents" or violations of a "privacy regulation" were committed or took place.
- "Claims" for "information risk incidents", "communication incidents" or violations of a "privacy regulation" must be reported in writing to us during the "coverage period" or any applicable Extended Reporting Period we provide under **SECTION VII - EXTENDED REPORTING PERIODS** if such "information risk incidents", "communication incidents" or violations of a "privacy regulation":
- a. Take place within the "coverage territory"; and
  - b. Take place on or after the retroactive date, if any, shown in the Declarations and before the end of the "coverage period".
5. A "claim" or "privacy administrative claim" arising out of "information risk incidents", "communication incidents" or violation of "privacy regulations" received by any insured during the "coverage period" and reported to us within thirty (30) days after the end of the "coverage period" will be deemed to have been reported within the "coverage period". However, coverage does not apply to any "claim" or "suit" reported to us within this thirty (30) day period which are covered under any subsequent insurance or that would be covered under any other insurance but for the exhaustion of insurance applicable to such "claim" or "suit".

#### **FIRST PARTY INSURING AGREEMENTS**

##### **1. Insuring Agreement C - Data Loss Expenses**

We will pay "data loss expenses" to respond to and remediate an "information risk incident" that takes place during the "coverage period" and within the "coverage territory".

##### **2. Insuring Agreement D - Personal Identity Recovery Expense**

We will pay "personal identity recovery expenses" if there has been a "personal identity theft" that takes place during the "coverage period" and within the "coverage territory".

##### **3. Insuring Agreement E - Business Income And Extra Expense**

In the event of a necessary "suspension" of your "operations" caused by an "information risk incident" that takes place during the "coverage period" and within the "coverage territory", we will pay:

- a. The actual loss of "Business Income" you sustain during the "period of restoration".
- b. "Extra Expense" coverage if "Business Income" is payable under **a.** above. We will pay "Extra Expense" under this Coverage Form to:
  - (1) Avoid or minimize the "suspension" of your business and to continue your "operations"; or
  - (2) Minimize the "suspension" of your business if you cannot continue your "operations".
 We will only pay for "Extra Expense" after the date the "suspension" first began. Such expenses are included in and not in addition to the Business Income Limit of Insurance.
- c. Coverage for "Business Income" and "Extra Expense" will begin immediately unless a waiting period is shown in the Declarations. If a waiting period is shown in the Declarations, then coverage under **Insuring Agreement E** begins after the time shown as the waiting period.

**Insuring Agreements C, D and E** apply to "information risk incidents" or "personal identity thefts" that take place on or after the effective date of this Coverage Form; and before the end of the "coverage period". We will deem each "information risk incident" or "personal identity theft" in a series of related incidents or "thefts" arising out of or in any way involving the same or related facts, circumstances, transactions or events to have been committed or taken place on the date the first of those "information risk incidents" or "personal identity thefts" were committed or took place.

##### **4. Insuring Agreement F - Computer And Funds Transfer Fraud**

- a. (1) We will pay for loss you sustain resulting directly from a fraudulent:
  - (a) Entry of "electronic data" into; or
  - (b) Change of "electronic data" within any "computer system" owned, leased or operated by you.
 This includes any entry or change made by an "employee" acting in good faith on a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Coverage Form.
- (2) However, we will only pay for such loss if such fraudulent entry or fraudulent change causes:

- (a) "Money", "securities" or "other property" to be transferred, paid, deleted or delivered from your account at a "financial institution" or causes such account to be deleted; or
  - (b) Loss of or damage to manuscripts, drawings or records of any kind, the cost of reconstructing them or reproducing any information contained in them. The most we pay for any one "occurrence" is \$5,000. Such payments are included in and not in addition to the Limit of Insurance shown in the Declarations for **Insuring Agreement F**.
- b. We will pay for loss you sustain resulting directly from a "fraudulent instruction".
- c. (1) The insurance provided in this **Insuring Agreement F** is applicable only to acts committed or events occurring within the "coverage territory". **Insuring Agreement F** applies only to an "occurrence" of loss caused by a fraudulent entry, fraudulent change or "fraudulent instruction" that takes place:
- (a) On or after the effective date of this Coverage Form; and
  - (b) Before the end of the "coverage period".
- (2) We will deem all:
- (a) Such entries, changes or "fraudulent instructions" in a series of related entries, changes or "fraudulent instructions"; and
  - (b) "Occurrences" of loss arising out of or in any way involving the same or related facts, circumstances, transactions or events to have been committed or taken place on the date the first of those "occurrences" of loss, entries, changes or instructions were committed or took place.
- 5. Insuring Agreement G - Telecommunications Theft Expense**  
We will pay "telecommunications theft expense" incurred by or on behalf of the insured because of "telecommunications theft" that takes place during the "coverage period" and within the "coverage territory". We will deem all "telecommunications thefts" arising out of or in any way involving the same or related facts, circumstances, transactions or events to have taken place on the date the first "telecommunications theft" took place.
- 6. Insuring Agreement H - Extortion Payments and Rewards**  
We will pay "extortion payments and rewards" incurred by or on behalf of the insured because of "extortion" that takes place during the "coverage period" and within the "coverage territory". We will deem all "extortions" arising out of or in any way involving the

same or related facts, circumstances, transactions or events to have taken place on the date the first "extortion" took place.

- 7. Insuring Agreement I - Fraudulent Impersonation**
- a. We will pay for loss you sustain resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by:
- (1) An "employee", or any of your partners, "members", "managers", officers, directors or trustees, or you; or
  - (2) Your "customer" or "vendor" but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the person in Paragraph (1) above, "customer" or "vendor".
- b. (1) The insurance provided in this **Insuring Agreement I** is applicable only to acts committed or events occurring within the "coverage territory". **Insuring Agreement I** applies only to loss caused by "transfer instructions" that take place:
- (a) On or after the effective date of this Coverage Form; and
  - (b) Before the end of the "coverage period".
- (2) We will deem all "transfer instructions" arising out of or in any way involving the same or related transactions to have been committed or taken place on the date the first of those instructions were committed or took place.

## SECTION II - EXCLUSIONS

- 1. Exclusions applicable to all Insuring Agreements:**  
This insurance does not apply to any "damages", "defense expenses", "claims" including "suits" or "privacy administrative claims" arising out of or in any way related to:
- a. **Advertising Injury**  
"Advertising injury".
  - b. **Bodily Injury**  
"Bodily injury", including "bodily injury" to an "employee", and any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law.
  - c. **Contractual Liability**  
An insured's assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" an insured would have in the absence of such contract, agreement or a "PCI DSS assessment".
  - d. **Costs To Upgrade**  
Costs to upgrade or improve your "computer system", network or website regardless of the reason.

**e. Criminal Acts**

Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation by an insured acting alone or in collusion with others.

**f. Equitable Relief**

Any form of "non-monetary relief" or equitable relief requiring the payment of "money", including restitution, consumer redress or disgorgement; and the cost of complying with any non-monetary or equitable relief. This exclusion does not apply to restitution to individuals where such restitution is part of a "privacy administrative award".

**g. Fines And Penalties**

Criminal or civil fines, penalties or assessments. This exclusion does not apply to any part of a "privacy administrative award" or a "PCI DSS assessment".

**h. Force Majeure**

- (1) An act of God;
- (2) Fire, smoke, explosion, lightning, hail, wind-storm, or any other act of nature;
- (3) Strike;
- (4) Riot;
- (5) Disruption, or failure of, or surge affecting any infrastructure service or utility supplied by a third party, including power, water, fuel, telecommunications, satellite or electronic connectivity;
- (6) Any unexplained or indeterminable failure, malfunction or slowdown of your "computer system" or network, including "electronic data" and the inability to access or properly manipulate the "electronic data"; or
- (7) Any failure, malfunction or slowdown in normal computer operation or network service or operation arising out of insufficient capacity to process transactions because of an overload of activity on your "computer system" or network. However, this exclusion does not apply to such failures, malfunctions or slowdowns if caused by an "information risk incident".

**i. Governmental Action**

Any action by a governmental authority including the seizure or destruction of property by order of governmental authority. This exclusion does not apply to actions brought by governmental authority acting solely in its capacity as a "customer" of the insured. This exclusion does not apply to a "privacy administrative proceeding".

**j. Insured's Economic Loss**

- (1) An insured's economic loss, including loss of purchase or sale price, royalties, share value, goodwill or damage to reputation;

- (2) Fees or charges paid to obtain a license or other rights to use intellectual property, a product or a service; or

- (3) Income or profits except as provided under **Insuring Agreement E.**

**k. Insured Versus Insured**

Any "claim" against an insured that is brought by, or on behalf of, any other insured. This exclusion does not apply to any "claim" arising out of an "information risk incident" involving the "personal information" of an "employee", former "employee" or any member of an "employee's" immediate family.

