PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
610.617.7900 • Fax 610.617.7940 • PHLY.com

08/11/2026

Hampton Commons Homeowner's
Association Inc.
PO Box 25026
Winston Salem, NC 27114-5026

Re: PHPK2747098-000

Dear Valued Customer:

Thank you very much for choosing Philadelphia Insurance Companies (PHLY) for your insurance needs. Our A++ (Superior) AM Best financial strength rating is one reason why over 700,000 policyholders have put their trust in us. We invite you to experience The PHLY *Difference,* which includes:

- Exceptional Customer Service
- Complimentary & Tailored Risk Management
- Best in Class Claims Experience
- Industry Leading Coverage
- Team PHLY Working for You!

We realize you have a choice in insurance companies, and we truly appreciate your business.
Welcome to TeamPHLY, and please visit us at PHLY.com to learn more about The PHLY *Difference*!

Sincerely,

John W. Glomb, Jr.
President & CEO
Philadelphia Insurance Companies

JWG/sm

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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NOTICE OF AN OCCURRENCE, OFFENSE OR CLAIM

SECTION I – TYPE OF NOTICE

What type of notice is this? (Check and complete all that apply.)

☐ **Occurrence**	**Date:**	**Time:**
☐ **Offense**	**Date:**	**Time:**
☐ **Claim**	**Date:**	

Was the occurrence or offense previously reported to us? ☐ **Yes** ☐ **No**

If Yes, provide the claim or reference number if available:

Was it previously reported to another insurer? ☐ **Yes** ☐ **No**

If Yes, provide the name of that insurer and the claim or reference number if available:

SECTION II – AGENT OR BROKER INFORMATION

Name of Agent or Broker:

Address:

Daytime Phone No.: **Evening Phone No.:**

E-Mail Address: **Fax No.:**

Agency Code: **Agency Subcode:**

SECTION III – NAMED INSURED AND PERSON TO CONTACT INFORMATION

Named Insured:

Address:

Daytime Phone No.: **Evening Phone No.:**

E-Mail Address: **Fax No.:**

Agency Customer ID: **Site or Location Code:**

Name of Contact (if different from Named Insured):

Address:

Daytime Phone No.: **Evening Phone No.:**

E-Mail Address: **Fax No.:**

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SECTION IV – POLICY INFORMATION

Insurance Company:

Policy No.:

Policy Effective Date: **Policy Expiration Date:**

Type of Policy:

- ☐ **General Liability (GL)**
- ☐ **Businessowners**
- ☐ **Farm**
- ☐ **Farm Umbrella**
- ☐ **Commercial Liability Umbrella (CLU)**
- ☐ **Other** (Describe):

Is this a claims-made policy? ☐ **Yes** ☐ **No**

If Yes, provide the Retroactive Date (enter none, if no date is applicable):

SECTION V – OCCURRENCE OR OFFENSE INFORMATION

Location of occurrence or offense (include City and State):

Description of occurrence or offense:

Authorities contacted (if applicable):

List all involved insureds:

SECTION VI – PREMISES INFORMATION

(If Occurrence or Claim is related to premises)

The Named Insured is the:

- ☐ **Owner**
- ☐ **Tenant**
- ☐ **Contractor**
- ☐ **Other** (Describe):

Description of the premises or jobsite:

If the Named Insured is not the owner, provide the owner's Name and Address:

Name:

Address:

Daytime Phone No.: **Evening Phone No.:**

Is the occurrence or claim related to completed operations? ☐ **Yes** ☐ **No**

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SECTION VII – PRODUCT INFORMATION
(If Occurrence or Claim is related to a product)

The Named Insured is a:

☐ **Manufacturer** ☐ **Retailer** ☐ **Distributor**
☐ **Other** (Describe):

Description of Product (include Type and Model Number if available):

Is the product part of a batch? ☐ **Yes** ☐ **No**
Is the product a component part of another product? ☐ **Yes** ☐ **No**
If Yes, please describe:

If the insured is not the manufacturer, provide the manufacturer's Name and Address:
Name:
Address:

Daytime Phone No.: **Evening Phone No.:**
Location of product that caused the injury or damage:

SECTION VIII – PROPERTY DAMAGE CLAIM INFORMATION
(If applicable)

Name of Owner of Damaged Property:
Address:

Daytime Phone No.: **Evening Phone No.:**
Description of damaged property (include Type or Model Number if available):

Location of damaged property:

Estimate amount: $ **Time property can be examined:**
Describe the incident that led to the property damage:

Attach additional sheet(s) for multiple claims.

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SECTION IX – INJURY CLAIM INFORMATION (If applicable)		
Name of Injured Person: **Address:**		
Daytime Phone No.:		**Evening Phone No.:**
Age:	**Sex:**	**Occupation:**
Name of Employer: **Address of Employer:**		
Description of Injury: If bodily injury was involved, was the injured person seen by medical personnel at the scene of the incident? If not, when? If bodily injury was involved, where was the injured person taken after the incident? **Describe the incident that led to the injury, including the injured person's activities when the incident took place:**		
Attach additional sheet(s) for multiple claims.		

SECTION X – WITNESSES (If applicable)	
Name: **Address:**	
Daytime Phone No.:	**Evening Phone No.:**
Name: **Address:**	
Daytime Phone No.:	**Evening Phone No.:**
Attach additional sheet(s) if necessary.	

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SECTION XI – INFORMATION ON OTHER INSURANCE
(Whose policy may also apply to the claim)

Insurance Company:

Named Insured:

Policy No.:

Policy Effective Date: **Policy Expiration Date:**

Type of Policy:

☐ **General Liability (GL)** ☐ **Businessowners** ☐ **Farm**

☐ **Farm Umbrella** ☐ **Commercial Liability Umbrella (CLU)**

☐ **Other** (Describe):

Is this a claims-made policy? ☐ **Yes** ☐ **No**

If Yes, provide the Retroactive Date (enter none, if no date is applicable):

Are you an additional insured on this policy? ☐ **Yes** ☐ **No**

Limits of Insurance: (Fill in any that apply.)

$	**Each Occurrence** (Or Liability And Medical Expense Limit)
$	**Damage To Premises Rented To You** (Any one premises)
$	**Medical Expense** (Any one person)
$	**Personal And Advertising Injury**
$	**General Aggregate**
$	**Products/Completed Operations Aggregate**
$	**Other**

Attach additional sheet(s) if more than two policies apply to the claim.

SECTION XII – ADDITIONAL COMMENTS

SECTION XIII – NAMES AND SIGNATURE

Name of Person Reporting the Occurrence, Offense or Claim:

Name of Company or Agency Person Occurrence, Offense or Claim Is Reported To:

Signature of Insured/Agent or Broker:

Date:

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FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO ALABAMA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines or confinement in prison, or any combination thereof.

FRAUD STATEMENT TO ARIZONA APPLICANTS

For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

FRAUD STATEMENT TO ARKANSAS APPLICANTS

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FRAUD STATEMENT TO COLORADO APPLICANTS

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS

WARNING: It is a crime to provide false, or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FRAUD STATEMENT TO FLORIDA APPLICANTS

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

FRAUD STATEMENT TO HAWAII APPLICANTS

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

FRAUD STATEMENT TO IDAHO APPLICANTS

Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO KANSAS APPLICANTS

Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

FRAUD STATEMENT TO KENTUCKY APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

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FRAUD STATEMENT TO LOUISIANA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MAINE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

FRAUD STATEMENT TO MARYLAND APPLICANTS

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MINNESOTA APPLICANTS

Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

FRAUD STATEMENT TO NEW HAMPSHIRE APPLICANTS

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

FRAUD STATEMENT TO NEW JERSEY APPLICANTS

Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

FRAUD STATEMENT TO NEW MEXICO APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

A. The misinformation is material to the content of the policy;

B. We relied upon the misinformation; and

C. The information was either:

1. Material to the risk assumed by us; or

2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

FRAUD STATEMENT TO TENNESSEE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO VIRGINIA APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO WASHINGTON APPLICANTS

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PROPERTY – NOTICE OF LOSS

SECTION I – REPORT OF LOSS

Was the loss previously reported to us? ☐ **Yes** ☐ **No**

If Yes, provide the claim or reference number if available:

Was it previously reported to another insurer? ☐ **Yes** ☐ **No**

If Yes, provide the name of that insurer and the claim or reference number if available:

SECTION II – AGENT OR BROKER INFORMATION

Name of Agent or Broker:

Address:

Daytime Phone No.: **Evening Phone No.:**

E-Mail Address: **Fax No.:**

Agency Code: **Agency Subcode:**

SECTION III – NAMED INSURED AND PERSON TO CONTACT INFORMATION

Named Insured:

Address:

Daytime Phone No.: **Evening Phone No.:**

E-Mail Address: **Fax No.:**

Agency Customer ID: **Site or Location Code:**

Name of Contact (if different from Named Insured):

Address:

Daytime Phone No.: **Evening Phone No.:**

E-Mail Address: **Fax No.:**

SECTION IV – POLICY INFORMATION

Insurance Company:

Policy No.:

Policy Effective Date: **Policy Expiration Date:**

Type of Policy:

☐ **Property** ☐ **Businessowners** ☐ **Flood** ☐ **Wind**

☐ **Other** (Describe):

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SECTION V – LOSS INFORMATION

Date and Time of Loss:

Location of Loss (Include City and State):

Specify the Cause of Loss (Fire, Lightning, Hail, Theft, Wind, etc.):

Description of Loss:

Authorities Contacted (if applicable):

SECTION VI – WITNESSES

(if applicable)

Name:
Address:

Daytime Phone No.: **Evening Phone No.:**

Name:
Address:

Daytime Phone No.: **Evening Phone No.:**

Attach additional sheet(s) if necessary.

SECTION VII – INFORMATION ON OTHER INSURANCE

(whose policy may also apply to the loss)

Insurance Company:
Named Insured:
Policy No.:
Policy Effective Date: **Policy Expiration Date:**
Type of Policy:

☐ **Property** ☐ **Businessowners** ☐ **Flood** ☐ **Wind**
☐ **Other** (Describe):

Are you an additional insured on this policy? ☐ **Yes** ☐ **No**

Attach additional sheet(s) if more than two policies apply to the claim.

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SECTION VIII – ADDITIONAL COMMENTS

SECTION IX – NAMES AND SIGNATURE
Name of Person Reporting the Loss:
Name of Company or Agency Person the Loss Is Reported To:
Signature of Insured/Agent or Broker:
Date:

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A. The misinformation is material to the content of the policy;

B. We relied upon the misinformation; and

C. The information was either:

1. Material to the risk assumed by us; or

2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

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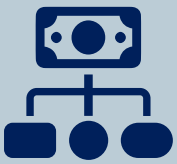
PHLY Customer Service

VISIT My**PHLY.COM** TO GET STARTED



MyPHLY ONLINE PORTAL

- Enhanced Self Service Options and Mobile Browsing
- View Payment History, Invoices, and Policy Documents
- Report and Search Claims
- Direct Deposit Commission Payments
- Edit User Profile and Contact Information



DIRECT CUSTOMER BILLING BENEFITS

- Receive invoice direct from PHLY
- Go Paperless with e-billing
- Never forget a payment with PHLY Recurring Payments
- Flexible Payment Plans
- Automated Payment Application for faster processing



PAYMENT OPTIONS

- Online – PHLY.com/MyPHLY
- Phone – 877.438.7459, option 1
- Mail – P.O. Box 70251, Philadelphia, PA 19176-0251



ON DEMAND CUSTOMER SERVICE ACCESS

- Live Chat - PHLY.com
- Phone - 877.438.7459
- Email - service@phly.com
- Hours: Monday - Friday 8:30 a.m. - 8:00 p.m. ET

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

The PHLY *Difference*

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The PHLY *Difference*

PHLY Customer Service

Exceptional Customer Service

- Net Promoter Score among the industry's best
- Voice of the Customer empowers customer feedback
- Self Service at MyPHLY.com
- Direct Bill with payment plans
- Dedicated billing representative

TEAMPHLY

TEAM**PHLY** - working for you!

- Marketing/Underwriting/Account Management team advocating on your behalf
- Account Stewardship
- Giving back to local communities

PHLY RISK MANAGEMENT SERVICES

Complimentary & Tailored Risk Management

- PHLYTrac GPS Program
- SmarterNow Online Learning Management System
- Abuse Prevention Systems Program
- PHLYSense Temperature/Water Monitoring Program

Industry Leading coverages

- Full Suite of coverages - package, automobile, umbrella, D&O, Cyber, A&H, Environmental, Surety
- Industry specific coverage enhancements
- Admitted & Non-admitted

Best in class Claims Experience

- 96%+ Customer Satisfaction Rating
- Industry and Type-of-Loss Claims Specialists
- In-house Recovery and Subrogation
- Claim-specific reserving practices



Hear what our agents are saying about their experience with The PHLY Difference.

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Financial Strength Rating A M BEST A++ Superior

TOKIO MARINE GROUP *To Be a **Good Company***

Ed. 022321

PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

Risk Management Services

PHLYRMS RESOURCES

Welcome to Philadelphia Insurance Companies (PHLY)! As a PHLY customer, your organization now has access to tools and services that can assist in your risk management efforts. Our Risk Management Services (RMS) Consultants can provide in-person assistance, from leading employee safety meetings to providing valuable guidance regarding safety best practices.

PHLY also provides various risk management tools and resources at little or no additional cost to your organization.

To access these resources, please take a moment to register on our website. If you already have an account on PHLY.com, please log in to access Risk Management Services resources.

Risk Management Resources

We encourage you to explore the following risk management resources:

PHLYTRAC

PHLYTrac: PHLY's telematics tool providing an online dashboard that tracks location, speeding, hard breaking, and other fleet statistics - PROVIDED AT NO COST TO ELIGIBLE PHLY CUSTOMERS!

PHLYTRAC

PHLYSENSE

The **PHLY**Sense System is a property monitoring tool that uses a sensor to provide immediate alerts to hazardous property conditions, such as low temperature or the presence of moisture. Provided at no cost to our customers with property coverage.

PHLYSENSE

PHLYGATEWAY

The **PHLYGateway** is an online portal that provides a suite of management and professional risk resources including an online training platform, model policies, and a Best Practices Help Line.

PHLYGATEWAY

IntelliCorp

IntelliCorp: Provides a discounted background check package as well as discounted pricing for add-on services, such as Motor Vehicle Reports (MVRs).

IntelliCorp

SMARTER**NOW!**

RMS WEB-BASED TRAINING

SmarterNow: PHLY's no-cost Learning Management System that provides online training, assignment, and reporting capabilities. Trainings include defensive driver, discrimination in the workplace, security awareness, and many more.

SMARTER**NOW!**

Abuse Risk Management

Abuse Prevention Training: Access to an online training platform and tailored programming support to improve the safety of organizations that serve vulnerable populations, including children and vulnerable adults.

Protecting Vulnerable Populations

CONTACT

For questions about your organization's risk management needs and information on PHLY's Risk Management Services please contact **PHLY**RMS:
Phone: 1.833.PHLYRMS (Mon-Fri 8:30 a.m. - 5:00 p.m. ET)
E-mail: phlyrms@phly.com

PHLY RISK MANAGEMENT SERVICES

833.PHLYRMS | **PHLY.com/RMS**

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Coverage(s) described may not be available in all states and are subject to underwriting and certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2024 Philadelphia Consolidating Holding Corp., All Rights Reserved.

AM BEST A++ SUPERIOR Financial Strength Rating

TOKIO MARINE GROUP *To Be a Good Company*

Ed. 022124

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company

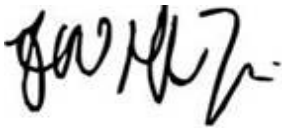
A Stock Company (Nonparticipating)

Commercial Lines Policy

THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
  - ONE OR MORE COVERAGE FORMS
  - APPLICABLE FORMS AND ENDORSEMENTS

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless signed by our authorized representative.



President and CEO



Secretary

PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

NOTICE
LATE FEE
NON-SUFFICIENT FUNDS FEE
REINSTATEMENT FEE

Late Fee
Please be advised that if your payment is late (payment is not received within five days of the payment due date indicated on the invoice), you will be charged a late fee of $25* (where permitted).

Non-Sufficient Funds Fee
Please be advised that if your payment is returned for non-sufficient funds, you will be charged a fee of $25** (where permitted).

Reinstatement Fee
Please be advised that if your policy is cancelled due to non-payment of the premium and we agree to reinstate your policy, you will be charged a reinstatement fee of $50*** (where permitted).

These fees are in addition to any premium owed on the policy and each fee can apply more than once during the policy term.

*$10 in Florida, Maryland, South Carolina

**$15 in Florida and $20 in New York

***$25 in Delaware, Georgia, New Hampshire and New Mexico; and $15 in Kansas and Nebraska

ALL COMMERCIAL LINES

PRIVACY NOTICE FOR COMMERCIAL LINES

This notice is provided on behalf of Philadelphia Indemnity Insurance Company

PURPOSE OF THIS NOTICE

When you apply for or become an insured under, the insurance policies we issue, we gather certain non-public information or "**NPI**" about your business and its employees. We are committed to safeguarding the NPI you entrust to us. The purpose of this notice is, therefore, to let you know how we collect, use, share and protect the NPI you provide to us in those contexts.

That means this notice applies only to your business interactions with us involving your application for a quote or as a policy holder. NPI we may collect from you in connection with other interactions, such as when you or your employees visit one of our general interest, publicly accessible websites, is governed by the separate notices and policies we publish on those relevant sites or otherwise provide to you.

When we refer in this notice to your "NPI", we mean non-public information as that term is generally defined and applied under the New York Department of Financial Services' Cybersecurity Regulation, the Gramm-Leach-Bliley Act and the National Association of Insurance Commissioners' Data Security Model Law which includes non-public information about your business, such as financial information, account numbers, loss history, personal non-public information of your employees including social security number, address or medical information and any proprietary information we obtain about your business or your customers.

Due to a variety of factors, including certain explicit exemptions they contain, this notice and the NPI we collect from you in connection with the above-described business interactions ***is not*** governed by the EU General Data Protection Regulation, its related EU and Swiss Privacy Shield or the California Consumer Privacy Act.

COLLECTING YOUR NPI

In the course of, or as part of a business interaction, we collect your NPI both directly from you, or from the agents, brokers or other intermediaries acting on your or our behalf, as well as from a variety of additional sources including:

- the applications or other forms you provide to us (these forms may contain your name, address, social security number, marital status, date of birth, gender, length of employment, prior insurance information, home ownership, residency history, vehicle type, vehicle use, or driving history)
- your transactions with us, our other affiliates of the Tokio Marine Group as well as third parties (this information would include, for example, premium payment and claims history)
- consumer or independent reporting agencies (for example your motor vehicle report, property inspection report, accident report or claim report)

USING YOUR NPI

We use your NPI in a variety of ways such as creating and issuing a quote, underwriting or otherwise processing and servicing your insurance policy, handling claims you may have and offering you additional products and services that we think may be of interest to you as well as for related research and analytics purposes.

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SHARING YOUR NPI

We do not disclose or share any NPI about our customers or former customers outside of the Tokio Marine Group, except as permitted by law. We do not sell or disclose or share your NPI for third party marketing purposes. We do, however, share your NPI with third parties that we use to service your account or process your insurance policy or your claim, or administer related transactions. These third parties may include:

- your agent, broker or producer
- independent claims adjusters, investigators, data processors or attorneys
- persons or organizations that conduct scientific research, including actuarial or underwriting studies
- an insurance support organization or another insurer, to prevent or prosecute fraud or to properly underwrite the risk
- another insurer, if you are involved in an accident with their insured
- State insurance departments or other governmental or law enforcement authorities, if required by law, to protect our legal interests or in cases of suspected fraud or illegal activities
- a court of law

We also are required to disclose your NPI if we receive a subpoena, search warrant or other court order.

RETAINING YOUR NPI

The NPI we collect is kept in your policy and/or claim files for as long as needed in connection with your business interactions with you and, if longer, as required by law.

HOW WE PROTECT YOUR NPI

We have adopted and implemented a security and privacy program that includes technical, organizational, administrative, and other measures designed to protect, as required by applicable law and in accordance with industry standards, against reasonably anticipated or actual threats to the security of your NPI. Our security program was created by reference to widely recognized standards such as those published by the International Standards Organization and National Institute of Standards and Technology. It includes, among many other things, procedures for assessing the need for, and as appropriate, either employing encryption and multi-factor authentication or using equivalent compensating controls. As part of our security program, we have specific incident response and management procedures that are activated whenever we become aware that your NPI was likely to have been compromised.

CHANGES TO THIS NOTICE

We may amend this notice from time to time and will inform you of these changes as required by law.

QUESTIONS AND CONTACT INFORMATION

If you have any questions about this notice or how we collect, use, share and protect your NPI, please contact the Chief Privacy Officer of TMNA Services, LLC, who acts as the privacy and data security administrator for most of the Tokio Marine Group in North America. The Chief Privacy Officer's contact information is:

Attn: Privacy Office
TMNA Services, LLC
3 Bala Plaza East, Suite 400
Bala Cynwyd, Pennsylvania 19004
610-227-1300

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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company
A Stock Company (Nonparticipating)

COMMON POLICY DECLARATIONS

Policy Number: PHPK2747098-000

Named Insured and Mailing Address:
Hampton Commons Homeowner's Association Inc.
PO Box 25026
Winston Salem, NC 27114-5026

Producer: 5727
James A. Scott & Son, Inc.
1301 Old Graves Mill Rd
Lynchburg, VA 24502

(434)832-2100

Policy Period From: 08/01/2026 **To:** 08/01/2027 at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: Condominium Association

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

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

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	4,400.00
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Businessowners	
Workers Compensation	
UltimateCover Property Coverage Part	168,119.00
Total	**$ 172,519.00**
Total Includes Federal Terrorism Risk Insurance Act Coverage	**2,929.00**

CPD-PIIC-CW (02/21)

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FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

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



Secretary



John W. Glomb, Jr.
President & CEO

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Philadelphia Indemnity Insurance Company
Form Schedule – Policy

Policy Number: PHPK2747098-000

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
BJP-190-1	0221	Commercial Lines Policy Jacket
PI-FEES-NOTICE 1	1119	Notice Late/Non-Sufficient Funds/Reinstatement Fee
PP2020	0220	Privacy Notice For Commercial Lines
CPD-PIIC-CW	0221	Common Policy Declarations
PI-LOC-SCH	0820	Location Schedule
PI-ACL-001	1124	Absolute Cyber Liability And Electronic Exclusion
PI-BELL-1	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement
IL0269	0908	North Carolina Changes - Cancellation and Nonrenewal
PI-SAM-018	0519	Absolute Abuse or Molestation Exclusion

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2747098-000

Prems. No.	Bldg. No.	Address
0001	0001	355 Butler Ave Winston Salem, NC 27103-5765
0001	0002	3037 Kensington Place Winston Salem, NC 27103-5765
0001	0003	3069 Kensington Place Winston Salem, NC 27103-6466
0001	0004	3099 Kensington Place Winston Salem, NC 27103-6466
0001	0005	3046 Kensington Place Winston Salem, NC 27103-6466
0001	0006	3149 Kensington Place Winston Salem, NC 27103-6473
0001	0007	3165 Kensington Place Winston Salem, NC 27103-6473
0001	0008	3116 Kensington Place Winston Salem, NC 27103-6472
0001	0009	3140 Kensington Place Winston Salem, NC 27103-6472
0001	0010	3164 Kensington Place Winston Salem, NC 27103-6472
0001	0011	3180 Kensington Place Winston Salem, NC 27103-6472
0001	0012	3231 Kensington Place Winston Salem, NC 27103-6458
0001	0013	3251 Kensington Place Winston Salem, NC 27103-6458
0001	0014	3216 Kensington Place Winston Salem, NC 27103-6457
0001	0015	3236 Kensington Place Winston Salem, NC 27103-6457
0001	0016	3240 Kensington Place Winston Salem, NC 27103-6457

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2747098-000

Prems. No.	Bldg. No.	Address
0001	0017	3345 Kensington Place Winston Salem, NC 27103-6456
0001	0018	3385 Kensington Place Winston Salem, NC 27103-6456
0001	0019	285 Luzelle Drive Winston Salem, NC 27103-6474
0001	0020	455 Luzelle Drive Winston Salem, NC 27103-6465
0001	0021	495 Luzelle Drive Winston Salem, NC 27103-6465
0001	0022	230 Luzelle Drive Winston Salem, NC 27103-6464
0001	0023	270 Luzelle Drive Winston Salem, NC 27103-6464
0001	0024	390 Luzelle Drive Winston Salem, NC 27103-6470
0001	0025	3160 Manchester Avenue Winston Salem, NC 27103-5605
0001	0026	3245 Manchester Avenue Winston Salem, NC 27103-5771
0001	0027	3255 Manchester Avenue Winston Salem, NC 27103-5771
0001	0028	3240 Manchester Avenue Winston Salem, NC 27103-5770
0001	0029	3290 Manchester Avenue Winston Salem, NC 27103-5770
0001	0030	3327 Myers Court Winston Salem, NC 27103-6454
0001	0031	3351 Myers Court Winston Salem, NC 27103-6454
0001	0032	3377 Myers Court Winston Salem, NC 27103-6454

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2747098-000

Prems. No.	Bldg. No.	Address
0001	0033	3399 Myers Court Winston Salem, NC 27103-6454
0001	0034	585 Oxford Street Winston Salem, NC 27103-5666
0001	0035	584 Oxford Street Winston Salem, NC 27103-5664
0001	0036	245 Pawley Avenue Winston Salem, NC 27103-9101
0001	0037	422 Peyton Court Winston Salem, NC 27103-5668
0001	0038	446 Peyton Court Winston Salem, NC 27103-5668
0001	0039	450 Peyton Court Winston Salem, NC 27103-5668
0001	0040	640 Piermont Court Winston Salem, NC 27103-5667
0001	0041	690 Piermont Court Winston Salem, NC 27103-5667
0001	0042	55 Scott Hollow Drive Winston Salem, NC 27103-6459
0001	0043	61 Scott Hollow Drive Winston Salem, NC 27103-6459
0001	0044	54 Scott Hollow Drive Winston Salem, NC 27103-6459
0001	0045	84 Scott Hollow Drive Winston Salem, NC 27103-6459
0001	0046	3323 Victoria Park Lane Winston Salem, NC 27103-6453
0001	0047	3347 Victoria Park Lane Winston Salem, NC 27103-6453
0001	0048	3363 Victoria Park Lane Winston Salem, NC 27103-6453

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK2747098-000

Prems. No.	Bldg. No.	Address
0001	0049	3379 Victoria Park Lane Winston Salem, NC 27103-6453
0001	0050	3371 Victoria Park Lane Winston Salem, NC 27103-6453
0001	0051	2537 Halle Ann Circle Winston Salem, NC 27103-6099
0001	0052	2561 Halle Ann Circle Winston Salem, NC 27103-6099
0001	0053	2536 Halle Ann Circle Winston Salem, NC 27103-6098
0001	0054	2556 Halle Ann Circle Winston Salem, NC 27103-6098
0001	0055	2576 Halle Ann Circle Winston Salem, NC 27103-6098
0001	0056	2596 Halle Ann Circle Winston Salem, NC 27103-6098
0001	0057	2676 Halle Ann Circle Winston Salem, NC 27103-6147
0001	0058	2663 Halle Ann Circle Winston Salem, NC 27103-6147
0001	0059	2679 Halle Ann Circle Winston Salem, NC 27103-6147
0001	0060	2695 Halle Ann Circle Winston Salem, NC 27103-6147
0001	0061	490 Saratoga Court Winston Salem, NC 27103-6155
0001	0062	491 Saratoga Court Winston Salem, NC 27103-6156
0001	0063	3370 Victoria Park - Pool Winston Salem, NC 27103

Philadelphia Indemnity Insurance Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy Number: PHPK2747098-000

Agent # 5727

☒ See Supplemental Schedule

LIMITS OF INSURANCE

$	2,000,000	General Aggregate Limit (Other Than Products – Completed Operations)
$	2,000,000	Products/Completed Operations Aggregate Limit
$	1,000,000	Personal and Advertising Injury Limit (Any One Person or Organization)
$	1,000,000	Each Occurrence Limit
$	100,000	Rented To You Limit (Any One Premises)
$	5,000	Medical Expense Limit (Any One Person)

FORM OF BUSINESS: ASSOCIATION

Business Description: Condominium Association

Location of All Premises You Own, Rent or Occupy: **SEE SCHEDULE ATTACHED**

AUDIT PERIOD, ANNUAL, UNLESS OTHERWISE STATED: This Policy is Not Subject to Premium Audit

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops	Prem./ Ops.	Prod./ Comp. Ops.
SEE SCHEDULE ATTACHED						
TOTAL PREMIUM FOR THIS COVERAGE PART:					$ 4,400.00	$

RETROACTIVE DATE (CG 00 02 ONLY)

This insurance does not apply to "Bodily Injury", "Property Damage", or "Personal and Advertising Injury" which occurs before the retroactive date, if any, shown below.