**l. Intentional Misconduct**

Intentional misconduct, including dishonest, fraudulent, malicious or criminal acts or omissions or any willful violation of any statute or regulation by an insured, provided that one insured person's knowledge of such misconduct will not be imputed to any other insured unless the person with knowledge is an "executive officer", information technology or network manager or their equivalent.

**m. Knowing Violations**

- (1) Any injury caused by any insured or at any insured's direction with the knowledge that the act would violate the rights of another; or
- (2) Any oral or written publication of material, if done by any insured or at any insured's direction with knowledge of its falsity.

**n. Natural Causes Of Loss**

Any loss arising out of:

- (1) Any earth movement such as an earthquake, landslide, mine subsidence or earth sinking, earth rising or earth shifting.
- (2) Volcanic action, explosion or effusion. Volcanic action means 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.
- (3) (a) Regardless of the cause, flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
  - (b) Mudslide or mudflow;
  - (c) Water that backs up from a sewer or drain; or
  - (d) Water under the ground surface pressing on, or flowing or seeping through:
    - 1) Foundations, walls, floors or paved surfaces;
    - 2) Basements, whether paved or not; or
    - 3) Doors, windows or other openings.

- (4) Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.
- (5) Presence, growth, proliferation, spread or any activity of virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (6) Insects, birds, rodents or other animals.
- (7) Dampness or dryness of atmosphere.
- (8) Changes in or extremes of temperature.
- (9) Rain, snow, ice or sleet.

**o. Nuclear Energy**

Any loss, damage, injury, contamination or other harm:

- (1) With respect to which an insured is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
  - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof;
  - (b) The insured is or, had this Coverage Form not been issued, would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
  - (c) Resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization;
- (3) Resulting from "hazardous properties" of "nuclear material" if:
  - (a) The "nuclear material":
    - 1) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - 2) Has been discharged or dispersed therefrom;
  - (b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured;
  - (c) The loss, damage, injury or harm arises out of the furnishing by an insured of

services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; or

- (d) Physical injury to tangible property that is a part of or located at, including all loss of use of that property, any "nuclear facility" that arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of such "nuclear facility".

**p. Other Excluded Causes Of Loss**

- (1) Vapor or gas.
- (2) Wear and tear.
- (3) Rust, corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- (4) Smog.
- (5) Settling, cracking, shrinking or expansion.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
- (7) Marring or scratching.
- (8) Explosion of steam boilers, steam pipes, steam engines or steam turbines.
- (9) Continuous or repeated seepage or leakage of water.
- (10) Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment.
- (11) Collapse.
- (12) Faulty, inadequate or defective:
  - (a) Planning, zoning, development, surveying or siting;
  - (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction;
  - (c) Materials used in repair, construction, renovation or remodeling; or
  - (d) Maintenance of part or all of any property.
- (13) Any increase of loss caused by or resulting from:
  - (a) Delay in resuming "operations" resulting from interference by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. However, 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" to the extent provided under **Insuring Agreement E.**

- (14) Any "Extra Expense" caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (15) Any loss caused by bankruptcy, financial impairment or insolvency.
- (16) Any other consequential loss.
- q. Patent**  
Any "claim" or "suit" based upon, arising out of, any actual or alleged infringement, misappropriation, misuse, gaining, or taking of, or any inducement to infringe, misappropriate, misuse, gain, or take, any patent. In addition, this exclusion applies to any "claim" or "suit" that also alleges "advertising injury" or "personal injury".
- r. Personal Injury**  
"Personal Injury". However this exclusion will not apply to "claims" for invasion or infringement of the right of privacy, including intrusion upon seclusion or secrecy, when such offense arises out of:
- (1) An "information risk incident";
- (2) A "communication incident"; or
- (3) A "privacy administrative claim".
- s. Pollution**
- (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants";
- (2) A "claim" or "suit" by or on behalf of any governmental authority for loss, costs or expenses for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, testing for or assessing the effects of "pollutants"; or
- (3) Any demand, request, order or statutory or regulatory requirement that you or others test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- t. Prior Claim Or Prior Knowledge**
- (1) Any fact, circumstance, transaction, "occurrence" or event that existed or was pending, before the effective date of this Coverage Form and which was the subject of:
- (a) Any "claim", "privacy administrative claim" or any other form of demand to any insured;
- (b) Any "suit", order, decree or judgment entered therein; or
- (c) Any notice of a potential or actual "claim" or loss given under any other policy of insurance.
- (2) Any fact, circumstance, transaction, "occurrence" or event that existed or was pending, before the effective date of this Coverage Form known to any insured or any of the insured's information technology or network managers or their equivalents to be reasonably likely to give rise to a "claim" or "privacy administrative claim" under this Coverage Form.
- (3) Any fact, circumstance, transaction, "occurrence" or event that existed or was pending, before the effective date of this Coverage Form with respect to **Insuring Agreements F and I**, if any insured under paragraph 1. of **SECTION IV - WHO IS AN INSURED** has knowledge of any information relevant to loss sustained under **Insuring Agreements F and I** and that knowledge is considered knowledge of every insured.
- u. Prize Redemption**  
Actual or attempted redemption of tickets, coupons, prizes, or other goods or property in any contest, lottery, sweepstakes, promotion, or game of chance, or violation of any laws regulating these activities.
- v. Property Damage**
- (1) Physical injury to tangible property, including all loss of use of that property;
- (2) Damage to data as a result of physical injury to tangible property, including all loss of use of such data; and
- (3) Loss of use of tangible property that is not physically injured.
- w. RICO**  
Any actual or alleged violation of the Racketeer Influenced And Corrupt Organizations Act (RICO) and its amendments, or similar provisions of any federal, state, or local statutory or common law.
- x. Software Or Software Copyright**  
Any "communication incident" involving software, its source code or any other content of a software program, or piracy of computer code or software product.
- y. Violation Of Labor Or Employment Law**  
Violation of any statutory or common law relating to employment, including any law relating to:
- (1) Employee benefits, including any liability arising out of the insured's failure to fulfill any responsibility, duty or obligation imposed by the Employee Retirement Income Security Act of 1974 (ERISA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988) (WARN), Occupational Safety and Health Act (OSHA), National Labor Relations Act of 1947 (NLRA) any rules or

regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state or local statutory or common law.

- (2) Any liability arising out of any obligation under the Fair Labor Standards Act, or any violations of any federal, state, local or foreign statutory law or common law that governs the same topic or subject and any rules, regulations and amendments thereto including any liability arising out of "claims" for unpaid wages or overtime pay for hours actually worked or labor actually performed by any "employee" of the insured, "recognized volunteers" and applicants for employment for improper payroll deductions.
- (3) Refusal to employ a person or termination of a person's employment or any employment-related practice, policy, act or omission, including but not limited to:
  - (a) Coercion, demotion, evaluation, re-assignment, discipline, defamation, harassment, breach of contract, humiliation or discrimination directed at a person;
  - (b) Criminal or civil action brought against a person by or at the direction of the insured directly or indirectly related to any offense described herein; or
  - (c) Anyone as a consequence of injury to a person at whom any of the employment-related practices described herein is directed.

This exclusion **y.(3)(a)-(c)** applies:

- 1) Whether the insured may be liable as an employer or in any other capacity;
- 2) Whether the offense is alleged to arise out of the employment during the course or scope of employment, outside the course or scope of employment or after termination of employment;
- 3) Whether directly or indirectly related to a person's prospective, current or past employment; and
- 4) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

**z. Violation Of Consumer Or Trade Law**

Violation of any statutory or common law relating to:

- (1) Antitrust, including restraint of trade, price fixing and monopolization;

- (2) Consumer protection, including:
  - (a) The CAN-SPAM Act of 2003;
  - (b) The Fair and Accurate Credit Transaction Act;
  - (c) The Fair Credit Reporting Act; and
  - (d) The Telephone Consumer Protection Act
 and any amendments of or additions to such laws;
- (3) The unauthorized collection of "personal information" or "corporate information", including laws relating to the content of privacy policies. However, this exclusion does not apply to "privacy administrative claims";
- (4) Deceptive business or trade practices;
- (5) False advertising;
- (6) The offer, sale, purchase, trading or valuation of "securities"; or
- (7) Violation of any "securities" law including, but not limited to, the Securities Act of 1933 or the Securities Exchange Act of 1934 and their amendments.

**aa. War**

- (1) Undeclared or civil war or civil unrest;
- (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 government authority in hindering or defending against any of these.

**bb. Infrastructure Failure**

Failure or interruption of or damage to any electrical power supply network or telecommunication network not owned and operated by the insured including, but not limited to, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.