Retroactive Date: NONE

FORM (S) AND ENDORSEMENT (S) APPLICABLE TO THIS COVERAGE PART: **Refer To Forms Schedule**

Countersignature Date

Authorized Representative

Philadelphia Indemnity Insurance Company

Form Schedule – General Liability

Policy Number: PHPK2747098-000

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
Gen Liab Dec	1004	Commercial General Liability Coverage Part Declaration
Gen Liab Schedule	0100	General Liability Schedule
CG0001	0413	Commercial General Liability Coverage Form
CG0127	1185	Condominiums
CG2004	1185	Addl Ins - Condominium Unit Owners
CG2101	1185	Exclusion - Athletic or Sports Participants
CG2106	0514	Excl-Access/Disclosure-With Ltd Bodily Injury Except
CG2132	0509	Communicable Disease Exclusion
CG2147	1207	Employment-Related Practices Exclusion
CG2167	1204	Fungi Or Bacteria Exclusion
CG2173	0115	Exclusion Of Certified Acts Of Terrorism
CG2402	1204	Binding Arbitration
PI-CO-6	1106	General Liability Deluxe Endt: Condominium Association
PI-GL-001	0894	Exclusion - Lead Liability
PI-GL-002	0894	Exclusion - Asbestos Liability
PI-GL-031	0318	Subsidence Exclusion
PI-GL-041	0425	Exclusion - Progressive Or Continuous Injury
PI-GL-042	0422	Total Exclusion - PFC/PFAS
PI-SAM-006	0117	Abuse Or Molestation Exclusion

Philadelphia Indemnity Insurance Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART
SUPPLEMENTAL SCHEDULE

Policy Number: PHPK2747098-000

Agent # 5727

Classifications	Code No.	Premium Basis	Rates Prem./ Ops.	Rates Prod./ Comp. Ops.	Advance Premiums Prem./ Ops.	Advance Premiums Prod./ Comp. Ops.
NC PREM NO. 001						
CONDO-RESIDENTIAL	62003	315 UNIT	11.859	INCL	3,736	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
NC PREM NO. 001						
SWIMMING POOL-NOC	48925	1 POOL	264.178	INCL	264	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
NC						
LIABILITY DELUXE	44444				400	

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP 01 40 07 06

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

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PHILADELPHIA
INSURANCE COMPANIES

IMPORTANT NOTICE

WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM:

Flood
Mudslides
Mudflows
Earthquake
Landslides

YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR PRODUCER TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THEIR LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSS NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED.

Note: You may have a limited amount of flood coverage as part of a property extension endorsement which may be attached to your policy. You should review your policy for details of coverage.

NOTICE

NORTH CAROLINA "COINSURANCE CONTRACT"

In accordance with North Carolina Gen. Statute 58-3-15, if any of the following forms are attached to your policy, please note that they contain a **coinsurance clause**.

Building and Personal Property Coverage Form CP 00 10

Condominium Association Coverage Form CP 00 17

Condominium Association Unit-Owners Coverage Form CP 00 18

Builders' Risk Coverage Form CP 00 20

Business Income (And Extra Expense) Coverage Form CP 00 30

Business Income (Without Extra Expense) Coverage Form CP 00 32

Builders' Risk Reporting Form Endorsement CP 11 05

Value Reporting Form Endorsement CP 13 10

Additional Locations – Special Coinsurance Provisions Endorsement CP 13 20

Business Income Premium Adjustment Endorsement CP 15 20

Property Coverage Form PI-ULT-007

Business Income and Extra Expense Coverage Form PI-ULT-010

Business Income Coverage Form PI-ULT-011

Reporting Endorsement PI-ULT-027

PROPERTY COVERAGE PART DECLARATIONS

Policy Number PHPK2747098-000

Effective Date: 08/01/2026
12:01 a.m., Standard Time

☒ Extension of Declarations is attached

Business Description

Condominium Association

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0001	355 Butler Ave Winston Salem, NC 27103-5765 CONDOMINIUMS	FRAME
0001	0002	3037 Kensington Place Winston Salem, NC 27103-5765 CONDOMINIUMS	FRAME
0001	0003	3069 Kensington Place Winston Salem, NC 27103-6466 CONDOMINIUMS	FRAME
0001	0004	3099 Kensington Place Winston Salem, NC 27103-6466 CONDOMINIUMS	FRAME
0001	0005	3046 Kensington Place Winston Salem, NC 27103-6466 CONDOMINIUMS	FRAME
0001	0006	3149 Kensington Place Winston Salem, NC 27103-6473 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverage for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0001			BKT #1
0001	0002			BKT #1
0001	0003			BKT #1
0001	0004			BKT #1
0001	0005			BKT #1
0001	0006			BKT #1

Personal Property at Location not Specifically Identified: $100,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

Personal Property in Transit: $50,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

Applications of Limits

☐ Specific
☐ Exceptions:

☒ Blanket – See Form PI-ULTD-006
☒ Inflation Guard – See Form PI-ULT-278

Deductibles

Building $ Business Personal Property $ Transit $ 10,000

SEE MULTIPLE DEDUCTIBLE FORM(S)

Coinsurance

☒ 80% ☐ 90% ☐ 100% ☐ Agreed Value – See Form PI-ULT-015

Mortgage Holders

Prem. No. Bldg. No. Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

Forms and Endorsement

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

See Schedule of Forms and Endorsements, PI-ULTD-004, attached.

Premium

Premium for this Coverage Part $ 168,119.00

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0007	3165 Kensington Place Winston Salem, NC 27103-6473 CONDOMINIUMS	FRAME
0001	0008	3116 Kensington Place Winston Salem, NC 27103-6472 CONDOMINIUMS	FRAME
0001	0009	3140 Kensington Place Winston Salem, NC 27103-6472 CONDOMINIUMS	FRAME
0001	0010	3164 Kensington Place Winston Salem, NC 27103-6472 CONDOMINIUMS	FRAME
0001	0011	3180 Kensington Place Winston Salem, NC 27103-6472 CONDOMINIUMS	FRAME
0001	0012	3231 Kensington Place Winston Salem, NC 27103-6458 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0007			BKT #1
0001	0008			BKT #1
0001	0009			BKT #1
0001	0010			BKT #1
0001	0011			BKT #1
0001	0012			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0013	3251 Kensington Place Winston Salem, NC 27103-6458 CONDOMINIUMS	FRAME
0001	0014	3216 Kensington Place Winston Salem, NC 27103-6457 CONDOMINIUMS	FRAME
0001	0015	3236 Kensington Place Winston Salem, NC 27103-6457 CONDOMINIUMS	FRAME
0001	0016	3240 Kensington Place Winston Salem, NC 27103-6457 CONDOMINIUMS	FRAME
0001	0017	3345 Kensington Place Winston Salem, NC 27103-6456 CONDOMINIUMS	FRAME
0001	0018	3385 Kensington Place Winston Salem, NC 27103-6456 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0013			BKT #1
0001	0014			BKT #1
0001	0015			BKT #1
0001	0016			BKT #1
0001	0017			BKT #1
0001	0018			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0019	285 Luzelle Drive Winston Salem, NC 27103-6474 CONDOMINIUMS	FRAME
0001	0020	455 Luzelle Drive Winston Salem, NC 27103-6465 CONDOMINIUMS	FRAME
0001	0021	495 Luzelle Drive Winston Salem, NC 27103-6465 CONDOMINIUMS	FRAME
0001	0022	230 Luzelle Drive Winston Salem, NC 27103-6464 CONDOMINIUMS	FRAME
0001	0023	270 Luzelle Drive Winston Salem, NC 27103-6464 CONDOMINIUMS	FRAME
0001	0024	390 Luzelle Drive Winston Salem, NC 27103-6470 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0019			BKT #1
0001	0020			BKT #1
0001	0021			BKT #1
0001	0022			BKT #1
0001	0023			BKT #1
0001	0024			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0025	3160 Manchester Avenue Winston Salem, NC 27103-5605 CONDOMINIUMS	FRAME
0001	0026	3245 Manchester Avenue Winston Salem, NC 27103-5771 CONDOMINIUMS	FRAME
0001	0027	3255 Manchester Avenue Winston Salem, NC 27103-5771 CONDOMINIUMS	FRAME
0001	0028	3240 Manchester Avenue Winston Salem, NC 27103-5770 CONDOMINIUMS	FRAME
0001	0029	3290 Manchester Avenue Winston Salem, NC 27103-5770 CONDOMINIUMS	FRAME
0001	0030	3327 Myers Court Winston Salem, NC 27103-6454 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0025			BKT #1
0001	0026			BKT #1
0001	0027			BKT #1
0001	0028			BKT #1
0001	0029			BKT #1
0001	0030			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0031	3351 Myers Court Winston Salem, NC 27103-6454 CONDOMINIUMS	FRAME
0001	0032	3377 Myers Court Winston Salem, NC 27103-6454 CONDOMINIUMS	FRAME
0001	0033	3399 Myers Court Winston Salem, NC 27103-6454 CONDOMINIUMS	FRAME
0001	0034	585 Oxford Street Winston Salem, NC 27103-5666 CONDOMINIUMS	FRAME
0001	0035	584 Oxford Street Winston Salem, NC 27103-5664 CONDOMINIUMS	FRAME
0001	0036	245 Pawley Avenue Winston Salem, NC 27103-9101 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0031			BKT #1
0001	0032			BKT #1
0001	0033			BKT #1
0001	0034			BKT #1
0001	0035			BKT #1
0001	0036			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0037	422 Peyton Court Winston Salem, NC 27103-5668 CONDOMINIUMS	FRAME
0001	0038	446 Peyton Court Winston Salem, NC 27103-5668 CONDOMINIUMS	FRAME
0001	0039	450 Peyton Court Winston Salem, NC 27103-5668 CONDOMINIUMS	FRAME
0001	0040	640 Piermont Court Winston Salem, NC 27103-5667 CONDOMINIUMS	FRAME
0001	0041	690 Piermont Court Winston Salem, NC 27103-5667 CONDOMINIUMS	FRAME
0001	0042	55 Scott Hollow Drive Winston Salem, NC 27103-6459 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0037			BKT #1
0001	0038			BKT #1
0001	0039			BKT #1
0001	0040			BKT #1
0001	0041			BKT #1
0001	0042			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0043	61 Scott Hollow Drive Winston Salem, NC 27103-6459 CONDOMINIUMS	FRAME
0001	0044	54 Scott Hollow Drive Winston Salem, NC 27103-6459 CONDOMINIUMS	FRAME
0001	0045	84 Scott Hollow Drive Winston Salem, NC 27103-6459 CONDOMINIUMS	FRAME
0001	0046	3323 Victoria Park Lane Winston Salem, NC 27103-6453 CONDOMINIUMS	FRAME
0001	0047	3347 Victoria Park Lane Winston Salem, NC 27103-6453 CONDOMINIUMS	FRAME
0001	0048	3363 Victoria Park Lane Winston Salem, NC 27103-6453 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0043			BKT #1
0001	0044			BKT #1
0001	0045			BKT #1
0001	0046			BKT #1
0001	0047			BKT #1
0001	0048			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0049	3379 Victoria Park Lane Winston Salem, NC 27103-6453 CONDOMINIUMS	FRAME
0001	0050	3371 Victoria Park Lane Winston Salem, NC 27103-6453 CONDOMINIUMS	FRAME
0001	0051	2537 Halle Ann Circle Winston Salem, NC 27103-6099 CONDOMINIUMS	FRAME
0001	0052	2561 Halle Ann Circle Winston Salem, NC 27103-6099 CONDOMINIUMS	FRAME
0001	0053	2536 Halle Ann Circle Winston Salem, NC 27103-6098 CONDOMINIUMS	FRAME
0001	0054	2556 Halle Ann Circle Winston Salem, NC 27103-6098 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0049			BKT #1
0001	0050			BKT #1
0001	0051			BKT #1
0001	0052			BKT #1
0001	0053			BKT #1
0001	0054			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0055	2576 Halle Ann Circle Winston Salem, NC 27103-6098 CONDOMINIUMS	FRAME
0001	0056	2596 Halle Ann Circle Winston Salem, NC 27103-6098 CONDOMINIUMS	FRAME
0001	0057	2676 Halle Ann Circle Winston Salem, NC 27103-6147 CONDOMINIUMS	FRAME
0001	0058	2663 Halle Ann Circle Winston Salem, NC 27103-6147 CONDOMINIUMS	FRAME
0001	0059	2679 Halle Ann Circle Winston Salem, NC 27103-6147 CONDOMINIUMS	FRAME
0001	0060	2695 Halle Ann Circle Winston Salem, NC 27103-6147 CONDOMINIUMS	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0055			BKT #1
0001	0056			BKT #1
0001	0057			BKT #1
0001	0058			BKT #1
0001	0059			BKT #1
0001	0060			BKT #1

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS

Policy Number PHPK2747098-000

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0061	490 Saratoga Court Winston Salem, NC 27103-6155 CONDOMINIUMS	FRAME
0001	0062	491 Saratoga Court Winston Salem, NC 27103-6156 CONDOMINIUMS	FRAME
0001	0063	3370 Victoria Park - Pool Winston Salem, NC 27103 SWIMMING POOL	FRAME

Limits of Insurance

Insurance applies only for coverages for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0061			BKT #1
0001	0062			BKT #1
0001	0063	$ 10,000		$ 450,620

Mortgage Holders

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

SEE SCHEDULE ATTACHED

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

ADDITIONAL COVERAGE SUMMARY DECLARATIONS

Policy Number PHPK2747098-000

As per the Property Coverage Part Declarations this Coverage Part provides the following Additional Coverages and Coverage Extensions, subject to the Limits of Insurance shown below.

	Limits of Insurance
Brands and Labels	Included in Policy Limits
Claim Expenses	$ 10,000
Contract Penalty Clause	$ 25,000
Computer Property	Included in Personal Property Limits
Excavation and Landscaping	$ 25,000
Fine Arts	$ 25,000
Fines for False Alarms	$ 5,000
Fire Department Service Charge	$ 50,000
Fire, Sprinkler or Burglar Alarm Upgrade	$ 50,000
Fish in Aquariums	$ 1,000
Glass	Included in Policy Limits, except when PI-ULT-030 applies
Guard Dogs	$ 1,000
Lost Key Replacement	$ 2,500
Newly Acquired Property	$1,000,000 Blanket Limit Real and Personal Property
New Construction	$ 500,000
Ordinance or Law – Undamaged Portion	Included in Building Limit
Ordinance or Law – Demolition	$ 250,000
Ordinance or Law – Increased Cost of Construction	$ 250,000
Personal Effects – Portable Electronic Equipment – Away from Premises	$ 1,000
Personal Effects - Premises	$ 25,000
Personal Effects – Spouses	$ 500
Personal Effects – Worldwide	$ 1,000
Pollutant Cleanup and Removal	$ 25,000
Precious Metals	$ 2,500
Signs	Included in Personal Property Limits
Theft Damage to Building	Included in Personal Property Limits
Utility Service	$ 10,000
Voluntary Parting	$ 10,000

For the Additional Coverages and Coverage Extensions shown below, if a Superceding Limit of Insurance is shown, that Superceding Limit is the applicable Limit of Insurance.

	Limits of Insurance	**Superseding Limits**
Accounts Receivable	$ 250,000	$ _____
Arson Reward	$ 25,000	$ _____
Computer Virus Extraction Expense	$ 2,500	$ _____
Consequential Damage	$ 25,000	$ _____
Debris Removal	$ 250,000	$ _____
Personal Property in Transit	$ 50,000	$ _____
Personal Property at Locations not Specifically Identified	$ 100,000	$ _____
Valuable Papers and Records – Cost of Research	$ 250,000	$ _____

UltimateCover Program
Blanket Limits

Policy Number: PHPK2747098-000 Agent # 5727

ULTIMATECOVER PROPERTY – BLANKET STATEMENT OF VALUES

Blanket No.	Coverage	Limit of Insurance	Co-Insurance
1	BUILDING	$ 74,895,261	80%

These declarations are part of the policy declarations containing the name of the insured and the policy period.

Philadelphia Indemnity Insurance Company

Form Schedule – UltimateCover

Policy Number: PHPK2747098-000

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
CP P 003	0706	Excl of Loss Due to Virus or Bacteria Advisory Notice
PI-NC-Excl Notice	0107	Important Notice
PI-Notice-NC	1107	North Carolina Coinsurance Contract
PI-ULTD-002	0525	Property Coverage Part Declarations
PI-ULTD-003	1198	Property Coverage Part Extension Of Declarations
PI-ULTD-005	0513	Additional Coverage Summary Declarations
PI-ULTD-006	1198	UltimateCover Program Blanket Limits
CP0090	0788	Commercial Property Conditions
CP0118	0214	North Carolina Changes
CP0140	0706	Exclusion of Loss Due to Virus or Bacteria
PI-ULT-007	1198	Property Coverage Form
PI-ULT-008	1198	Causes of Loss Form
PI-ULT-009	1198	Crime Coverage Form
PI-ULT-010	1198	Business Income with Extra Expense Coverage Form
PI-ULT-018	0216	Windstorm Or Hail Percentage Deductible
PI-ULT-023	0701	Boiler and Machinery Endorsement
PI-ULT-030	0418	Condominium Association Coverage Endorsement
PI-ULT-035	1198	Condominium Additional Provisions
PI-ULT-072	0321	Limitations On Fungus,Wet Rot, Dry Rot And Bacteria
PI-ULT-83	0401	Loss of Income due to Workplace Violence
PI-ULT-087	0516	Exclusion Of Certified Acts Of Terrorism
PI-ULT-088	0419	Changes - Electronic Data
PI-ULT-089	0605	Multiple Deductible Form
PI-ULT-093	1106	Elite Property Enhancement: Condominium Association
PI-ULT-142	0814	Collapse - Exclusion And Additional Coverage Re-Stated
PI-ULT-148	1016	Boiler And Machinery - Separate Deductible Endorsement
PI-ULT-164	0116	Water Damage Per Unit Deductible Endorsement
PI-ULT-238	0119	Continuous Or Repeated Water Damage Exclusion
PI-ULT-257	0322	Flood Redefined
PI-ULT-260	0724	Mismatch Exclusion
PI-ULT-261	0724	Existing Damage Exclusion

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE CYBER LIABILITY AND ELECTRONIC EXCLUSION

The following exclusion applies to all coverages afforded under this policy:

This insurance does not apply to any loss, cost, expense, fine, penalty, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to:

(1) Any access to, collection or disclosure of, or failure to erase any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, biometrics, or any other type of nonpublic information; or

(2) Business interruption or suspension of operations as caused by any access, unauthorized access, lack of access, delay in access, damage, manipulation, loss, or impairment to **Electronic Data** or **Electronic Media**; or

(3) **Cyber Extortion**; or

(4) A **Privacy Breach**; or

(5) A **Security Breach**; or

(6) Any fraudulent communication through **Electronic Media** that impersonates any person or organization, including but not limited to phishing or other social engineering techniques or otherwise; or

(7) Any computer code, software, or programming; or

(8) Any **Security Breach** that results in any electronic thing or device or **Electronic Media** malfunctioning, improperly functioning, non-functioning, failing to perform as the intended user desired, or being electronically manipulated to perform in a way that causes harm to the insured or others; or

(9) The loss, loss of use, misuse, delay, manipulation, corruption, damage, alteration, destruction, distortion, erasure, or theft of, or inability to access or manipulate **Electronic Data** or **Electronic Media** as a result of **Cyber Extortion**; or **Privacy Breach**; or **Security Breach**

(10) Any failure of utilities based upon, arising out of, or attributable to any mechanical or electrical failure, interruption, or outage, however caused, including but not limited to any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, cable, satellite, telecommunications, the internet, or any component thereof, including but not limited to hardware, software, or any other infrastructure as a result of **Cyber Extortion**; or **Privacy Breach**; or **Security Breach**.

(11) This exclusion applies even if damages are claimed for notification costs, errors or omissions, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, cost, or expense incurred by the insured or others arising out of that which is described in Paragraphs **(1)** through **(10)** above.

As used in this exclusion, the following definitions apply:

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Computer hardware means the physical components of any **computer system** including CPU's, memory storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, networking equipment, **electronic data** storage devices, input and output devices, backup facilities, wire, power supply units, keyboards, display monitors and audio speakers.

Computer system means an electronic, wireless, web or similar systems (including all **computer hardware**, computer programs and **electronic data**) used to process data or information in an analog, digital, electronic or wireless format, including but not limited to, associated input and output devices, data storage devices, networking equipment, wired or wireless peripherals, electronic backup facilities, and media libraries, that is owned or leased, operated and controlled by the insured or operated by an independent contractor authorized to provide Business Process Outsourcing services or outsourced Information Technology services for the insured.

Corporate Information Breach means the public disclosure of an organization's non-public information.

Cyber Extortion means any threat or connected series of threats communicated to the insured for the purpose of demanding money, securities, or property, including but not limited to threats to release, divulge, disseminate, corrupt, damage or destroy **Electronic Data** or **Electronic Media**; introduce malware or **malicious code** into the insured's computer system; electronically communicate with the insured's customers in order to fraudulently obtain personal information, money, securities or property; or restrict or hinder access to the insured's computer system, **Electronic Data** or **Electronic Media**, including but not limited to ransomware.

Denial of service means unauthorized or unexpected interference or malicious attack by any person(s) or entity(ies) that restricts or prevents access to a **computer system** by persons or entities authorized to gain access to the **computer system** or **electronic data**.

Electronic Data means information, facts, blockchain, crypto currencies, or computer programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMs, DVDs, external drives, USB sticks, tapes, drives, cells, microchip, data processing devices, or any other media 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.

Electronic Media means broadcast or storage media that take advantage of electronic technology. They include television, radio, Internet, fax, Bluetooth, GPS, audio beacons, electronic data, and any other medium that requires electricity or digital encoding of information.

Malicious code means unauthorized and corrupting or harmful computer code, including but not limited to computer viruses, spyware, Trojan horses, worms, logic bombs, and mutations of any of the preceding.

Privacy Breach means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to breach of a privacy policy, breach of a person's right of publicity, misappropriation of likeness, false light, intrusion upon a person's seclusion, or public disclosure of a person's or animal's private information. Privacy Breach will also include a **Corporate Information Breach**.

Security breach means:

1. **Unauthorized access** of the insured's **computer system** or **unauthorized use** of **computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from the insured's **computer system**;

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2. A **denial of service** attack against your **computer systems**; or

3. Infection of the insured's **computer system** by **malicious code** or transmission of **malicious code** from the insured's **computer systems**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

Unauthorized access means the gaining of access to a **computer system** by an unauthorized person or persons.

Unauthorized use means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

This Endorsement is an absolute exclusion for cyber liability, **Electronic Data**, **Electronic Media** and **Security Breaches**. This Endorsement applies except if coverage is specifically and affirmatively provided in the following coverage forms or endorsements issued by us and only in respect to the coverage afforded in those coverage forms or endorsements. In no event will this Endorsement broaden any coverage afforded in any coverage form or endorsement:

- **Cyber Security Liability Coverage Form**
- **Cyber Security Liability Endorsement**
- **Building and Personal Property Coverage Form**
- **Fraudulent Inducement Insuring Agreement**
- **Fraudulent Inducement Insuring Agreement - Broad Form**
- **Fraudulent Impersonation**
- **Fraudulent Impersonation Ultimate Cover**
- **Business Income and Extra Expense Coverage Form**
- **Computer Coverage Form**
- **Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability-With Limited Bodily Injury Exception**
- **Changes-Electronic Data**
- **Staffing Service Professional Liability Coverage Form**
- **Staffing Service Professional Liability Coverage Form – Claims Made Coverage Form**
- **Integrated Technology E&O and Cyber Risk Coverage Form**

All other terms and conditions remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BELL ENDORSEMENT

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Business Travel Accident Benefit	$50,000
Conference Cancellation	$25,000
Donation Assurance	$50,000
Emergency Real Estate Consulting Fee	$50,000
Fundraising Event Blackout	$25,000
Identity Theft Expense	$50,000
Image Restoration and Counseling	$50,000
Key Individual Replacement Expenses	$50,000
Kidnap Expense	$50,000
Political Unrest	$5,000 per employee: $25,000 policy limit
Temporary Meeting Space Reimbursement	$25,000
Terrorism Travel Reimbursement	$50,000
Travel Delay Reimbursement	$1,500
Workplace Violence Counseling	$50,000

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II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.

2. Limits of liability or limits of insurance identified in Section **I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. Business Travel Accident Benefit

We will pay a Business Travel Accident Benefit to the insured if a director or officer suffers injury or death while traveling on a common carrier for your business during the policy period.

For the purpose of Business Travel Accident Benefit coverage, injury means:

1. Physical damage to the body caused by violence, fracture, or an accident that results in loss of life not later than one hundred eighty (180) days after the policy expiration, the date of cancellation or the date of non-renewal;

2. Accidental loss of limbs or multiple fingers;

3. Total loss of sight, speech or hearing.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

The Business Travel Accident Benefit shall not be payable if the cause of the injury was:

1. An intentional act by the insured;

2. An act of suicide or attempted suicide;

3. An act of war; or

4. A disease process.

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B. Conference Cancellation

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and

2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;

2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";

3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":

a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and

b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;

4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and

5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this

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coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Fundraising Event Blackout

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Identity Theft Expense

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;

2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and

3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

H. Key Individual Replacement Expenses

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of $50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

I. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

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1. Fees and costs of independent negotiators;

2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;

3. Travel costs and accommodations incurred by the named insured;

4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and

5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:

a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;

b. Discovery of their death;

c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or

d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is $50,000 each policy period for all insureds combined. No deductible applies to this coverage.

J. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest." This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel. The limit of insurance for this coverage is $5,000 per covered person, subject to a maximum of $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a "certified act of terrorism" during the policy period which necessitates that he/she incurs "emergency travel expenses." The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

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M. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is $1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

N. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a "workplace violence" incident at any of the insured's premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the "workplace violence";

2. The spouse, "domestic partner," parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and

3. Any other person or persons who directly witnessed the "workplace violence" incident.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

A. "Certified act of terrorism" means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.

B. "Communicable disease" means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire's Disease.

C. "Domestic partner" means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.

D. "Emergency evacuation expenses" mean:

1. Additional lodging expenses;

2. Additional transportation costs;

3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and

4. Translation services, message transmittals and other communication expenses.

provided that these expenses are not otherwise reimbursable.

E. "Emergency travel expenses" mean:

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1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and

2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";

provided that these expenses are not otherwise reimbursable.

F. "Failed donation claim" means written notice to the insured during the policy period of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or

2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.

G. "Fundraising expenses" mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.

H. "Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or "domestic partner" thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

I. "Identity theft expenses" mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;

2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and

3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

J. "Improper acts" means any actual or alleged act of:

1. Sexual abuse;

2. Sexual intimacy;

3. Sexual molestation; or

4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.

K. "Injury" whenever used in this endorsement, other than in Section **III. A. Business Travel**,

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means any physical damage to the body caused by violence, fracture or an accident.

L. "Key individual replacement expenses" mean the following necessary expenses:

1. Costs of advertising the employment position opening;

2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and

3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:

1. Meals and lodging;

2. Alternative transportation;

3. Clothing and necessary toiletries; and

4. Emergency prescription and non-prescription drug expenses.

O. "Political unrest" means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;

2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or

3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

P. "Principal location" means the headquarters, home office or main location where most business is substantially conducted.

Q. "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.

R. "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) 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. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	$25,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, 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 Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section **II. CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.

B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

IV. DEFINITIONS

A. "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.

B. "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.

C. "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.

D. "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.

E. "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

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. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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.

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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
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS 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" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

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"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.

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NORTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Requirements

a. Policies In Effect Less Than 60 Days

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. Policies In Effect More Than 60 Days

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

(1) Expiration of the policy term; or

(2) Anniversary date,

stated in the policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;

(c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;

(d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;

(e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;

(f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;

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(g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;

(h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;

(i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or

(j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

(i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(ii) 30 days before the effective date of cancellation if we cancel for any other reason.

c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.

d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

B. The following provisions are added and supersede any other provisions to the contrary:

1. Nonrenewal

a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:

(1) Expiration of the policy if this policy has been written for one year or less; or

(2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

b. We need not mail or deliver the notice of nonrenewal if you have:

(1) Insured property covered under this policy, under any other insurance policy;

(2) Accepted replacement coverage; or

(3) Requested or agreed to nonrenewal of this policy.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. The written notice of cancellation or nonrenewal will:

a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and

b. State the reason or reasons for cancellation or nonrenewal.

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ABSOLUTE ABUSE OR MOLESTATION EXCLUSION PROFESSIONAL LIABILITY

The following exclusion applies to all professional liability coverages afforded in any coverage form or endorsement issued by us. When the applicable professional liability coverage:

A. Contains an abuse or molestation exclusion, it is deleted in its entirety and replaced with the following; or

B. Does not contain an abuse or molestation exclusion, the following is added:

This insurance does not apply to any loss, cost, expense, fine, penalty, act, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to any injury sustained by any person caused by the alleged, actual or threatened abuse or molestation by anyone.

We shall not have any duty to defend any "suit" against any insured on account of any such injury.

This exclusion applies to all injury sustained by any person, including emotional distress, arising out of molestation or abuse whether alleged, actual or threatened including but not limited to molestation or abuse arising out of your negligence or other wrongdoing with respect to:

1. **a.** Hiring, placement, employment, training;

b. Investigation;

c. Supervision;

d. Reporting any molestation or abuse to the proper authorities, or failure to so report; or

e. Retention

of a person for whom any insured is or ever was legally responsible or for whom any insured may have assumed the liability; and whose conduct would be excluded above; or

2. **a.** Failure to provide professional services to; or

b. Neglect of the therapeutic needs of,

any person because of the conduct which would be excluded above.

This endorsement is an absolute exclusion for abuse or molestation.

All other terms and conditions remain unchanged.

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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".

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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".

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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 sidetrack 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".

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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.

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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.**

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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;

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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, road-beds, 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.

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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.

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CONDOMINIUMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. WHO IS AN INSURED (Section II) is amended to include the following as an insured:

a. The developer in the developer's capacity as a unit owner, but only with respect to the developer's liability arising out of:

1) The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or

2) The developer's membership in the association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

b. Each other unit owner of the described condominium, but only with respect to that person's liability arising out of the ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit owner or out of that person's membership in the association.

2. Add the following to paragraph 2. of CANCELLATION (Common Policy Conditions):

We may cancel this Coverage Part by mailing or delivering to:

a. The first Named insured, and

b. Each unit owner to whom certificates of insurance have been issued

written notice of cancellation at least 30 days before the effective date of cancellation.

3. The following is added to Condition 8. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (Section IV):

We waive any rights which the TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition may give us against:

a. Any unit owner, including the developer, and household members;

b. The association; and

c. Members of the board of directors for acts or omissions within the scope of their duties for you.

We reserve our right, however, to recover against the developer for acts or omissions that the developer may be liable for in the capacity as a developer.

4. The following Condition is added to Commercial General Liability Conditions (Section IV):

Acts or Omissions by Unit Owners. No act or omission by any unit owner unless acting within the scope of the unit owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy.

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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.

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EXCLUSION – ATHLETIC OR SPORTS PARTICIPANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Description of Operations:
ALL SPORTING AND ATHLETIC EVENTS HELD OR SPONSORED BY THE NAMED INSURED.