**2. Additional exclusions also applicable to Insuring Agreements F, G and I:**

This insurance does not apply to any loss under **Insuring Agreements F, G and I:**

**a. Acts Committed By You, Your Partners, Co-Venturers Or Your Members**

Resulting from a "theft", "fraudulent instruction", fraudulent "transfer instruction", "telecommunications theft" or any other dishonest act committed by:

- (1) You; or  
 (2) Any of your partners, co-venturers or "members" whether acting alone or in collusion with other persons.
- b. Acts Committed By Your Employees Learned Of By You Prior To The Coverage Period**  
 Caused by an "employee" if the "employee" had also committed "theft", "fraudulent instruction", fraudulent "transfer instruction", "telecommunications theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", "executive officers", directors or trustees, not in collusion with the "employee", learned of such "theft", "fraudulent instruction", fraudulent "transfer instruction", "telecommunications theft" or dishonest act prior to the "coverage period".
- c. Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives**  
 Resulting from "theft", "fraudulent instruction", fraudulent "transfer instruction", "telecommunications theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:  
 (1) Whether acting alone or in collusion with other persons; or  
 (2) While performing services for you or otherwise.
- 3. Additional exclusions also applicable to Insuring Agreements F and I:**  
 This insurance does not apply to any loss under **Insuring Agreements F and I:**
- a. Confidential Or Personal Information**  
 Resulting from:  
 (1) The disclosure of confidential or "personal information"; or  
 (2) The use of confidential or "personal information".
- b. Data Security Breach**  
 Resulting from fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or "personal information".
- c. Indirect Loss**  
 That is an indirect result of an "occurrence" covered by this insurance including loss resulting from:  
 (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";  
 (2) Payment of "damages" for indirect loss for which you are legally liable; or  
 (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under **Insuring Agreements F or I.**
- 4. Additional exclusions also applicable to Insuring Agreement F:**  
 This insurance does not apply to any loss under **Insuring Agreement F:**
- a. Authorized Access**  
 Resulting from a fraudulent:  
 (1) Entry of "electronic data" or "computer program" into; or  
 (2) Change of "electronic data" or "computer program" within any "computer system" owned, leased or operated by you or by a person or organization with authorized access to that "computer system", except when such entry or change is made by an "employee" acting in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Coverage Form.
- b. Credit Card Transactions**  
 Resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- c. Exchanges Or Purchases**  
 Resulting from the giving or surrendering of property in any exchange or purchase.
- d. Fraudulent Instructions**  
 Resulting from an "employee" or "financial institution" acting upon any instruction to:  
 (1) Transfer, pay or deliver "money", "securities" or "other property"; or  
 (2) Debit or delete your account which instruction proves to be fraudulent, except when such entry or change is made by an "employee" acting in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Coverage Form and when covered under **Insuring Agreement F b.**
- e. Inventory Shortages**  
 Resulting from an inventory shortage if proof of its existence or amount is dependent upon:  
 (1) An inventory computation; or  
 (2) A profit and loss computation.
- SECTION III - SUPPLEMENTAL PAYMENTS - INSURING AGREEMENTS A AND B**  
 We will pay with respect to any "claim" or "privacy administrative claim" we investigate or settle, or any "suit" against the insured we defend under **Insuring Agreements A and B** only:



1. All expenses, other than "defense expenses", that we incur.
2. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
3. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
4. The cost of appeal bonds for a covered "suit" or "privacy administrative proceeding" if we exercise our right to bring that appeal. However, we have no obligation to apply for or furnish such appeal bond.
5. Up to \$250 per day in actual lost earnings incurred by an insured because of time taken off from work at our request and in support of our investigation or defense of a "claim", "suit" or "privacy administrative proceeding", subject to a maximum amount of \$5,000 per "claim", "suit" or "privacy administrative proceeding".

These payments will not reduce the Limits of Insurance.

#### SECTION IV - WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse or "domestic partner" are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership, joint venture or co-venture, you are an insured. Your "members" or your partners, and their spouses or "domestic partners" are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your "members" are also insureds, but only with respect to the conduct of your business. Your "managers" are insureds, but only with respect to their duties as your "managers".
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your "managers" (if you are a

limited liability company), only while performing duties related to the conduct of your business and only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

- b. Any organization you newly acquire, form or merge into, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest if that organization has no other similar insurance and you:
  - (1) Created or acquired such organization after the inception of this policy;
  - (2) Notified us in writing within ninety (90) days of that creation or acquisition;
  - (3) Obtain our written consent; and
  - (4) Agreed to any premium adjustment or coverage revision that we required to continue coverage for such organization.

However, there is no coverage prior to the date of such transaction or for any "claim" or "privacy administrative claim" arising out of or in any way related to an "information risk incident", "communication incident" or violation of a "privacy regulation" or series of related incidents that occurred prior to the date of such transaction.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Form.
3. No person or organization is an insured:
  - a. With respect to the conduct of any current or past partnership, joint venture, co-venture or limited liability company that is not shown as a Named Insured in the Declarations; or
  - b. After the date you cease to own, directly or indirectly, a majority interest in such entity.

#### SECTION V - LIMITS OF INSURANCE

1. The **CYBER AGGREGATE** Limit of Insurance shown in the Declarations is the most we will pay during any one "coverage period" including Extended Reporting Period (if applicable) for the sum of:
  - a. "Damages" and "defense expenses" under **Insuring Agreement A - Information Risk Liability And Communication Incident Liability**;
  - b. "Privacy administrative awards", "PCI DSS assessments" and "defense expenses" under **Insuring Agreement B - Privacy Administrative Awards; Payment Card Industry Data Security Standards (PCI DSS) Assessments**;
  - c. "Data loss expenses" under **Insuring Agreement C - Data Loss Expenses**;

- d. "Personal identity recovery expenses" under **Insuring Agreement D - Personal Identity Recovery Expense**;
  - e. "Business Income" and "Extra Expense" under **Insuring Agreement E - Business Income And Extra Expense**;
  - f. Loss under **Insuring Agreement F - Computer And Funds Transfer Fraud**;
  - g. "Telecommunications theft expense" under **Insuring Agreement G - Telecommunications Theft Expense**;
  - h. "Extortion payments and rewards" under **Insuring Agreement H - Extortion Payments And Rewards**; and
  - i. Loss under **Insuring Agreement I - Fraudulent Impersonation**.
2. The Limit of Insurance shown in the Declarations for each separate **Insuring Agreement** is the most we will pay during any one "coverage period" including Extended Reporting Period (if applicable) regardless of the number of:
- a. Insureds;
  - b. "Information risk incidents";
  - c. "Communication incidents";
  - d. "Personal identity thefts";
  - e. "Suspensions";
  - f. "Claims" made or "suits" brought;
  - g. "Privacy administrative claims" made;
  - h. "Privacy administrative awards";
  - i. "PCI DSS assessments";
  - j. Persons or organizations making "claims" or "privacy administrative claims" or filing "suits";
  - k. Changes, entries, instructions or "occurrences" under **Insuring Agreement F - Computer And Funds Transfer Fraud**;
  - l. "Telecommunication thefts";
  - m. "Extortions"; or
  - n. Fraudulent "transfer instructions".
3. Subject to Paragraphs 1. and 2. above:
- a. The limit shown in the Declarations under **Insuring Agreement A - Information Risk Liability And Communication Incident Liability** is the most we will pay for "damages" and "defense expenses" because of all "information risk incidents" and "communication incidents" that take place during the "coverage period" for all "claims" resulting therefrom that are first made against you and reported during the "coverage period" or any applicable Extended Reporting Period.
  - b. The limit shown in the Declarations is the most we will pay for liability under **Insuring Agreement B - Privacy Administrative Awards; Payment Card Industry Data Security Standards (PCI DSS) Assessments** for all "defense expenses" for "privacy administrative claims" first made against you and reported during the "coverage period" or any applicable Extended Reporting Period, "privacy administrative awards", "PCI DSS assessments" and "defense expenses". However, the most we will pay for:
    - (1) "Privacy administrative awards" is the limit shown in the Declarations.
    - (2) "PCI DSS assessments" is the limit shown in the Declarations.
  - c. The limit shown in the Declarations is the most we will pay under **Insuring Agreement C - Data Loss Expenses** for all "data loss expenses" from "information risk incidents" that take place during the "coverage period". However, the most we will pay for:
    - (1) "Information risk expenses" is the limit shown in the Declarations.
    - (2) "Information restoration expenses" is the limit shown in the Declarations.
    - (3) Notification expenses is the limit shown in the Declarations.
  - d. The limit shown in the Declarations is the most we will pay under **Insuring Agreement D - Personal Identity Recovery Expense** for all "personal identity thefts" that take place during the "coverage period". However, the most we will pay for:
    - (1) "Information risk expenses" is the limit shown in the Declarations.
    - (2) "Information restoration expenses" is the limit shown in the Declarations.
    - (3) Notification expenses is the limit shown in the Declarations.
  - e. The limit shown in the Declarations is the most we will pay under **Insuring Agreement E - Business Income And Extra Expense** for all losses sustained because of "suspensions" caused by all "information risk incidents" that take place during the "coverage period". We will pay no more for "Business Income" and "Extra Expense" combined than the Limit of Insurance shown in the Declarations for **Insuring Agreement E - Business Income And Extra Expense**.
  - f. The limit shown in the Declarations is the most we will pay under **Insuring Agreement F - Computer And Funds Transfer Fraud** for all losses sustained because of fraudulent entries, fraudulent changes or "fraudulent instructions" that take place during the "coverage period".
  - g. The limit shown in the Declarations is the most we will pay under **Insuring Agreement G - Telecommunications Theft Expense** for the sum of all "telecommunications theft expenses" that take place during the "coverage period".