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

With respect to any operations shown in the Schedule, this insurance does not apply to "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition that you sponsor.

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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.

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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 the spread of the disease; or

d. Failure to report the disease to authorities.

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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.

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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.

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EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

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

a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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BINDING ARBITRATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and

2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

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GENERAL LIABILITY DELUXE ENDORSEMENT: CONDOMINIUM ASSOCIATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure are provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement. The following is a summary of the Limits of Insurance and additional coverage provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance	Page #
Damage To Premises Rented To You, All Covered Causes of Loss	$1,000,000	2
Expected or Intended Injury-Property Damage	included	2
Non-Owned Watercraft	Less than 58 feet	2
Supplementary Payments – Bail Bonds	$2,500	2
Supplementary Payment – Loss of Earnings	$500 per day	2
Employee Indemnification Defense Coverage for Employee	$10,000	3
Additional Insured – Committee, Organization and Subsidiary	Included	3
Additional Insured – Managers or Lessors of Premises	Included	3
Additional Insured – Condominium Unit Owners	Included	3
Additional Insured – Lessor of Leased Equipment-Automatic Status when Required in Lease Agreement with You	Included	3
Additional Insured – Use of Watercraft	Included	4
Duties in the Event of Occurrence, Claim or Suit	Included	4
Unintentional Failure to Disclose Hazards	Included	4
Liberalization	Included	4
Bodily Injury – includes Mental Anguish	Included	4
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included	4

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A. Damage To Premises Rented To You

If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to all Covered Causes of Loss where it appears in:

1. The last paragraph of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** after the **Exclusions;**

2. Paragraph 6 of **SECTION III - LIMITS OF INSURANCE**;

3. Paragraph **b.(1)(b)** of **4**. **Other Insurance** in **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS;** and

4. Paragraph 9.a. "Insured contract" in **SECTION V - DEFINITIONS.**

The Damage To Premises Rented To You Limit section of the Declarations is amended to the greater of:

a. $1,000,000; or
b. The amount shown in the Declarations as the Damage to Premises Rented to You Limit.

This is the most we will pay for all damage proximately caused by the same event, whether such damage results from a Covered Cause of Loss or any combination thereof.

B. Extended Property Damage

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions a. is deleted and replaced by the following:

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" or "property damage" resulting from the use of reasonable force to protect persons or property.

C. Non-Owned Watercraft

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions paragraph **g.** (2) is amended to read as follows:

(2) A watercraft you do not own that is:
  (a) Less than 58 feet long; and
  (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess or contingent.

D. Supplementary Payments – Coverages A and B

In the **SUPPLEMENTARY PAYMENTS - COVERAGE A AND B** provision:

1. The limit for the cost of bail bonds is changed from $250 to $2,500; and
2. The limit for loss of earnings is changed from $250 a day to $500 a day.

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E. Employee Indemnification Defense Coverage

Under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** the following is added:

3. We will pay, on your behalf, defense costs incurred by an "employee" in a criminal proceeding. The most we will pay for any "employee" who is alleged to be directly involved in a criminal proceeding is $10,000 regardless of the numbers of employees, claims or "suits" brought or persons or organizations making claims or bringing "suits".

F. SECTION II - WHO IS AN INSURED is amended as follows:

1. If coverage for newly acquired or formed organizations is not otherwise excluded from this Coverage Part, paragraph 3.a is changed to read:

   a. Coverage under this provision is afforded until the end of the policy period.

2. **2. c** and **d** are deleted in their entirety and replaced with the following:

   c. Any person or organization having proper temporary custody of your property if you cease to exist as a legal entity, 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 cease to exist as a legal entity, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Each of the following is also an insured:

   a. Committee, Organization and Subsidiary - Any committee, organization and subsidiary thereof which you control and actively manage on the effective date of this Coverage Part. However, coverage does not apply to any committee, organization and subsidiary not named in the Declarations as a Named Insured, if they are also insured under another policy, but for its termination or the exhaustion of its limits of insurance.

   b. Managers or Lessors of Premises - Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased to you subject to the following additional exclusions:

      This insurance does not apply to:
      1) Any "occurrence" which takes place after you cease to be a tenant in that premises.
      2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.

   c. Condominium Unit Owners – 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.

   d. Lessor of Leased Equipment – Automatic Status When Required in Lease Agreement With You – any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "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.

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A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

e. **Use of Watercraft –** any person, who with your consent, either uses or is responsible for the use of a watercraft that you do not own that is less than 58 feet long and is not being used to carry persons or property for a charge.

G. Duties in the Event of Occurrence, Claim or Suit

1. The requirement in condition **2.**a. of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense, applies only when the "occurrence" or offense is known to:
   a. You, if you are an individual;
   b. A partner, if you are a partnership; or
   c. An executive officer, director, or insurance manager, if you are a corporation.

2. The requirement in condition **2.**b. that you must see to it that we receive notice of a claim or "suit" as soon as practicable will not be considered breached unless the breach occurs after such claim or "suit" is known to:
   a. You, if you are an individual;
   b. A partner, if you are a partnership; or
   c. An executive officer, director, or insurance manager, if you are a corporation.

H. Unintentional Failure To Disclose Hazards

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

I. Liberalization

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

J. Bodily Injury - Mental Anguish

The definition of "Bodily injury" is changed to read:

3. "Bodily injury":
   a. Means bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
   b. Except for mental anguish, includes death resulting from the foregoing (item a. above) at any time.

K. Personal and Advertising Injury – Abuse of Process, Discrimination

If **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE** is not otherwise excluded from this Coverage Part, the definition of "Personal and Advertising Injury" is amended as follows:

1. Item 14 b. is revised to read:
   a. Malicious prosecution or abuse of process:

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2. Adding the following:
   a. “Personal and advertising injury” also means discrimination based on race, color, religion, sex, age or national origin, except when:
      1. Done intentionally by or at the direction of, or with the knowledge or consent of:
         a. Any insured; or
         b. Any executive officer, director, stockholder, partner or member of the insured; or
      2. Directly or indirectly related to the employment, former or prospective employment, termination of employment, or application for employment of any person or persons by an insured; or
      3. Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or
      4. Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

The above does not apply to fines or penalties imposed because of discrimination.

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EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section 1 - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section 1 - Coverages):

This insurance does not apply to:

1. "Bodily injury," "property damage," or "personal and advertising injury" arising out of or caused by the actual or alleged:

   a. Exposure to or existence of lead, paint containing lead, or any other material or substance containing lead;

   b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead;

   Whether or not the lead is or was at any time airborne as a particulate, contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

2. Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury," "property damage" or "personal and advertising injury" caused by lead, paint containing lead, or any other substance or material containing lead.

3. Any loss, cost, expense or damages, whether direct or consequential, arising out of any:

   (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or

   (b) Claim or suit related to, testing for, monitoring, cleaning up, removing, abating, containing, treating or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section 1 - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section 1 - Coverages):

This insurance does not apply to:

"Bodily injury," "property damage," "personal injury" or "advertising injury" arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;

2. The use of asbestos in constructing or manufacturing any good, product or structure;

3. The removal of asbestos from any good, product or structure; or

4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss or "suit," injury or damage or any cost, fine or penalty or for any expense or claim or "suit" related to any of the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBSIDENCE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions of the form **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** is amended to include the following additional exclusion:

This insurance does not apply to any liability, damage, loss, cost or expense, whether direct or indirect, arising out of, caused by, resulting from, contributed to or aggravated by the subsidence of land, including any: settling, expansion, sinking, slipping, falling away, tilting, caving in, shifting, eroding, mud flow, rising, or any other movement of land or earth if any of the foregoing emanate from the operations of the insured or any other person for whose acts the insured is legally liable.

This endorsement supersedes anything to the contrary.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PROGRESSIVE OR CONTINUOUS INJURY

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, **1. Insuring Agreement** is amended to include the following provisions which supersede anything to the contrary:

However, this insurance does not apply to any actual or alleged "bodily injury" or "property damage" for which any insured may be held liable:

1. Which first occurred or began prior to the inception date of this policy;

2. Which is, or is alleged to be, the result of continuous or repeated exposure to substantially the same general harmful conditions, if any part of the actual or alleged "bodily injury" or "property damage":

a. Begins prior to the policy inception date; and

b. Continues to occur or progressively deteriorates during this policy period or after the expiration of this policy,

Even though:

(1) The nature and extent of such "bodily injury" or "property damage" may change;

(2) The "bodily injury" or "property damage" may be continuous, progressive, cumulative, repetitive, changing or evolving over time; and

(3) Such "bodily injury" or "property damage" was known or unknown to any person, organization or entity; or

3. Which was caused, or alleged to have been caused by any defect, deficiency, inadequacy or condition which first existed prior to the inception date of this policy.

We shall have no duty to defend any insured against any loss, claim, "suit", or other proceedings arising out of or related to "bodily injury" or "property damage" to which this endorsement applies.

B. SECTION I – COVERAGES, **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, **1. Insuring Agreement** is amended to include the following provisions which supersede anything to the contrary:

However, this insurance does not apply to any actual or alleged "personal and advertising injury" for which any insured may be held liable:

1. Which first occurred or began prior to the inception date of this policy;

2. Which is, or is alleged to be, the result of continuous or repeated exposure to substantially the same general harmful conditions, if any part of the actual or alleged "personal and advertising injury":

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a. Begins prior to the policy inception date; and

b. Continues to occur or progressively deteriorates during this policy period or after the expiration of this policy,

Even though:

(1) The nature and extent of such "personal and advertising injury" may change;

(2) The "personal and advertising injury" may be continuous, progressive, cumulative, repetitive, changing or evolving over time; and

(3) Such "personal and advertising injury" was known or unknown to any person, organization or entity; or

3. Which was caused, or alleged to have been caused by any defect, deficiency, inadequacy or condition which first existed prior to the inception date of this policy.

We shall have no duty to defend any insured against any loss, claim, "suit", or other proceedings arising out of or related to "personal and advertising injury" to which this endorsement applies.

C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended to include the following:

Property Deficiencies, Inadequacies or Defects

This endorsement applies independently to each alleged deficiency, inadequacy or defect, regarding any alleged deficiencies, inadequacies or defects in real property.

D. The definition of "occurrence" in the **DEFINITIONS** section, paragraph **13.** is amended to include the following:

Progressive or continuous "bodily injury", "property damage" or "personal and advertising injury" over any period of time will be considered to be one "occurrence" and will be considered to occur only when such "bodily injury", "property damage" or "personal and advertising injury" first commenced.

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TOTAL EXCLUSION – PERFLUORINATED COMPOUNDS (PFC) / PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and to **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions**:

This insurance does not apply to:

Perfluorinated Compounds (PFC) or Per- and Polyfluoroalkyl Substances (PFAS)

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, in any way related to, or which would not have occurred in whole or in part, but for the actual, alleged, threatened or suspected:

a. Inhalation of, ingestion of, contact with, exposure to, existence of, absorption of, or presence of , any and all "PFC/PFAS";

b. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale, or disposal of "PFC/PFAS";

c. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release or escape of "PFC/PFAS";

d. Providing or failing to provide warnings or instructions with respect to "PFC/PFAS"; or

e. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "PFC/PFAS";

regardless of whether any other cause, event, material substances, compounds, goods, products or "your products", contributed concurrently or in any sequence to such injury or damage.

2. Any loss, cost, or expense arising out of or related to any:

a. Request, demand, order or statutory, regulatory or legal requirement of any kind that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess or remediate the effects of "PFC/PFAS"; 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 "PFC/PFAS".

3. Any other injury or damage, liability, loss, cost or expense arising out of or in any way related to "PFC/PFAS" including, but not limited to, any fines, penalties, punitive or exemplary damages.

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:

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a. The "occurrence" which caused the "bodily injury" or "property damage";

b. The offense which caused the "personal and advertising injury"; or

c. Any injury or damage, liability, loss, cost or expense whatsoever;

involved that which is described in paragraphs **A.1.** through **A.3.** above.

B. The following definition is added to the **DEFINITIONS** section:

1. "PFC/PFAS" means perfluorinated compounds (PFC) or per- and polyfluoroalkyl substances (PFAS), including but not limited to:

a. Perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), perfluorononanoic acid (PFNA), perfluorobutyric acid (PFBA), perfluorobutane sulfonic acid (PFBS), perfluoropentanoic acid (PFPeA), perfluorohexane sulfonic acid (PFHxS), GenX, C8 (perfluorinated carboxylic acid), ADONA, perfluorohexanoic acid (PFHxA),perfluoroheptanoic acid (PFHpA), perfluorooctane sulfonamide (PFSOA), perfluorodecanoic acid, (PFDA), perfluorodecane sulfonate (PFDS), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoA), perfluorotridecanoic acid (PFTrDA), perfluorotetradecanoic acid (PFTeDA), or 6:2 fluorotelomer sulfonate (6:2 FTS) or any associated salts, acides, alcohols, precursor chemicals, or related higher homologue chemicals;

b. Any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers, and side-chain-fluorinated polymers;

c. Any and all biosolid, replacement PFAS substance, material or product; or

d. Any substance, material or compound that is identified or acknowledged by any federal, state, international or other governmental agency or authority, including but not limited to the United States Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), the Agency for Toxic Substances and Disease Registry (ATSDR), the National Institutes for Health (NIH), and the International Agency for Research on Cancer (IARC):

1. As or to contain a per- and polyfluoroalkyl substance; or
2. To exhibit or demonstrate the same or similar harmful properties as a per- and polyfluoroalkyl substance

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for PFC-related or PFAS-related damages, expense, loss, demand, claim, liability or legal obligation.

All other terms and conditions of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions** of **SECTION I – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and Paragraph **2. Exclusions** of **SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

This insurance does not apply to any injury sustained by any person arising out of or resulting from the alleged, actual or threatened abuse or molestation by anyone.

We shall not have any duty to defend any "suit" against any insured seeking damages on account of any such injury.

This exclusion applies to all injury sustained by any person, including emotional distress, arising out of molestation or abuse whether alleged, actual or threatened including but not limited to molestation or abuse arising out of your negligence or other wrongdoing with respect to:

1. Hiring, placement, employment, training;

2. Investigation;

3. Supervision;

4. Reporting any molestation or abuse to the proper authorities, or failure to so report; or

5. Retention;

of a person for whom any insured is or ever was legally responsible or for whom any insured may have assumed the liability; and whose conduct would be excluded above.

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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.

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I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

a. Someone insured by this insurance;

b. A business firm:

(1) Owned or controlled by you; or

(2) That owns or controls you; or

c. Your tenant.

This will not restrict your insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA 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** Condition is replaced by the following:

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 three years after the date on which the direct physical loss or damage occurred.

C. Paragraph **d.** of the **Replacement Cost Optional Coverage** is replaced by the following:

Replacement Cost Optional Coverage

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:

(a) On the described premises; or

(b) At some other location in the State of North Carolina; and

(2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, if covered, 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 Condition of the applicable Coverage Form; and

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

The above Provision, **d.,** does not apply to the Standard Property Policy **CP 00 99.**

D. The **Appraisal Loss** Condition is replaced by the following:

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. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, they must request selection of an umpire 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 the appraised value of the property or amount of loss. If you make a written demand for an appraisal of the loss, each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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E. The following condition is added:

Time Period For Performance Of Contractual Obligations

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Or Damage Condition or similar provision in this Coverage Part or in an endorsement attached to this Coverage Part) shall be extended by a time period not exceeding the earlier of:

a. The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or

b. The expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner.

2. Except as otherwise provided in Paragraph **1.,** the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for a performance of:

a. A premium or debt payment; or

b. Any other duty or any act (including transmittal of information),

under the terms of this Coverage Part and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

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

C. With respect to any loss or damage subject to the exclusion in Paragraph **B.,** such exclusion supersedes any exclusion relating to "pollutants".

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

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and

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

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

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PROPERTY COVERAGE FORM

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

Throughout this Coverage Form 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 G., Definitions.**

A. Coverage

We will pay for direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

a. Your Business Personal Property, and similar property of others in your care, custody or control:

(1) Located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises;

(2) In transit; and

(3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

(a) Furniture and fixtures;

(b) Machinery and equipment;

(c) "Stock";

(d) "Fine Arts"

If the total value of "**Fine Arts"** is over $25,000 they must be listed in a schedule on file with us;

(e) "Computer Property";

(f) All other personal property owned by you and used in your business;

(g) Labor, materials or services furnished or arranged by you on personal property of others;

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(h) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(i) Made a part of the **"buildings"** you occupy but do not own; and

(ii) You acquired or made at your expense but cannot legally remove;

(i) Building glass for which you have a contractual responsibility as tenant, including encasement frames, alarm tape, lettering and ornamentation;

(j) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and

(k) Signs.

b. "Buildings" described in the Declarations including:

(1) Building glass;

(2) Completed additions;

(3) Permanently installed;

(a) Fixtures;

(b) Machinery; and

(c) Equipment;

(4) Outdoor fixtures, including awnings;

(5) Fences;

(6) Personal property owned by you that is used to maintain or service the **"buildings"** or their premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings;

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(e) Alarm, communication and monitoring systems;

(7) If not covered by other insurance:

(a) Alterations within, or on the exterior of, the existing **"buildings";**

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making alterations to the existing **"buildings";**

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(8) Foundations of covered **"buildings",** machinery and boilers and foundations of equipment and machinery, whether above or below ground;

(9) Underground pipes, flues and drains.

(10) Retaining walls that are not part of **"buildings"**;

(11) Bridges, roadways, walks, patios, and other paved surfaces, including in-ground pools.

2. Property Not Covered

Covered Property does not include:

a. Aircraft, watercraft, or railroad rolling stock;

b. Animals, birds or fish;

c. Automobiles held for sale;

d. Pilings, piers, wharves or docks;

e. Contraband, or property in the course of illegal transportation or trade;

f. "Money" or **"securities";**

g. The cost of excavations, grading, filling or backfilling, all except as provided under the Coverage Extensions;

h. Land (including land on which the property is located), water, growing crops, standing timber or lawns;

i. 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;

j. Vehicles or self-propelled machines 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:

(1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse; or

(2) Vehicles or self-propelled machines, other than autos, you hold for sale;

k. The following property while outside of **" buildings":**

(1) Grain, hay, straw or other crops;

(2) Trees, shrubs or plants (other than **"stock"** of trees, shrubs or plants) except as provided in the Coverage Extensions;

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l. Property that is covered under any import or export ocean marine insurance policy;

m. After delivery to customers, property that you have sold under a conditional sale or trust agreement, installment payment or other deferred payment plan;

n. Property of others for which you are responsible as a:

(1) Carrier for hire; or

(2) Carloader, consolidator, transportation broker, freight forwarder, shipping association or arranger of transportation.

o. **"Fine Arts"**, if the total value of such property is greater than $25,000, unless such property is listed in a Schedule on file with us;

p. **"Data"** and **"media"** which cannot be reproduced or replaced with others of the same kind or quality;

q. Property which is intended for installation at a premises you do not own, lease or control, after it has left your premises: and

r. **(1)** **"Buildings"**; or

(2) Additions to existing **"buildings"**;

In the course of construction, except as provided in the Additional Coverages.

3. Covered Causes of Loss

See the Causes of Loss Form.

4. Additional Coverages

The most we will pay in any one occurrence for each of the following Additional Coverages is as stated under each, unless a different limit is shown in the Superseding Limits section of the Additional Coverage Summary Declarations.

a. Debris Removal

(1) We will pay your expenses to remove debris of Covered Property caused by or resulting from any of the Covered Causes of Loss that occur 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".**

(2) **(a)** The most we will pay under this Additional Coverage in any one occurrence is 25% of :

(i) The amount we pay for the direct physical **"loss"** to Covered Property; plus

(ii) The Deductible in this Coverage Form applicable to that **"loss".**

This limit does not increase any applicable Limits of Insurance provided by this Coverage Form.

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(b) But if either:

(i) The sum of direct physical **"loss"** and Debris Removal expenses exceeds the applicable Limit of Insurance; or

(ii) The Debris Removal expenses exceed the amount payable under the 25% limitation in subparagraph **(2) (a)** above;

We will pay up to an additional $250,000 for each described premises in any one occurrence.

This limit is in addition to the applicable Limits of Insurance provided by this Coverage Form.

(3) This Additional Coverage does not apply to costs to:

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

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

b. Preservation of Property

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

(1) While it is being moved or while temporarily stored at another premises; and

(2) Only if the **"loss"** occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from any of the Covered Causes of Loss, we will pay for your liability of fire department service charges:

(1) Assumed by contract or agreement prior to **"loss";** or

(2) Required by local ordinance.

The most we will pay under this Additional Coverage in any one occurrence is $50,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

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d. Fines for False Alarms

We will pay any fines your are assessed that you are legally obligated to pay under local or state ordinances, regulations or laws, for any false alarms sent in to police or fire stations or to central monitoring stations by fire, burglar or sprinkler alarms installed to protect Covered Property at described premises or in safes or vaults on described premises.

The most we will pay in any one occurrence is $2,500, but no more than $5,000 in any one policy year. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No Deductible applies to this Additional Coverage.

e. Fire, Sprinkler or Burglar Alarm Upgrade

In the event of a total **"loss"** to covered fire, sprinkler or burglar alarm systems at described premises caused by or resulting from any of the Covered Causes of Loss, we will pay for the cost to purchase upgraded equipment.

The most we will pay in any one occurrence is $50,000. This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

f. Pollutant Clean Up and Removal

We will pay your expenses 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 any of the Covered Causes of Loss that occur 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 Causes of Loss occur.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of **"pollutants".** But we will pay for testing which is 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 $25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

This Additional Coverage is in addition to the applicable limits of insurance provided by this Coverage Form.

g. Recharge or Refill of Fire Protection System

We will pay your expenses to recharge or refill automatic fire protection systems when such systems are discharged as the result of any of the Covered Causes of Loss.

We will not pay recharging or refilling expenses if the discharge occurred while the system was being tested.

No Deductible applies to this Additional Coverage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

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h. Theft Damage to "Buildings"

We will pay for **"loss"** to **"buildings"** (including equipment within the **"buildings"** used to maintain or service the **"buildings"**) caused by theft or attempted theft of Covered Business Personal Property.

This Additional Coverage is applicable only to the premises where you are a tenant and are liable for such damage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

i. Brands and Labels

If your **"stock"** is damaged as a result of any of the Covered Causes of Loss, you have two options when you do not want to sell it under your brand or label even though it has a salvage value. You can:

(1) Remove the brand or label and then relabel the **"stock"** to comply with the law; or

(2) Label the damaged **"stock"** as salvage but, in doing so, cause no further damage to the damaged **"stock".**

We will pay the cost of removing and relabeling your **"stock".**

In either case, we will pay the difference between the salvage value of the damaged **"stock"** with the brand and label attached, and the salvage value of the damaged **"stock"** with the brand and label removed.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

j. Consequential Damage

We will pay for **"consequential damage"** to covered Business Personal Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Additional Coverage in any one occurrence is $25,000.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

k. Arson Reward

In the event that a covered fire **"loss"** was the result of an act of arson, we will reimburse you up to $25,000 for rewards you pay for information leading to conviction of the person or persons responsible for that act of arson. This is additional insurance. The Coinsurance Condition and Deductible do not apply to this Additional Coverage.

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l. Computer Virus Extraction Expense

We will pay:

Your expenses to extract a **"computer virus"** from covered electronic data processing **"hardware", "data"** and **"media".**

The most we will pay under this Coverage Extension in any one occurrence is $2,500.

This Additional Coverage is the only portion of this policy that provides coverage for a **"computer virus"** extraction loss, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss".**

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

m. Computer Upgrade

(1) In the event of **"loss"** to covered electronic data processing **"hardware"** caused by or resulting from a Covered Cause of Loss, we will allow you to use the amount we pay you for that **"loss"** to purchase upgraded electronic data processing **"hardware"**.

(2) If you choose to upgrade that equipment, we will pay for the expenses you incur to convert your **"data"** and **"media"** to the upgraded system.

n. Contract Penalty Clause

We will pay for any contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must result solely from direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for penalties for all contracts in any one occurrence is $25,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

o. Claim Expenses

In the event of a covered **"loss"**, we will pay for all reasonable expenses you incur at our request to assist us in:

(1) The investigation of a claim; or

(2) The determination of the amount of **"loss"**, such as taking inventory.

We will not pay for:

(1) Expenses to prove that **"loss"** is covered;

(2) Expenses incurred under Loss Condition **E.2., Appraisal**; or

(3) Expenses billed by and payable to independent or public adjusters.

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The most we will pay under this Additional Coverage is $10,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

p. Worldwide Coverage

We will pay for **"loss"** to Covered Property:

(1) In transit, other than in the custody of a mail carrier, to or from:

(a) The United States of America;

(b) Canada; or

(c) Territories or possessions of the United States of America; and

Points worldwide, except those excluded below. This coverage applies from the delivery of the Covered Property at the point of origin shown in the bill of lading until it is discharged at the destination shown in the bill of lading.

(2) At locations outside the Coverage Territory, while it is in the custody of directors, officers or employees who are traveling in the conduct of your business, except in those countries listed below.

(3) This Additional Coverage does not apply to property located in, or in transit to, from or within, Afghanistan, Albania, Cambodia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Iraq, Iran, Laos, Lebanon, Libya, Myanmar, Nicaragua, North Korea, Syria, Republics formerly a part of the Union of Soviet Socialist Republics, Vietnam, or Yugoslavia or Republics formerly a part of Yugoslavia.

The most we will pay in any one occurrence is $25,000. This Additional Coverage is in addition to the applicable Limits of Insurance under this Coverage Form.

5. Coverage Extensions

Except as otherwise provided, the following Coverage Extensions apply to property located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises.

The most we will pay in any one occurrence for each of the following Coverage Extensions is as stated under each, unless a different limit is shown in the Superseding Limits column of the Additional Coverage Summary Declarations.

a. Newly Acquired Property

We will pay for direct physical **"loss"** to:

(1) "Buildings" and business personal property you acquire; and

(2) "Buildings" which you have had constructed after:

(a) Construction is completed; and

(b) You have accepted the **"buildings"** for occupancy; and

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(c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the **"buildings"**;

At any premises caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Coverage Extension for **"loss"** to **"buildings"** and business personal property combined in any one occurrence is $1,000,000.

This Coverage Extension does not increase the Limit of Insurance for **"buildings"** and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire the property or have completed construction; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or construction is completed.

b. New Construction

We will pay for direct physical **"loss"** caused by or resulting from any of the Covered Causes of Loss to**:**

(1) "Buildings"; or

(2) Additions to existing **"buildings"**;

In the course of construction at any premises, if the construction began after the inception date of this policy. We do not cover **"buildings"** which you construct to sell to others or for the account of others.

The most we will pay in any one occurrence is $500,000.

This Additional Coverage will end when any of the following first occurs:

(1) This policy expires;

(2) 60 days expire after construction begins; or

(3) You report the new construction to us;

We will charge you additional premium for values reported from the date construction begins.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

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c. Personal Effects

(1) We will pay for direct physical **"loss"** to cellular phones and other portable electronic equipment owned by your employees and used in your business, while they are away from described premises, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is $1,000 for property of any one employee and $2,500 in any one occurrence.

(2) We will pay for direct physical **"loss"** to personal effects of your directors, officers, (partners) and employees, while they are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** in any one occurrence is $1,000.

(3) We will pay for direct physical **"loss"** to personal effects owned by you, your officers, your partners or your employees caused by or resulting from any of the Covered Cause of Loss at a described premises. The most we will pay for such **"loss"** is $25,000 at any one described premises.

No Deductible applies to this Coverage Extension.

d. Personal Effects - Spouses

We will pay for direct physical **"loss"** to personal effects belonging to spouses of your directors, officers or partners when such spouses are traveling with your directors, officers or partners who are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is $500 for any one person or $1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

e. Accounts Receivable

We will pay the following loss and expenses which are the direct result of **"loss"** to accounts receivable records caused by or resulting from any of the Covered Causes of Loss:

(1) All sums due you from customers, provided you are unable to collect;

(2) Interest charges on any loan to offset amounts you are unable to collect pending our payments of these accounts;

(3) Collection expenses in excess of your normal collection expenses made necessary because of **"loss"**; and

(4) Other reasonable expenses you incur to re-establish your records of accounts receivable following such **"loss"**.

We will not pay for **"loss"** that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Coverage Extension in any one occurrence is $250,000.

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f. Excavations and Landscaping

We will pay for:

(1) Your reasonable costs for excavations, grading, filling or backfilling at a described premises made necessary by direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss; and

(2) Direct physical **"loss"** to your outdoor trees, shrubs and plants, including debris removal expenses, caused by or resulting from any of the following Causes of Loss:

(a) Fire;

(b) Lightning;

(c) Explosion;

(d) Riot or Civil Commotion; or

(e) Aircraft.

This Coverage Extension does not apply to **"stock"** of trees, shrubs and plants.

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

g. Valuable Papers and Records - Cost of Research

We will pay your expenses to research, replace, or restore the lost information on **"valuable papers and records",** including those converted to electronic data format**,** that are lost or damaged as a result of any of the Covered Causes of Loss.

We will not pay for such expenses arising out of **"loss"** caused by or resulting from errors or omissions in processing or copying **"valuable papers and records"**. But we will pay for expenses arising out of **"loss"** caused by resulting fire or explosion.

The most we will pay under this Coverage Extension in any one occurrence is $250,000 at each described premises.

h. Guard Dogs

We will pay for direct death or destruction of a **"guard dog"** caused by or resulting from, or made necessary by, any of the following Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Theft;

(5) Vandalism (including shooting or poisoning);

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(6) Vehicles; or

(7) Collision, upset or overturn of the vehicle transporting the **"guard dog"**.

The Cause of Loss must occur at described premises and during other than normal business hours, or while the **"guard dog"** is being transported to or from the described premises. This Additional Coverage does not apply to death or destruction of **"stock"** held for sale.

The most we will pay for any one **"guard dog"** is $500, but not more than $1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

i. Fish in Aquariums

We will pay for direct death or destruction of fish in aquariums caused by or resulting from, or made necessary by, any of the following Causes of Loss at the described premises:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Riot or Civil Commotion;

(5) Aircraft; or

(6) Interruption of power supply service to the described premises, when the cause of the event occurs more than 1,000 feet from the premises.