- h. The limit shown in the Declarations is the most we will pay under **Insuring Agreement H - Extortion Payments And Rewards** for the sum of all "extortions" that take place during the "coverage period".
  - i. The limit shown in the Declarations is the most we will pay under **Insuring Agreement I - Fraudulent Impersonation** for all losses sustained because of fraudulent "transfer instructions" that take place during the "coverage period".
4. In the event that "data loss expenses" and "personal identity recovery expenses" are both payable for an "information risk incident" resulting in a "personal identity theft", the highest limit shown in the Declarations for **Insuring Agreement C - Data Loss Expenses** or **Insuring Agreement D - Personal Identity Recovery Expenses** is the most we will pay for any "data loss expense" and "personal identity recovery expense" that arises out of the "personal identity theft".
  5. No other obligation or liability to pay sums or perform acts or services are covered unless explicitly provided for under **SECTION III - SUPPLEMENTAL PAYMENTS**.

With respect to Paragraphs 1. through 4. above, payments for "defense expenses" will reduce the Limits of Insurance and are not in addition to the Limit of Insurance shown in the Declarations for **Insuring Agreements A - Information Risk Liability And Communication Incident Liability** and **B - Privacy Administrative Awards; Payment Card Industry Data Security Standards (PCI DSS) Assessments**.

#### SECTION VI - DEDUCTIBLE

You are responsible for the Deductible Amount shown in the Declarations for each **Insuring Agreement**, if any. In the event more than one **Insuring Agreement** is applicable, only the single highest Deductible Amount will apply.

#### SECTION VII - EXTENDED REPORTING PERIODS

1. You will have the right to the Extended Reporting Periods described immediately below in the event that:
  - a. You or we cancel this Coverage Form or your entire policy for any reason other than non-payment of premium;
  - b. You or we refuse to renew this Coverage Form or your entire policy;
  - c. We renew this Coverage Form with a retroactive date later than the retroactive date shown in the Declarations; or
  - d. We renew or replace this coverage with coverage that does not apply to an "information risk

- incident", "communication incident" or "privacy administrative claim" on a claims-made basis.
2. Extended Reporting Periods do not extend the "coverage period" or change the scope of coverage provided. They only apply to covered "information risk incidents", "communication incidents" or violations of a "privacy regulation" under **Insuring Agreements A and B** that take place on or after the retroactive date, if any, shown in the Declarations and before the end of the "coverage period". Once in effect, the Extended Reporting Periods may not be canceled.
  3. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal is automatically provided at no additional premium. During this time you may give to us written notice of "claims" first made against the insureds during said Automatic Extended Reporting Period for any "information risk incidents", "communication incidents" or violation of "privacy regulations" that take place before the end of the "coverage period" and are otherwise covered by this Coverage Form. Any coverage provided by this Coverage Form for "claims" or "privacy administrative claims" first made during the Automatic Extended Reporting Period is excess over any other valid insurance available to you.
  4. A Supplemental Extended Reporting Period is available to purchase for a term of twelve (12) months for an extra charge. During this time you may give to us written notice of "claims" first made against the insureds during any applicable Extended Reporting Period for any "information risk incident", "communication incident" or violation of a "privacy regulation" that takes place before the end of the "coverage period" and are otherwise covered by this Coverage Form.
 

The Supplemental Extended Reporting Period starts when the Automatic Extended Reporting Period ends. To obtain a Supplemental Extended Reporting Period you must:

    - a. Request the Supplemental Extended Reporting Period in writing within thirty (30) days of the effective date of cancellation or nonrenewal of this Coverage Form; and
    - b. Pay the additional premium due within thirty (30) days after the end of the "coverage period". We will determine the additional premium in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium charged for claims-made coverages of this Coverage Form.
  5. Any coverage provided by this Coverage Form for "claims" or "privacy administrative claims" first made and reported during the Supplemental Extended

Reporting Period is excess over any other valid insurance available to you.

6. Extended Reporting Periods do not reinstate or increase the Limits of Insurance applicable to any "claim" or "privacy administrative claim" to which this Coverage Form applies.
7. Extended Reporting Periods do not apply to **Insuring Agreements C, D, E, F, G, H or I**.

## SECTION VIII - CONDITIONS

The following Conditions supersede any similar Conditions when provided by us in this policy.

### 1. Assignment

Interest in this Coverage Form may not be assigned to another without our written consent. Such written consent will not be unreasonably withheld.

### 2. Appraisal

For losses under **Insuring Agreement E**, if we and you disagree on the amount of Net Income and operating expense 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 a competent and impartial umpire within a reasonable amount of time. 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 amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. 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. Bankruptcy

Your bankruptcy or the bankruptcy of your estate if you are a sole proprietor, will not relieve us of our obligations under this Coverage Form, except to the extent the loss is excluded under **SECTION II - EXCLUSIONS 1.p.(15)**.

### 4. Concealment, Misrepresentation Or Fraud

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

- a. This insurance; or
- b. A "claim" under this insurance.

### 5. Discovery Period For Loss

With respect to **Insuring Agreements C, D, E, F, G, H and I**, we will pay only for covered loss discovered no later than sixty (60) days from the end of the "coverage period". If this insurance or any of its coverages are canceled or terminated as to any

insured, loss sustained by that insured is covered only if discovered no later than sixty (60) days from the date of that cancellation or termination.

## 6. Duties In The Event Of Claims, Expenses, Incidents, Losses And Suits

You must:

- a. For "claims", "privacy administrative claims" or "suits" under **Insuring Agreements A and B**, notify us promptly and in writing of all relevant facts concerning any incident known to you or any of your "executive officers", information technology or network managers, or their equivalents that is reasonably likely to give rise to a "claim", "suit", loss or "privacy administrative claim" under this Coverage Form, as well as any existing "claim" or "suit" or "privacy administrative claim" providing:
  - (1) A description of the "information risk incident" or "communication incident";
  - (2) How, when and where it occurred;
  - (3) Identification with available contact information of all witnesses and involved persons;
  - (4) A description of any likely or actual resulting loss; and
  - (5) Such additional information as we reasonably request.
- b. For loss under **Insuring Agreements C, D, E, F, G, H and I** notify us in writing as soon as possible but no later than thirty (30) days after you discover the "information risk incident", "personal identity theft", "suspension" of your "operations", "telecommunications theft", "extortion," fraudulent "transfer instruction", "fraudulent instruction", entry or change.
- c. Cooperate with us or anyone designated by us in the investigation and settlement of the "claim", "suit" or loss.
- d. Send us copies of any demands, notices, summonses or legal papers, received in connection with the "claim", "suit" or loss.
- e. Authorize us to obtain records and other information.
- f. For losses under **Insuring Agreements C and D**, the insured must send to us, within sixty (60) days after our request, receipts, bills or other records that support his or her "claim" for "personal identity recovery expenses".
- g. For losses under **Insuring Agreements E, F, G, H and I** send us a signed, sworn proof of loss containing the information we request to investigate the "claim". You must do this within sixty (60) days after our request. We will supply you with the necessary forms.
- h. Notify law enforcement officials in the event of a:
  - (1) "Data loss expense";
  - (2) "Personal identity theft";

- (3) Loss under **Insuring Agreement E** if a law may have been broken;
  - (4) Loss under **Insuring Agreement F**;
  - (5) Loss under **Insuring Agreement G**;
  - (6) Loss under **Insuring Agreement H**; or
  - (7) Loss under **Insuring Agreement I**.
- i. Submit to examination under oath at our request 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 insured's books and records. In the event of an examination, an insured's answers must be signed.
  - j. Assist us, upon our request, in the enforcement of all rights against any person or organization that may be liable to an insured for "claims" and losses under this coverage.
- 7. Examination Of Your Books And Records**  
We may examine and audit your books and records as they relate to this Coverage Form at any time during the "coverage period" and up to three (3) years afterward.
- 8. Inspections And Surveys**  
We have the right but are not obligated to:
- a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
- Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not undertake to perform the duty of any person or organization to comply with laws, regulations, codes or standards. This Condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- 9. Joint Insured**  
With respect to **Insuring Agreements F, G and I** only:
- a. If more than one insured is named in the Declarations, the first Named Insured will act for itself and for every other insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
  - b. If any insured, or partner, "member" or "executive officer" of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
  - c. An "employee" of any insured is considered to be an "employee" of every insured.
  - d. If this insurance or any of its coverages are canceled as to any insured, loss sustained by that insured is covered only if it is discovered by you no later than sixty (60) days from the date of

that cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by that insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- e. We will not pay more for loss sustained by more than one insured than the amount we would pay if all such loss had been sustained by one insured.
  - f. Payment by us to the first Named Insured for loss sustained by any insured shall fully release us on account of such loss.
- 10. Legal Action Against Us**  
No one may bring a legal action against us under this policy unless:
- a. There has been full compliance with all of the terms of this policy.
  - b. For any "claim" under **Insuring Agreement A**, the insured's obligation to pay has been finally determined by adjudication or written agreement between the insured, the claimant(s) and us.
  - c. For any "privacy administrative claim" under **Insuring Agreement B**, the insured's obligation to pay has been finally determined by adjudication or written agreement between the insured, the litigating governmental unit(s) and us.
  - d. For any "data loss expenses" under **Insuring Agreement C**, the insured has given us notice within thirty (30) days of a "data loss" and has brought its action within two (2) years of the date of the "data loss".
  - e. For any "personal identity recovery expenses" under **Insuring Agreement D**, the insured has given us notice within thirty (30) days of a "personal identity theft" and has brought its action within two (2) years of the date of the "personal identity theft".
  - f. For any loss sustained under **Insuring Agreement E**, the insured has given us notice within thirty (30) days of a "suspension", filed proof of loss and has brought its action within two (2) years of the date of the "suspension".
  - g. For any losses under **Insuring Agreement F**, the insured has given us notice within thirty (30) days of loss caused by a fraudulent entry, fraudulent change or "fraudulent instruction", filed proof of loss with us and brought its action within two (2) years from the date you discovered the loss.
  - h. For any losses under **Insuring Agreement G**, the insured has given us notice within thirty (30) days of loss caused by "telecommunications theft", filed proof of loss with us and brought its

action within two (2) years from the date you discovered the loss.

- i. For any losses under **Insuring Agreement H**, the insured has given us notice within thirty (30) days of loss caused by "extortions", filed proof of loss with us and brought its action within two (2) years from the date of loss.
- j. For any losses under **Insuring Agreement I**, the insured has given us notice within thirty (30) days of loss caused by a fraudulent "transfer instruction", filed proof of loss with us and brought its action within two (2) years from the date of loss.

No person or organization will have any right under this policy to join us as a party to any action against an insured, nor will an insured implead us into any such action.

#### 11. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within forty-five (45) days prior to or during the "coverage period", the broadened coverage will immediately apply to this insurance.

#### 12. Loss Sustained During Prior Insurance

With respect to **Insuring Agreements F, G and I**:

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
  - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
  - (1) This insurance as of its effective date; or
  - (2) The prior insurance had it remained in effect.

#### 13. Loss Covered Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate

With respect to **Insuring Agreements F, G and I**, if any loss is covered:

- a. Partly by this insurance; and
  - b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

#### 14. Loss Determination For Insuring Agreement E Under Insuring Agreement E:

- a. The amount of "Business Income" loss will be determined based on:
  - (1) The Net Income of the business before the "information risk incident" occurred;
  - (2) The likely Net Income of the business if no "information risk incident" had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business because of favorable business conditions caused by the impact of the "information risk incident" on "customers" or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "information risk incident"; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of "Extra Expense" will be determined based on:
  - (1) All necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no "information risk incident" had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any "Extra Expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the "Business Income" loss that otherwise would have been incurred.

#### 15. Loss Determination Under Insuring Agreements F and I

Under **Insuring Agreements F and I**:

- a. Subject to the applicable Limits of Insurance provision we will pay for:
  - (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
    - (a) At face value in the "money" issued by that country; or

- (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
- (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
  - (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
  - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
    - 1) Value of the "securities" at the close of business on the day the loss was discovered; or
    - 2) Limit of Insurance.
- (3) Loss of "other property" for not more than the:
  - (a) Actual cash value of the property on the day the loss was discovered; or
  - (b) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it. If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.
- b. We may, at our option, pay for loss of "other property":
  - (1) In the "money" of the country in which the loss occurred; or
  - (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- c. If we recover any property covered under **15.a.** above, at your option, we may return such property to you. We will pay any recovery expenses, subject to the Limit of Insurance for **Insuring Agreement F** or **Insuring Agreement I**, whichever applicable. We will also pay any expenses to repair such property, subject to the Limit of Insurance for **Insuring Agreement F** or **Insuring Agreement I**, whichever applicable. However, before we return such property or pay for the repair of such property, you must first return

to us the amount we paid to you for such property.

#### **16. Loss Payment Under Insuring Agreement E**

For losses under **Insuring Agreement E**, we will pay for covered loss within thirty (30) days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Form and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### **17. Loss Payment Under Insuring Agreements F, G and I**

We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one insured.

#### **18. Non-Cumulation Of Limit Of Insurance**

Regardless of the number of years that insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or "coverage period" to "coverage period".

#### **19. No Voluntary Payments**

The insured will not, except at its own cost, admit liability, voluntarily make a payment, assume any obligation, or incur any expense without our prior consent.

#### **20. Other Insurance**

##### **a. For Insuring Agreements A, B, C, D and E:**

- (1) If any covered loss is covered by other insurance, then this Coverage Form will apply only in excess of the other insurance.
- (2) If two or more coverages of this insurance apply to the same loss, payment will be made under the coverage that pays you the most. We will not pay more than the actual amount of loss or more than the highest Limit of Insurance that applies, whichever is less and subject to the Aggregate Limit of Insurance.

- b. With respect to **Insuring Agreements F, G, H and I**, this insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

#### **21. Other Insurance Issued By Us**

If this Coverage Form or any other policy or Coverage Form or Part issued by us or a company affiliated with us apply to the same loss or damage, the coverage of this Coverage Form shall be primary.

**22. Ownership Of Property; Interests Covered**

With respect to **Insuring Agreements F and I**, the property covered is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

**23. Premiums**

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

**24. Records**

With respect to **Insuring Agreements F and I**, you must keep records of all covered "money", "securities" and "other property" so we can verify the amount of any loss.

**25. Representations**

By accepting this Coverage Form you agree:

- a. The statements contained in the application for this Coverage Form are accurate and complete; and
- b. We have issued this Coverage Form in reliance upon your representations.

**26. Resumption Of Operations**

For "suspensions" of "operations" under **Insuring Agreement E**, if you intend to continue your business, you must resume all or part of your "operations" as quickly as possible. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**27. Services**

The following conditions apply to any services provided by us or our designees under **Insuring Agreements C and D**:

- a. All services may not be available or applicable to all individuals. For example, insureds who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- b. We do not warrant or guarantee that our services will end or eliminate all problems associated with a "personal identity theft" or "data loss", or prevent future "personal identity thefts" or "data loss".
- c. We reserve the right to deny coverage or service if, after investigation, we determine that a covered "information risk incident" or "personal identity theft" has not occurred.

**28. Subrogation**

In the event of any payment under this Coverage Form, we will be subrogated to the extent of such payment to you and to your rights of recovery. You will execute all papers required and will do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable us to bring "suit" in your name. Any recoveries, less the cost of obtaining them, will be distributed as follows:

- a. To you, until you are reimbursed for any loss you sustain that exceeds the sum of the applicable Aggregate Limit of Insurance and the Deductible Amount, if any;
- b. Then to us, until we are reimbursed for the payment under this Coverage Form; and
- c. Then to you, until you are reimbursed for that part of the payment equal to the Deductible Amount, if any.

**29. 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. If you are a sole proprietor and you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**30. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them. If the "claim" paid is less than the agreed loss because of any deductible or other limiting terms, the recovery is prorated between you and us based on the interest of each in the loss. This Condition only applies if we pay for a loss and then payment is made by those responsible for the loss.

**SECTION IX - DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting "customers" or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Only that part of a website that is about your goods, products or services for the purposes of