This Coverage Extension does not apply to death or destruction of **"stock"** held for sale.

The most we will pay in any one occurrence is $1,000.

No deductible applies to this Coverage Extension.

j. Ordinance or Law

If a Covered Cause of Loss occurs to a covered **"building"**, we will pay for:

(1) Loss to the undamaged portion of the **"building"** caused by enforcement of any ordinance or law that:

(a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss; and

(b) Regulates the construction or repair of **"buildings"** or establishes zoning or land use requirements at the described premises.

This coverage is included within the Limit of Insurance applicable to the covered **"buildings"** shown in the UltimateCover Program Declarations.

(2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

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The most we will pay for such demolition costs is $250,000 in any one occurrence.

(3) We will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the **"building"** is not repaired or replaced.

The most we will pay for such increased cost of construction is $250,000 in any one occurrence.

Insurance under this Coverage Extension applies only with respect to an ordinance or law that is in effect at the time of **"loss"**. Insurance under this Additional Coverage does not apply to 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 to respond to or assess the effects of **"pollutants"**.

k. Lost Key Replacement

In the event of the theft or disappearance of a master key to **"buildings"**, rooms or compartments at described premises in which covered Business Personal Property is located, we will pay the actual and necessary expenses you incur to:

(1) Replace the key; and

(2) (a) Adjust existing locks to accept the new key; or

(b) Replace the lock;

Whichever is less.

The most we will pay under this Coverage Extension is $2,500.

No deductible applies to this Coverage Extension.

Each of these Coverage Extensions is additional insurance, unless otherwise indicated.

The Additional Condition, Coinsurance (if applicable to this Coverage Form), does not apply to these Coverage Extensions.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay for **"loss"** in any one occurrence:

1. For each Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.

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2. For each Coverage Extension is the Limit of Insurance applicable to that Coverage Extension;

3. For **"Fine Arts"** is:

a. $25,000; or

b. The amount shown in the **"Fine Arts"** Schedule on file with us;

Whichever is greater; and

4. For all other coverage provided under this Coverage Form is the applicable Limit of Insurance shown in the Property Coverage Part Declarations.

D. Deductible

We will not pay for **"loss"** in any one occurrence until the amount of the **"loss"** exceeds the Deductible shown in the Declarations or schedules. We will then pay the amount of the **"loss"** in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by any of the following:

1. Coinsurance Condition;

2. Agreed Value Optional Coverage; or

3. Reporting Endorsement.

If more than one Deductible is applicable under this Coverage Form to **"loss"** in any one occurrence, we will only apply the highest applicable Deductible.

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.

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3. Duties in the Event of Loss

a. You must see that the following are done in the event of **"loss"** to Covered Property:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the **"loss"**. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the **"loss"** occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

(5) At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of **"loss"** claimed.

(6) As often as may be reasonably required, permit us to inspect the property and records proving the **"loss".**

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) Make no statement that will assume any liability, for any **"loss"** for which we may be liable, without our consent.

(8) Promptly send us any legal papers or notices received concerning the **"loss".**

(9) 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.

(10) 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 signed.

4. Loss Payment

a. In the event of **"loss"** to Covered Property 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;

(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.

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b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

c. We will not pay you more than your financial interest in the Covered Property.

d. We may adjust the **"loss"** 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.

e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

f. We will pay for covered **"loss"** within 30 days after we receive the sworn proof of loss, if:

(1) You have complied with all of the terms of this coverage form; and

(2) (a) We have reached agreement with you on the amount of **"loss";**

(b) An appraisal award has been made; or

(c) Final judgment has been entered.

5. a. Recovered Property

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

b. Recoveries

The following applies only to the Accounts Receivable Coverage Extension:

You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

6. Vacancy

If the **"building"** where **"loss"** occurs has been vacant for more than 60 consecutive days before that **"loss,"** we will:

a. Not pay for any **"loss"** caused by any of the following even if they are Covered Causes of Loss:

(1) Vandalism;

(2) Sprinkler leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Water damage;

(5) Theft; or

(6) Attempted theft.

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b. Reduce the amount we would otherwise pay for the **"loss"** by 15%.

"Buildings" are vacant when they do not contain enough business personal property to conduct customary operations.

7. Valuation

We will determine the value of Covered Property in the event of **"loss"** as follows:

a. At replacement cost (without deduction for depreciation) as of the time of **"loss"**, except as provided in **b., c., d., e., f., g.,** and **h.** below.

(1) We will not pay more for **"loss"** on a replacement costs basis than the least of:

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

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

(i) Of comparable material and quality; and

(ii) Used for the same purpose; or

(c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(2) We will not pay on a replacement cost basis for any **"loss":**

(a) Until the lost or damaged property is actually repaired or replaced; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the **"loss".**

If the repairs or replacement are not made as soon as reasonably possible after the **"loss"**, the value of the property will be actual cash value.

b. "Fine Arts" as stated in a Schedule on file with us. If there is no schedule on file, valuation will be at fair market value as of the time of **"loss"**.

c. "Stock" as follows:

(1) "Finished Stock" you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

(2) "Merchandise" you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

(3) "Stock in process" at the cost to replace plus labor and overhead expenses you have actually incurred.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. "Valuable Papers and Records" at the cost of:

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(1) Blank materials for reproducing the records; and

(2) Labor to transcribe or copy the records when there is a duplicate.

f. **"Data"** and **"media"** (other than prepackaged software programs)

The value of the property will be either:

(1) The actual cost of reproducing or replacing the lost or damaged **"data"** and **"media"**, if you actually reproduce or replace them; or

(2) The cost to replace the blank **"media**" with substantially identical property.

g. Accounts Receivable

(1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the **"loss"** 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"** occurred; and

(b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the **"loss"** occurred or 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"**;

(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.

h. Tenant's Improvements and Betterments at:

(1) Replacement cost (without deduction for depreciation) 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"** to the expiration of the lease; and

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

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

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(3) Nothing, if others pay for repairs or replacement for your benefit and at no cost to you.

8. Pair, Sets or Parts

a. Pair or set. In case of **"loss"** to any part of a pair or set we may:

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

(2) Pay the difference between the value of the pair or set before and after the **"loss"**

b. Parts. In case of **"loss"** to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

F. General 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 Premium Property Program Declarations, the following condition applies.

a. We will not pay the full amount of any **"loss"** if the value of Covered Property (except property in transit and Business Personal Property of others in your care, custody or control) at the time of **"loss"** times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for that 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.

Step **(3)** will not apply to property in transit or to Business Personal Property of others in your care, custody or control.

Example No. 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

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The Amount of **"Loss"** is $ 40,000

Step (1)	$250,000	X	80%	=	$200,000
(The minimum amount of insurance to meet your Coinsurance requirements.)					
Step (2)	$100,000.	÷	$200,000	=	.50
Step (3)	$40,000	X	.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 No. 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

Step (1)	$250,000	X	80%	=	$200,000
(The minimum amount of insurance to meet your Coinsurance requirements.)					
Step (2)	$200,000	÷	$200,000	=	1.00
Step (3)	$40,000	X	1.00	=	$ 40,000
Step (4)	$40,000	–	$250	=	$ 39,750

We will cover the $39,750 **"loss"** in excess of the Deductible. No penalty applies.

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 No. 3:

The Value of the property is:
"Building" at Premises No. 1 $ 75,000
"Building" at Premises No. 2 $100,000
Personal Property at Premises No. 2 $ 75,000
$250,000
The Coinsurance percentage for it is 90%
The Limit of Insurance for:
"Buildings'" and Personal Property at
Premises No. 1 and 2. $180,000
The Deductible is $ 1,000
The Amount of **" Loss"** is:
"Building" at Premises No. 2 $ 30,000
Personal Property at Premises No. 2 $ 20,000
$ 50,000

Step (1)	$250,000	X	90%	=	$225,000
(The minimum amount of Insurance to meet your Coinsurance requirements)					
Step (2)	$180,000	÷	$225,000	=	.80
Step (3)	$50,000	X	.80	=	$ 40,000
Step (4)	$40,000	–	$1,000	=	$ 39,000

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

2. Mortgage Holders

a. The term mortgage holder includes trustee.

b. We will pay for covered **"loss"** to **"buildings"** to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgage holder has the right to receive **"loss"** payment even if the mortgage holder has started foreclosure or similar action on the **"buildings".**

d. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the mortgage holder will still have the right to receive **"loss"** payment if the mortgage holder:

(1) Pays any premium due under this Coverage Form at our request if you have failed to do so;

(2) Submits a signed, sworn statement 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 mortgage holder.

All other terms of this Coverage Form will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form;

(1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder 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 mortgage holder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment 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 mortgage holder at least 10 days before the expiration date of this policy.

3. Other Insurance

The following is added to subparagraph **2.** of Commercial Property Condition **G., Other Insurance**:

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But this provision does not apply to **"loss"** to personal property of others in your care, custody or control.

4. Policy Period, Coverage Territory

Commercial Property Condition **H., Policy Period, Coverage Territory**, is replaced by the following:

a. We cover **"loss"** commencing:

(1) During the Policy Period shown in the UltimateCover Program Declarations; and

(2) Within the Coverage Territory.

b. The Coverage Territory is:

(1) The United States of America; and

(2) Canada.

G. Definitions

1. "Buildings" means buildings or structures.

2. "Computer Virus" means unauthorized intrusive codes or programming that are entered into covered **"hardware"**, **"data**" and **"media"** and interrupt your operations at the described premises.

3. "Consequential Damage" means the decrease in value to the undamaged part or parts of Business Personal Property which is unmarketable as a complete product.

4. Computer Property means **"data", "hardware"** and **"media"**.

a. "Data" means facts, figures, concepts, or instructions that are in a form that can be communicated, interpreted or processed by computer systems (including records of accounts receivable and **"valuable papers and records"** when they are converted into **"data"** form).

b. "Hardware" means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **"media"**, or manufacturing or production machinery or equipment.

c. "Media" means materials on which **"data"** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

"Data" and **"media"** include pre-packaged software and any instructional manuals for that software.

5. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

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6. **"Guard Dog"** means a dog that is trained to protect premises from intruders and kept on your premises when they are not open for business.

7. **"Loss"** means accidental loss or damage.

8. **"Money"** means:

   a. Currency, coins and bank notes whether or not in current use; and

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

9. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

10. **"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 or not in current use;

    b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

    But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.

11. **"Stock"** means **"finished stock"**, **"merchandise"** and **"stock in process"**.

    a. "Finished Stock means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.

    b. "Merchandise" means goods kept for sale by you that are not the product of your manufacturing or processing operations.

    c. "Stock in Process" means raw materials that have undergone any processing or manufacturing but which has not become **"finished stock."**

12. **"Valuable Papers and Records"** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

    But **"valuable papers and records"** does not mean **"money"** or **"securities"**.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **F., Definitions.**

A. Covered Causes of Loss

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"** 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"**.

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.

b. Earth Movement

Any earth movement (other than sinkhole collapse or volcanic action, eruption, explosion or effusion), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if **"loss"** by fire or explosion results, we will pay for that resulting **"loss"**.

This exclusion does not apply to the following:

(1) Business Personal Property in transit or away from premises you own, lease, rent or control;

(2) The Accounts Receivable Coverage Extension; or

(3) The Valuable Papers and Records - Cost to Research Coverage Extension.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for **"loss"** 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 Policy.

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d. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct **"loss"** caused by resulting fire if the fire would be covered under this Policy.

e. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if **"loss"** by a Covered Cause of Loss results, we will pay for that resulting **"loss".**

This exclusion does not apply to the following Coverages:

(1) Accounts Receivable Coverage Extension;

(2) **"Computer Property"** for interruption of electrical power supply when the cause of such event occurs within 1,000 feet of the premises; or

(3) Utility Services - Direct Damage Additional Coverage Extension.

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. Flood

"Flood".

But if **"loss"** by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting **"loss".**

This exclusion does not apply to the following:

(1) Business Personal Property in transit or away from premises you own, lease rent or control;

(2) The Accounts Receivable Coverage Extension; or

(3) The Valuable Papers and Records - Cost to Research Coverage Extension.

2. We will not pay for **"loss"** caused by or resulting from any of the following:

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a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if **"loss"** by fire or explosion results, we will pay for that resulting **"loss".**

This exclusion does not apply to **"computer property"** .

b. Delay, loss of use, loss of market or any other consequential loss.

c. Smoke, vapor or gas from agricultural smudging or industrial operations. This exclusion does not apply to **"computer property "**.

d. **(1)** Wear and tear;

(2) Rust, corrosion, fungus, decay, deterioration, spoilage, contamination, 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, this does not apply to any resulting **"loss"** caused by elevator collision;

(7) Dampness or dryness of atmosphere; changes in or extremes of temperature; freezing or thawing.

Paragraphs **d. (3), (4), (6)** and **(7)** do not apply to **"computer property"**.

But if **"loss"** by the **"specified causes of loss"** or building glass breakage results, we will pay for that resulting **"loss".**

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if **"loss"** by fire or combustion explosion results, we will pay for that resulting **"loss"**. We will also pay for **"loss"** 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.

f. 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 **"buildings";** or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

This exclusion does not apply to **"computer property"**.

g. Dishonest or criminal acts by you, any of your partners, 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

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(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to:

(1) Acts of destruction by your employees (but theft by employees is not covered);

(2) Property in the custody of a carrier for hire (provided the carrier is not in collusion with you, any of your partners, directors, trustees or authorized representatives); or

(3) **"Loss"** to **"computer property"** (provided your employees are not in collusion with you, any of your partners, directors, trustees or authorized representatives).

h. Rain, snow, ice or sleet to personal property in the open.

i. Collapse, except as provided below in the Additional Coverage for Collapse. But if **"loss"** by any of the Covered Causes of Loss results at the described premises, we will pay for that resulting **"loss".**

j. Discharge, dispersal, seepage, migration, release or escape of **"pollutants".**

But we will pay for resulting **"loss"** to Covered Property when the discharge, dispersal, seepage, migration, release or escape of **"pollutants"** is caused by any of the **"specified causes of loss".**

k. Processing or work upon the property.

But we will pay for **"loss"** caused by resulting fire or explosion.

This exclusion does not apply to **"computer property"**.

l. Alteration, falsification, concealment or destruction of records of accounts receivable 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.

m. Bookkeeping, accounting or billing errors or omissions.

n. Unexplained disappearance. This exclusion does not apply to **"computer hardware"**.

o. Shortage found upon taking inventory or audit. This exclusion does not apply to **"computer hardware"**.

p. Electrical or magnetic disturbance or erasure of records of accounts receivable that have been converted into electronic format, when such **"loss"** is caused by or results from:

(1) Programming errors or faulty machine instructions;

(2) Faulty installation or maintenance of data processing equipment or component parts; or

(3) An occurrence that took place more than 1,000 feet from your premises.

But we will pay for such **"loss"** caused by lightning.

q. Voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

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r. Changes in your electrical power supply to **"computer property"**, including interruption of power, power surge, blackout or brownout, if the cause of such event originates more than 1,000 feet from any of the premises listed in the Declarations, Extension of Declarations or attached Schedule.