- attracting "customers" or supporters is considered an "advertisement".
2. "Advertising injury" means injury arising out of one or more of the following offenses:
    - a. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services in your "advertisement";
    - b. Oral or written publication, in any manner, of material that violates a person's right of privacy in your "advertisement";
    - c. The use of another's advertising idea in your "advertisement"; or
    - d. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
  3. "Bodily injury" means physical injury, sickness, disease, or pain, and injury, shock, humiliation, distress or mental or emotional anguish; or death resulting from any such physical injury, sickness, disease or pain.
  4. "Business Income" means the:
    - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
    - b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.
  5. "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
  6. "Claim" means a written demand or "suit" for "damages".
  7.
    - a. "Communication incident" means any of the following committed or allegedly committed by the Named Insured in "media communication" on the "named insured's website":
      - (1) Infringement, dilution or violation of any right to a trademark, trade name, service mark, service name, trade dress, title, slogan or logo, in your "operation", except in your "advertisement";
      - (2) Copyright infringement or plagiarism, in your "operation" except in your "advertisement"; or
      - (3) Misappropriation of name or likeness or violation of the right of privacy in your "operation" except in your "advertisement".
    - b. For the offenses listed above in a.(1), (2) and (3), "communication incident" does not include any offense if committed:
      - (1) By an insured whose business includes:
        - (a) Advertising, broadcasting, publishing or telecasting;
        - (b) Designing or determining content of websites for others; or
        - (c) Providing Internet search, access or content services; or
      - (2) By an insured who conducts business in or on an electronic chat room, bulletin board or similar interactive site on the Internet on which others may post content where the insured hosts, owns or exercises control over that site.
  - c. "Communication incident" does not include any:
    - (1) Patent infringement or "theft";
    - (2) Copying, misappropriation, display or publication of any trade secret;
    - (3) Any infringement of copyright, trademark or service mark of software or software technology; or
    - (4) Data, sounds, images or similar matter incorporated into or otherwise part of the "named insured's website".
  8. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
  9. "Computer system" means any insured's:
    - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
    - b. Systems and applications software; and
    - c. Related communications networks by which "electronic data" is collected, transmitted, processed, stored or retrieved.
  10. "Corporate information" means confidential and proprietary information of others that is in the care, custody or control of any insured or "service provider".
  11. "Coverage period" means the period for this Coverage Form shown in the Declarations. This period ends on the earlier of the expiration date of the policy term shown in the Declarations or the effective date of cancellation of this Coverage Form. If you became an insured under this Coverage Form after the effective date, the "coverage period" begins on the date you became an insured.
  12. "Coverage territory" means:
    - a. For **Insuring Agreements A and B**: anywhere in the world, provided that a "suit" on the merits is brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.
    - b. For **Insuring Agreements C, D, E, F, G, H and I**: only acts committed or events occurring within:
      - (1) The United States of America (including its territories and possessions);

- (2) Puerto Rico; or  
(3) Canada.
13. "Customer" means an entity or individual to whom you sell goods or provide services under a written contract.
14. "Damages" means judgments, settlements or other monetary amounts which an insured is legally obligated to pay on account of a covered "claim". "Damages" does not include:
- "Defense expenses";
  - License fees or royalties of any kind;
  - The amount of liquidated "damages" awarded pursuant to a contract or agreement that exceeds the amount of "damages" for which the insured would have liability in the absence of such contract or agreement; or
  - Punitive "damages", unless such "damages" are insurable under the applicable law.
15. "Data loss" means an unauthorized or accidental disclosure or loss of "corporate information" or "personal information" in the care, custody or control of:
- An insured; or
  - A "service provider" to which you have directly or indirectly turned over such information for any reason.
16. "Data loss expense" means the following expenses incurred by us to pay professionals we choose, direct and authorize, at our sole discretion as a result of an "information risk incident":
- "Information risk expenses";
  - The expenses incurred in notifying those whose information was affected to the extent required by applicable "privacy regulations"; and
  - "Information restoration expense".
- "Data loss expense" does not include "defense expenses" or compensation, fees, benefits, overhead or internal charges of any insured.  
"Data loss expense" does not include "personal identity recovery expense".
17. "Defense expense" means the following costs and expenses, where reasonable and necessary and incurred at our direction or with our prior written consent, to defend or investigate a "claim", "suit" or "privacy administrative proceeding" against an insured:
- Attorney fees;
  - Expert fees;
  - Court, arbitration or mediation costs; and
  - Other expenses we determine are reasonable and necessary to defend the insured.
- "Defense expenses" do not include "data loss expenses".
18. "Domestic partner" means any natural person legally recognized as a domestic or civil union partner under the provisions of any:
- Applicable federal, state or local law; or
  - Formal benefits program established by you.
19. "Electronic data" means information 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.
20. "Employee":
- Includes:
    - Full and part-time workers or interns;
    - "Leased workers"; and
    - For purposes of this Coverage Form only, "temporary workers" only for acts within the scope of their employment by you.
  - Also includes for **Insuring Agreements F, G and I** only:
    - Any natural person while in your service and for thirty (30) days after termination of service; and
    - Whom you compensate directly by salary, wages or commissions; or
    - Whom you have the right to direct and control while performing services for you; or
    - Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you.
  - Does not include any:
    - Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
    - Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
21. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
22. "Extortion" means the actual or attempted obtaining of "money" or "other property" from an insured through an actual or threatened "network security incident".
23. "Extortion payments and rewards" means the following:
- Payment to one who commits "extortion" or payment of a reward to a person who provides information that leads to the identification and arrest of one who commits "extortion", provided:
    - You reported the "extortion" to law enforcement or regulatory agencies;
    - You did not notify any person or entity of the existence of the coverage in **Insuring Agreement H**;

- (3) The person who commits the "extortion" is not an insured;
  - (4) Any reward for information is not paid to an insured or anyone engaged by you in connection with the "extortion"; and
  - (5) The amount of any reward we pay will not exceed the demand by or the amount paid to the person who commits the "extortion".
- b. Payment of expenses within the first six (6) months following an "extortion" provided by a public relations or crisis management firm for restoring your reputation.
24. "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no "information risk incident".
25. "Financial institution" means:
- a. A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
  - b. An insurance company; or
  - c. A stock brokerage firm or investment company.
26. "Fraudulent instruction" means:
- a. With regard to **Insuring Agreement F a.**:  
A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under **Insuring Agreement F**, which instruction in fact was fraudulently issued by your computer software contractor.
  - b. With regard to **Insuring Agreement F b.**:
    - (1) A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", and such instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent.
    - (2) A written instruction issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer, and such instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
27. "Fungi" means any type or form of fungus, including, but not limited to, any mold, mildew, mycotoxins, spores, scents or by-products produced or released by any type or form of fungus.
28. "Hazardous properties" means radioactive, toxic or explosive properties.
29. "Information restoration expense" means the expense for adjustment, completion, correction, recollection, recreation, repair, replacement, reproduction, or restoration of data as a result of an "information risk incident". If the data cannot be reasonably restored or recollected, then this expense will be limited to the cost incurred to reach such determination.
- "Information restoration expense" does not include:
- a. The expense of restoring computer hardware, applications, programs or software;
  - b. The cost of updating, upgrading, enhancing, replacing or improving your data or "computer system";
  - c. The cost of identifying, removing or remediating "computer program" errors or vulnerabilities;
  - d. Loss of economic, monetary, market value, or any diminution in value of any data, trade secret, patent, copyright, trademark, trade dress or other intellectual property;
  - e. The expense of researching or developing any intellectual property; or
  - f. The cost of replacing funds, currency, "securities", accounts, bills, evidences of debt, "money", valuable papers, records, abstracts, deeds, manuscripts or other financial debt, credit, bond or equity instruments or documents.
30. "Information risk expenses" means the following:
- a. Consulting services to assist you with compliance with federal, state, local and foreign notification requirements;
  - b. A toll-free telephone line for persons with questions about the insured's "data loss";
  - c. Assistance placing fraud alerts on individual credit files with the major credit bureaus;
  - d. Assistance correcting an individual's credit and other records. This also includes reasonable and necessary expenses to restore control over the individual's personal identity;
  - e. Expenses within the first six (6) months following a "data loss" provided by a public relations or crisis management firm for restoring your reputation; or
  - f. Remediation of a "data loss" within the first six (6) months following discovery of such "data loss", including providing:
    - (1) Forensic analysis of the nature, extent and severity of the "data loss" and the number and identities of persons affected;
    - (2) Legal counsel regarding how to respond to the "data loss"; and

- (3) Proactive monitoring services consisting of a credit report, credit monitoring and monitoring of fraud in public records for those whose "personal information" or "corporate information" was disclosed or lost.
31. "Information risk incident" means:
- "Data loss"; and
  - A "network security incident".
32. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
33. "Manager" means a natural person serving in a directorial capacity for a limited liability company.
34. "Media communication" means the broadcast, dissemination, or publication by the Named Insured to the general public of any words, sounds, numbers, images, or graphics in electronic form, provided that "media communication" does not include any broadcast, dissemination, or publication of words, pictures, sounds, numbers, images, or graphics in any application, program, software, code, or script.
35. "Member" means an owner of a limited liability company represented by its membership interest who if a natural person, may also serve as a "manager".
36. "Money" means:
- Government issued currency, coins and bank notes in current use and having a face value;
  - Travelers checks and money orders held for sale to the public; and
  - Deposits in your account at a "financial institution".
37. "Named insured's network" means any network of computers owned, leased or operated by the Named Insured or a "service provider" in support of "operations". "Named insured network" does not include that part of a network that relates in any way to the infrastructure, services or utilities supplied by a third party, including telecommunications, the Internet, or other electronic connectivity services, water or fuel.
38. "Named insured's website" means a website that is operated and owned by the Named Insured or operated on behalf of the Named Insured by a third party pursuant to a written contract.
39. "Network security incident" means:
- The inability of authorized persons or organizations to access or use the "named insured's network" resulting from a malicious attack on the "named insured's network".
    - This includes an attack designed to overwhelm the "named insured's network" in order to prevent or interfere with authorized users from gaining access to such network through the internet.
  - This does not include "network security incidents" caused by the insured, insured's "operations" or a "service provider";
- b. Access or use of the "named insured's network" by unauthorized persons or authorized persons for unauthorized purposes;
- c. Transmission of a virus or malware by:
- You; or
  - A "service provider" when the virus or malware is transmitted in connection with the work done for the insured; or
- d. Any type of malicious code that damages or destroys the "named insured's network" or "electronic data" regardless of how it was enacted, introduced or obtained.
40. "Non-monetary relief":
- Means declaratory, injunctive or other equitable relief.
  - Does not include restitution, consumer redress, disgorgement or any other form of equitable relief requiring the payment of "money", nor does it include the cost of complying with any declaratory, injunctive or other equitable relief.
41. "Nuclear facility" means:
- Any "nuclear reactor";
  - Any equipment or device designed or used for:
    - Separating the isotopes of uranium or plutonium;
    - Processing or utilizing "spent fuel"; or
    - Handling, processing or packaging "waste";
  - Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
  - Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"
 

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
42. "Nuclear material" means "source material", "special nuclear material" or "by-product material".
43. "Nuclear reactor" means any apparatus, designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
44. "Occurrence" means:
- An individual act or event;
  - The combined total of all separate acts or events whether or not related; or

- c. A series of acts or events whether or not related committed by a person acting alone or in collusion with other persons, or not committed by any person, during the "coverage period".
45. "Operations" means your business activities occurring at your premises.
46. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this Coverage Form.
47. "PCI DSS assessment":
- a. Means a monetary fine or penalty a Named Insured is legally obligated to pay under the terms of a merchant agreement between that insured and a credit or debit card company, processor, "financial institution" or independent service operator in order to allow the insured to accept credit or debit cards, prepaid cards or other payment cards for payments or fees, but only if the fine or penalty is a direct result of:
    - (1) The insured's failure to comply with published Payment Card Industry Data Security Standards; and
    - (2) A covered "information risk incident".
  - b. Does not include:
    - (1) Any subsequent fines or penalties for continued noncompliance with published Payment Card Industry Data Security Standards; or
    - (2) Any charge backs, discount fees, interchange fees, service related fees or charges or any other amounts owed under a merchant agreement.
48. "Period of restoration" means the period of time that:
- a. Begins:
    - (1) Immediately following the "information risk incident", however, if a waiting period is shown in the Declarations, then after such period following the "information risk incident" for "Business Income"; or
    - (2) Immediately following the "information risk incident" for "Extra Expense" coverage; and
  - b. Ends on the earlier of:
    - (1) The date and time when your "operation" is resumed;
    - (2) The date and time when the "electronic data" is restored; or
    - (3) Ninety (90) days after the date and time of the "information risk incident".

The expiration date of this Coverage Form will not shorten or cause the "period of restoration" to terminate.
49. "Personal identity recovery expenses":
- a. Means the following expenses incurred by us to pay professionals we choose, direct and authorize, at our sole discretion, as a result of a "personal identity theft":
    - (1) "Information risk expenses".
    - (2) The expenses incurred in notifying those whose information was affected to the extent required by applicable "privacy regulations".
    - (3) "Information restoration expenses".
  - b. Does not include:
    - (1) "Defense expenses" or compensation, fees, benefits, overhead or internal charges of any insured.
    - (2) "Data loss expense".
50. "Personal identity theft" means the fraudulent use of "personal information" of an individual insured. "Personal identity theft" only applies to an individual person. It does not apply to fraudulent use of any business name or any other method of identifying a business or its activity.
51. "Personal information":
- a. Means an individual's first name or first initial and last name in combination with one or more of the following data elements for such individual but only when neither the name nor data element is encrypted:
    - (1) Social Security Number;
    - (2) Driver's license number or non-driver identification card number;
    - (3) Account number, credit card number or debit card number in combination with any required security code, access code or password that would permit access to the individual's financial account;
    - (4) Information regarding medical history, mental or physical condition, medical treatment or diagnosis by a health care professional;
    - (5) Health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual or any information in the individual's application and claims history, including any appeals records; or
    - (6) User name or e-mail address, in combination with a password or security question and answer that would permit access to an online account.
  - b. Does not include publicly available information that is lawfully made available to the general public from federal, state or local government records.
52. "Personal injury" means other than "bodily injury" arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy.
- 53.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 54.** "Privacy administrative award" means:
- a. Any fine or penalty;
  - b. Restitution to individuals; or
  - c. "Non-monetary relief" awarded against an insured in an administrative or regulatory proceeding brought by a federal, state, local, foreign or other governmental authority for the insured's violation of a "privacy regulation".
- 55.** "Privacy administrative claim" means a written demand to an insured by a federal, state, local, foreign or other governmental authority in an administrative or regulatory proceeding seeking a "privacy administrative award".
- 56.** "Privacy administrative proceeding" means any administrative or regulatory proceeding by a federal, state, local, foreign or other governmental authority investigating an alleged violation of a "privacy regulation".
- 57.** "Privacy regulation" means any federal, state, local, foreign or other governmental law relating to the collection, maintenance, use or disclosure of, or notification regarding "corporate information" or "personal information", including the following:
- a. Gramm-Leach-Bliley Act;
  - b. Health Information Technology for Economic and Clinical Health Act (HITECH);
  - c. Health Insurance Portability and Accountability Act (HIPAA);
  - d. State security breach notification laws; and
  - e. Section 5(a) of the Federal Trade Commission Act, but solely for alleged unfair or deceptive acts or practices in or affecting commerce in the use of "personal information".
- 58.** "Recognized volunteer" means an uncompensated individual who volunteers labor or services to you, but only when performing such labor or services at the request of and under the direction of you.
- 59.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you
- but does not include "money".
- 60.** "Service provider":
- a. Means any entity with whom the Named Insured has entered into a written contract or agreement to provide a service to support the "named insured network".
  - b. Does not include any entity that provides power, communication services, water or other utility services.
- 61.** "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- 62.** "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- 63.** "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- 64.** "Suit" means a civil proceeding in a court of law or equity, or an arbitration or other alternative dispute resolution proceeding seeking "damages".
- 65.** "Suspension" means the slowdown or cessation of your business activities because of a covered "information risk incident".
- 66.** "Telecommunications theft" means the fraudulent gaining of access to outgoing long distance telephone service through infiltration and manipulation of your "telecommunications services" by a person or organization other than an insured.
- 67.** "Telecommunications theft expense" means the reasonable and necessary amounts charged for "telecommunications services" incurred that are directly attributable to "telecommunications theft".
- 68.** "Telecommunications services" means telephone, fax, data or computer transmission services provided to you by others.
- 69.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 70.** "Theft" means the unlawful taking of property to the deprivation of the Named Insured.
- 71.** "Transfer account" means an account maintained by you at a "financial institution" from which "money" or "securities" can be transferred, paid or delivered by means of:

- a. Computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instructions; or
  - b. Written instructions establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
- 72. "Transfer instruction" means an instruction directing you to transfer "money", "securities" or "other property".
- 73. "Vendor" means an entity or individual from whom you purchase goods or receive services under a written contract.
- 74. "Waste" means any waste material:
  - a. Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
  - b. Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

### CYBER LIABILITY COVERAGE PART

#### **A. Applicability Of This Endorsement**

- 1. The provisions of this endorsement will apply if and when one of the following situations occurs:**
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or**
  - b. The Program is renewed, extended or otherwise continued in effect:**
    - (1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and**
    - (2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.**
- 2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism".**
- 3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to**

**provide revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.**

- 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 segments thereof, or to disrupt any segment of the economy; or**
    - b. It appears that the intent is to intimidate or coerce a government or the civilian population, 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 any loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". All coverage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or



damage. 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;
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

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, regardless of whether this endorsement was in effect during the entirety of that time period or not.

All other policy terms and conditions apply.

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

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above. However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

This exclusion does not apply to liability assumed by the insured under an "insured contract".

### f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if

- you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.
- g. Aircraft, Auto Or Watercraft**  
"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".  
This exclusion applies even if the claims against any insured allege negligence or other

wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (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.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side-track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY****1. Insuring Agreement**

**a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

**b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

**2. Exclusions**

This insurance does not apply to:

**a. Knowing Violation Of Rights Of Another**  
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another

and would inflict "personal and advertising injury".

**b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

**c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

**d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

**e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

**g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

**h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;

- (2) Designing or determining content of web sites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (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.

- p. Recording And Distribution Of Material Or Information In Violation Of Law**  
 "Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
  - (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
  - (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
  - (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations; provided that:
    - (a) The accident takes place in the "coverage territory" and during the policy period;
    - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
    - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**  
 To any insured, except "volunteer workers".

- b. **Hired Person**  
 To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**  
 To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers' Compensation And Similar Laws**  
 To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. **Athletics Activities**  
 To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.
- f. **Products-Completed Operations Hazard**  
 Included within the "products-completed operations hazard".
- g. **Coverage A Exclusions**  
 Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.



2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the

payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
  - (d) Arising out of his or her providing or failing to provide professional health care services.
- (2) "Property damage" to property:
- (a) Owned, occupied or used by;
  - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

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

## 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## 3. Legal Action Against Us

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

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

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

## 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

### a. Primary Insurance

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

### b. Excess Insurance

- (1) This insurance is excess over:
  - (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
    - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
    - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
    - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
    - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
  - (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.
- (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
  - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

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

**c. Method Of Sharing**

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

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

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

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

**7. Separation Of Insureds**

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

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

**8. Transfer Of Rights Of Recovery Against Others To Us**

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

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a.

above, but is away for a short time on your business; or

- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
  7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
  8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
    - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
    - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
  9. "Insured contract" means:
    - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
    - b. A sidetrack agreement;
    - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
    - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
    - e. An elevator maintenance agreement;
    - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  11. "Loading or unloading" means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or
    - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
 but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
  12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
    - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
    - b. Vehicles maintained for use solely on or next to premises you own or rent;
    - c. Vehicles that travel on crawler treads;
    - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
      - (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. Does not include "bodily injury" or "property damage" arising out of:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.
17. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21. "Your product":**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and
  - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

- a. Means:
  - (1) Work or operations performed by you or on your behalf; and
  - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
  - (2) The providing of or failure to provide warnings or instructions.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

- p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A.** The following exclusion is added to Paragraph 2.

**Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Communicable Disease**

"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

**B.** The following exclusion is added to Paragraph 2.

**Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Communicable Disease**

"Personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent that spread of the disease; or
- d. Failure to report the disease to authorities.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**
- 2. Exclusions**  
This insurance does not apply to:  
**Fungi Or Bacteria**
- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
  - b.** Any loss, cost or expenses arising 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, "fungi" or bacteria, by any insured or by any other person or entity.  
This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
- B.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**
- 2. Exclusions**  
This insurance does not apply to:  
**Fungi Or Bacteria**
- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
  - b.** Any loss, cost or expense arising 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, "fungi" or bacteria, by any insured or by any other person or entity.
- C.** The following definition is added to the **Definitions** Section:  
"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IOWA CHANGES – NOTIFICATION REQUIREMENT FOR OWNERS AND POSSESSORS OF DANGEROUS WILD ANIMALS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to the Common Policy

Conditions:

If you or any insured own or possess a dangerous wild animal as defined by Iowa law, you must notify the Iowa Department of Agriculture and Land Stewardship in the event this policy is cancelled or reduced.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - UNMANNED AIRCRAFT**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### **2. Exclusions**

This insurance does not apply to:

##### **g. Aircraft, Auto Or Watercraft**

###### **(1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

###### **(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use

or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
  - (i)** Less than 26 feet long; and
  - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (e)** "Bodily injury" or "property damage" arising out of:
  - (i)** The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (ii)** The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

**B. The following exclusion is added to Paragraph 2.**

#### **Exclusions of Coverage B – Personal And Advertising Injury Liability:**

##### **2. Exclusions**

This insurance does not apply to:

**Unmanned Aircraft**

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- a. The use of another's advertising idea in your "advertisement"; or
  - b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- C. The following definition is added to the **Definitions** section:
- "Unmanned aircraft" means an aircraft that is not:
1. Designed;
  2. Manufactured; or
  3. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

#### A. Applicability Of This Endorsement

1. The provisions of this endorsement will apply if and when one of the following situations occurs:

a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or

b. The Program is renewed, extended or otherwise continued in effect:

(1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and

(2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.

2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism".

3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to provide the revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.

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 segments thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government or the civilian population, 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. 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;

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

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, regardless of whether this endorsement was in effect during the entirety of that time period or not.

**D. Exception To Exclusion Of "Terrorism" For Certain Fire Losses**

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage caused 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.

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM  
AND  
IMPORTANT INFORMATION REGARDING TERRORISM RISK  
INSURANCE COVERAGE**

It is agreed:

1. With respect to any one or more certified acts of terrorism, we will not pay any amounts for which we are not responsible because of the application of any provision which results in a cap on our liability for payments for terrorism losses in accordance with the terms of the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
2. Certified act of terrorism means any act certified by the Secretary of the Treasury, in consultation with:
  - a. the Secretary of Homeland Security; and
  - b. the Attorney General of the United Statesto be an act of terrorism as defined and in accordance with the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
3. Under the federal Terrorism Risk Act of 2002 (including ensuing Congressional actions pursuant to the Act) a terrorist act may be certified:
  - a. if the aggregate covered commercial property and casualty insurance losses resulting from the terrorist act exceed \$5 million; and
  - b. (1) if the act of terrorism is:
    - a) a violent act; or
    - b) an act that is dangerous to human life, property or infrastructure; and(2) if the act is committed:
    - a) by an individual or individuals as part of an effort to coerce the civilian population of the United States; or
    - b) to influence the policy or affect the conduct of the United States government by coercion.

All other policy terms and conditions apply.

## IMPORTANT INFORMATION REGARDING TERRORISM RISK INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 was signed into law on November 26, 2002. The Act (including ensuing Congressional actions pursuant to the Act) defines an act of terrorism, to mean any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be (i) an act of terrorism; (ii) to be a violent act or an act that is dangerous to human life, property or infrastructure; (iii) to have resulted in damage within the United States or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and (iv) to have been 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.

Subject to the policy terms and conditions, this policy provides insurance coverage for acts of terrorism as defined in the Act.

Any coverage for certain commercial lines of property and casualty insurance provided by your policy for losses caused by certified acts of terrorism are partially paid by the federal government under a formula established by federal law. Under this formula, the government will reimburse us for 85% of such covered losses that exceed the statutory deductible paid by us. However, beginning January 1, 2016 the share will decrease 1% per calendar year until it equals 80%. **You should also know that in the event aggregate insured losses exceed \$100 billion during any year the Act is in effect, then the federal government and participating United States insurers that have met their insurer deductible shall not be liable for the payment of any portion of that amount of the loss that exceeds \$100 billion. In the event that aggregate insured losses exceed \$100 billion annually, no additional claims will be paid by the federal government or insurers.** This formula is currently effective through December 31, 2020 unless extended.

The premium charge, if any, for this coverage is shown separately on the attached Declarations page. In the event of a certified act of terrorism, future policies also may include a government assessed terrorism loss risk-spreading premium in accordance with the provisions of the Act.

Please contact us if you would like to reject coverage for certified acts of terrorism.

IL 00 03 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

IL 00 03 07 02

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IL 00 22 05 87

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EFFECTIVE TIME CHANGES - REPLACEMENT OF 12 NOON**

This endorsement modifies the COMMON POLICY DECLARATIONS.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

IL 00 22 05 87

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## 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. 30 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. EXAMINATIONS OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### 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.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located

within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2.** As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";
- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IOWA CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 BUSINESSOWNERS POLICY  
 COMMERCIAL AUTO COVERAGE PART  
 COMMERCIAL CRIME COVERAGE PART \*  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

\* This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A), forgery or alteration (Coverage Form B), or public employee dishonesty (Coverage Forms O and P).

**A.** The CANCELLATION Common Policy Condition is replaced by the following:

### **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. **a.** We may cancel this policy, by mailing or delivering to the first Named Insured and any loss payee written notice of cancellation at least:
  - (1) 30 days before the effective date of cancellation if we cancel due to loss of reinsurance coverage;
  - (2) 10 days before the effective date of cancellation if we cancel for any other reason.
- b.** If this policy is a new policy and has been in effect for less than 60 days, we may cancel for:

(1) loss of reinsurance, subject to d. below;  
or

(2) any other reason.

**c.** If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Misrepresentation or fraud made by or with your knowledge in obtaining the policy, when renewing the policy, or in presenting a claim under the policy;

(3) Acts or omissions by you that substantially change or increase the risk insured;

(4) Determination by the commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;

- (5) You have acted in a manner which you knew or should have known was in violation or breach of a policy term or conditions; or
- (6) Loss of reinsurance, subject to d. below.
- d. We may cancel due to loss of reinsurance which provides coverage to us for a significant portion of the underlying risk insured, but only if the commissioner determines that such cancellation is justified.
- 3. We will mail or deliver our notice to the first Named Insured's and any loss payee's last mailing address known to us.
- 4. Notice of cancellation will state:
  - (1) The reason for cancellation; and
  - (2) 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. If the first Named Insured can-

cels, 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, a post office department certificate of mailing is proof of receipt of notice. However, if cancellation is for nonpayment of premium, a certificate of mailing is not required.
- B. The following is added and supersedes any other provision to the contrary:

#### **NONRENEWAL**

- 1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and any loss payee at least 45 days before the expiration date of this policy, except if:
  - a. We have offered to issue a renewal policy; or
  - b. You have failed to pay a premium due or any advance premium required by us for renewal.
- 2. If notice is mailed, a post office department certificate of mailing is proof of receipt of notice.