3. We will not pay for **"loss"** caused by or resulting from any of the following. But if **"loss"** by a Covered Cause of Loss results, we will pay for that resulting **"loss."**

a. Weather conditions. But 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"**.

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.

This exclusion does not apply to **"computer property"**.

4. Special Exclusions

The following provisions apply only to the Coverage Forms listed below, if these Coverage Forms are attached to this Policy.

a. Business Income, Extra Expenses and Business Income with Extra Expenses Coverage Forms.

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 Expenses.

(2) Any loss caused by or resulting from direct physical **"loss"** to communication antennas or satellite dishes, including their lead-in wiring masts or towers.

(3) Any increase of loss caused by or resulting from:

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(a) Delay in rebuilding, repairing or replacing the property or resuming **"operations"** due to interference at the premises of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of **"operations",** we will cover such loss that affects your Business Income during the **"period of restoration"**.

(4) Any Extra Expenses caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the **"period of restoration".**

(5) Any other consequential loss.

(6) Any loss caused by or resulting from error in machine programming or instructions to any machine.

(7) Any loss caused by or resulting from direct physical **"loss"** to property at locations not specifically identified. This exclusion does not apply to coverage provided to Business Income from Dependent Property - Additional Coverage.

(8) Any loss caused by or resulting from direct physical **"loss"** to:

(a) "Buildings"; or

(b) Additions to existing **"buildings"**;

That are under the course of construction.

b. 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 Service; 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.

(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.

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C. Limitations

1. We will not pay for **"loss"** to:

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for **"loss**" 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 **"buildings"**, or to personal property in **"buildings"**, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The **"buildings"** first sustain damage by a Covered Cause of Loss to their roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The **"loss"** is caused by or results from thawing of snow, sleet or ice on the **"buildings"**.

2. For **"loss"** by theft, the following types of property are covered only up to the Limits of Insurance shown:

a. $2,500 for furs, fur garments and garments trimmed with fur.

b. $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This Limit of Insurance does not apply to jewelry and watches worth $100 or less per item.

c. $250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

3. We will not pay for **"loss"** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, molded, rusted, frosted, rotted, soured, steamed or changed in flavor.

But we will pay for such **"loss"** caused by: the **"specified causes of loss";** an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

D. Additional Coverage - Collapse

We will pay for **"loss"** caused by or resulting from risks of direct physical **"loss"** involving collapse of **"buildings"** or any part of **"buildings"** caused only by one or more of the following:

1. The **"specified causes of loss"** or breakage of building glass, all only as insured against in this form;

2. Hidden decay;

3. Hidden insect or vermin damage;

4. Weight of people or personal property;

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5. Weight of rain that collects on a roof.

We will not pay for **"loss"** to the following types of property, if otherwise covered in this Policy, under items **2., 3., 4.** and **5.,** unless the **"loss"** is a direct result of the collapse of **"buildings";** outdoor communication antennas or satellite dishes, including their masts or lead - in wiring; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; beach or diving platforms or appurtenances; retaining walls.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Limits of Insurance provided by this Policy.

E. Additional Coverage Extensions

1. Water Damage, Other Liquids, Powder or Molten Material Damage

If **"loss"** 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 **"buildings"** to repair damage to the system or appliance from which the water or other substance escapes.

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. But 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.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

2. Utility Services - Direct Damage

We will pay for direct physical **"loss"** caused by interruption of utility service to the described premises. The interruption must be caused by direct physical **"loss"** by any of the Covered Causes of Loss to the following types of property not on the described premises supplying water, communication and power to the described premises.

Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises.

a. Utility Generating Plants;

b. Switching stations;

c. Substations;

d. Transformers; and

e. Transmission Lines.

But not overhead transmission lines.

Water Supply Services, meaning the following types of property supplying water to the described premises.

a. Pumping Stations; and

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b. Water mains.

Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

a. Communication transmission lines, including optical fiber transmission lines;

b. Coaxial cables; and

c. Microwave radio relays except satellites.

But not overhead transmission lines.

The most we will pay under this Coverage Extension for the sum of all occurrences at all premises during each separate 12 month period of this policy is $10,000.

This Coverage Extension is in addition to the Limits of Insurance provided by this Policy.

3. Voluntary Parting

We will pay for **"loss"** caused by or resulting from voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

The most we will pay under this Coverage Extension in any one occurrence is $10,000.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

F. Definitions

1. "Buildings" means buildings or structures.

2. "Computer Property" means **"data"**, **"hardware"** and **"media"**.

a. "Data" means facts, figures, concepts or instructions that are in a form that can be communicated, interpreted, or processed by computer systems (including records of accounts receivable and **"valuable papers and records"** when they are converted into **"data"** form).

It does not include Valuable Papers unless converted to electronic form.

b. "Hardware" means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **"media"**, or production machinery or equipment.

c. "Media" means materials on which **"data"** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

3. "Flood" means:

a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or

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b. Mudslide or mudflow.

4. **"Loss"** means accidental loss or damage.

5. **"Money"** means:

a. Currency, coins and bank notes whether or not in current use; and

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

6. **"Operations"** means:

a. Business activities you perform at the described premises; and

b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.

7. **"Period Of Restoration"** means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical **"loss"** for Business Income Coverage; or;

(2) Immediately after the time of direct physical **"loss"** for Extra Expense Coverage;

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.

c. **"Period of Restoration"** does not include 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 cut short the **"period restoration"**.

8. **"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.

9. **"Rental Value"** means

a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and

b. Amount of all charges which are legal obligation of the tenant(s) and which would otherwise be your obligations; and

c. Fair rental value of any portion of the described premises which is occupied by you.

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10. **"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 or not in current use; and

    b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

    But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.

11. **"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 man-made underground cavities.

    b. Falling objects does not include **"loss"** to:

    (1) Personal property in the open; or

    (2) The interior of **"buildings",** or property inside **"buildings",** unless the roof or an outside wall of the **"buildings"** 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 or cracking of any part of a system or appliance containing water or steam.

12. **"Stock"** means **"finished stock"**, **"merchandise"**, and **"stock in process"**.

    a. "Finished Stock" means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.

    b. "Merchandise" means goods kept for sale by you that are not the product of your manufacturing or processing operations.

    c. "Stock in Process" means raw materials that have undergone any processing or manufacturing but which have not become **"finished stock."**

13. **"Suit"** includes an arbitration proceeding to which you must submit or submit with our consent.

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CRIME COVERAGE FORM

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

Throughout this Coverage Form 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 **G., Definitions**.

Coverage Summary

	Basic Limit Of Insurance	Basic Deductible	Superseding Limit Of Insurance	Superseding Deductible
"Money" and **"Securities"**- Inside the Premises	$ 5,000	$ 500		
"Money" and **"Securities"**- Outside the Premises	$ 5,000	$500		
Money Orders and Counterfeit Paper Currency	$ 5,000	$500		
Kidnap and Ransom – Extortion	$25,000	None		

Optional Coverage Summary

	Limit of Insurance	Deductible
Forgery or Alteration		
Computer Fraud		
Employee Dishonesty		

☐ If this box is marked with **"X", Clause B.1.f., Coverage Extension - Welfare and Pension Plan ERISA Compliance**, applies to this policy.

A. Coverage

1. Money and Securities

Covered Property, as used in this Coverage, means **"money"** and **"securities"** used in your business.

a. We will pay for all loss to Covered Property:

(1) Inside the Premises - while at a bank or savings institution, at the **"premises"**, or

(2) Outside the Premises - in transit between any of the places described in **1. a. (1)** above; resulting directly from:

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(a) Theft, meaning any act of stealing;

(b) Disappearance; or

(c) Destruction.

b. In addition to the General Exclusions of this Form, we will not pay for loss:

(1) Resulting from accounting or arithmetical errors or omissions.

(2) Due to the giving or surrendering of property in any exchange or purchase.

(3) 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.

(4) Resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

(a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(5) Of Covered Property after it has been transferred or surrendered to a person or place outside the **"premises"** or a bank or savings institution on the basis of unauthorized instructions.

(6) 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. Additional Definition

As respects Money and Securities coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

2. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the acceptance in good faith of Covered Property.

a. Covered Property, as used in this Coverage, means:

(1) Any post office or express money order accepted in exchange for merchandise, **"money"** or services issued, or purporting to have been issued, by any post office or express company, if such money order is not paid upon presentation; or

(2) Counterfeit United States or Canadian paper currency accepted in the regular course of business.

b. In addition to the General Exclusions of this Form, we will not pay for loss resulting from:

(1) Any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

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(a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(2) 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. Additional Definition

As respects Money Orders and Counterfeit Paper Currency coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

3. Kidnap and Ransom-Extortion

a. We will pay for loss of **"money"**, **"securities"**, and **"property other than money and securities"** resulting directly from **"extortion"**. Loss is covered only if:

(1) The threat to do bodily harm is first communicated to you during the Policy Period; and

(2) The capture or alleged capture takes place within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

b. We will not pay for loss as specified below:

(1) Loss resulting from any dishonest or criminal acts committed by any of your **"employees"**, directors, trustees, or authorized representatives:

(a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(2) Loss of property surrendered before a reasonable effort has been made to report an extortionist's demand to all the following:

(a) An associate;

(b) The Federal Bureau of Investigation; and

(c) Local law enforcement authorities.

c. The most we will pay for loss in any one **"occurrence"** is $25,000.

d. Additional Definition

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or event not involving any person.

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B. Optional Coverages

The following Optional Coverages for which a limit of insurance is shown in the Coverage Summary are also provided:

1. Employee Dishonesty

We will pay for loss of, and loss from damage to Covered Property resulting directly from **"employee dishonesty"**.

a. Covered Property, as used in this Coverage, means **"money"**, **"securities"** and **"property other than money and securities"**.

b. We will pay for loss caused by any **"employee"** while temporarily outside the Coverage Territory for a period not more than 90 days.

c. We will not pay for:

(1) 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.

(2) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(a) An inventory computation; or

(b) A profit and loss computation.

d. Additional Condition

The following applies in addition to the General Conditions of this Form.

Cancellation As To Any Employee

This insurance is canceled as to any **"employee":**

(1) Immediately upon discovery by:

(a) You; or

(b) 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.

(2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

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e. Additional Definition

As respects Employee Dishonesty coverage:

"Occurrence" means all loss caused by, or involving, one or more **"employees"**, whether the result of a single act or series of acts.

f. Coverage Extension - Welfare and Pension Plan ERISA Compliance

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

(1) **"Employee"** also includes any natural person who is:

(a) A trustee, officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereinafter called Plan) insured under this insurance; and

(b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

(2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.

(4) If two or more Plans are insured under this insurance, any payment we make for loss:

(a) Sustained by two or more Plans; or

(b) Of commingled funds or other property of two or more Plans;

that arises out of one **"occurrence"** is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

(5) The Deductible provision does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

2. Forgery or Alteration

We will pay for loss due to forgery or alteration of, on or in any Covered Property.

a. Covered Property, as used in this Coverage, means **"Covered Instruments"** that are:

(1) Made or drawn by or drawn upon you;

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

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b. 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 against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay is in addition to the Limit of Insurance applicable to this insurance.

c. The following applies in addition to the General Exclusions of this Form:

We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

(1) Acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise.

d. Additional Conditions

The following apply in addition to the General Conditions of this Form.

(1) Facsimile Signatures

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

(2) 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.

(3) Territory

We will cover loss you sustain anywhere in the world.

The **Territory General Condition** does not apply to this Optional Coverage.

e. Additional Definition

As respects Forgery or Alteration coverage:

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

3. Computer Fraud

We will pay for loss of, and loss from damage to, Covered Property resulting directly from **"computer fraud"**.

a. Covered Property, as used in this Coverage means **"money"**, **"securities"** and **"property other than money and securities"**.

b. The following apply in addition to the General Exclusions of this Form:

(1) We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

(a) Acting alone or in collusion with other persons; or

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(b) While performing services for you or otherwise.

(2) We will not pay for loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(a) An inventory computation; or

(b) A profit and loss computation.

d. Additional Conditions

The following apply in addition to the General Conditions of this Form:

(1) Duties in the Event of Loss

If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

(2) Special Limit of Insurance for Specified Property

For loss of, or loss from damage to, manuscripts, drawings or records of any kind the most we will pay in any one **"occurrence"** is the lesser of the following amounts:

(a) The cost of reconstructing such property or reproducing any information contained in such property; or

(b) $5,000.

e. Additional Definition

As respects Computer Fraud coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

C. Limits of Insurance

The most we will pay for loss in any one **"occurrence"** is the applicable Limit of Insurance shown in the Coverage Summary.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Limit of Insurance is:

a. The Basic Limit of Insurance shown in the Coverage Summary if no Superseding Limit of Insurance is shown; or

b. The Superseding Limit of Insurance if a Superseding Limit is shown in the Coverage Summary.

2. For all other coverages, the applicable Limit of Insurance is the Limit shown in the Coverage Summary.

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D. Deductible

We will not pay for loss in any one **"occurrence"** until the amount of the loss exceeds the applicable Deductible shown in the Coverage Summary. We will then pay the amount of the loss in excess of the applicable Deductible, up to the applicable Limit of Insurance.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Deductible is:

a. The Basic Deductible shown in the Coverage Summary if no Superseding Deductible is shown; or

b. The Superseding Deductible if a Superseding Deductible is shown in the Coverage Summary.

2. For all other coverages, the applicable Deductible is the Deductible shown in the Coverage Summary.

E. General Exclusions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Exclusions apply to all Coverages and Optional Coverages provided by this Coverage Form.

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. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

3. 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 Property.

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.

4. Legal Expenses

Expenses related to any legal action, except as provided in the Forgery or Alteration Optional Coverage, if the coverage is applicable to this policy.

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5. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

6. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

F. General Conditions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Conditions apply to all Coverages and Optional Coverages provided by this Coverage Form:

1. 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;

b. The Covered Property;

c. Your interest in the Covered property; or

d. A claim under this insurance.

2. Consolidation - Merger

If through consolidation or merger with, or purchase of assets of, some other entity:

a. Any additional persons become **"employee";** 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.

3. Discovery Period for Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

4. 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:

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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.

5. 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 would pay if all the loss had been sustained by one Insured.

6. 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.

7. Liberalization

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

8. Loss Covered Under More Than One Coverages 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.

9. 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

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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.

10. 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.

11. 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 accumulates from year to year or period to period.

12. 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. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Coverage Summary or the Optional Coverage Summary.

13. 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.

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14. Policy Period

a. The Policy Period is shown in the Common Policy 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.

15. Records

You must keep records of all Covered Property so we can verify the amount of any loss.

16. 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.

17. Territory

This insurance covers only acts committed or events occurring within the United States of America, and Canada.

18. 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.

19. Valuation - Settlement

a. Subject to the applicable 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:

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(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 having a penalty not exceeding the lesser of the;

(i) Value of the **"securities"** at the close of 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.

(3) Any property that we pay for or replace becomes our property.

G. Definitions

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. **"Computer Fraud"** means **"theft"** of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **"premises"** or **"banking premises"** to a person (other than a **"messenger"**) outside those **"premises"** or to a place outside those **"premises".**

3. **"Covered Instrument(s)"** means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **"money".**

4. **"Employee"** means:

a. Any natural person:

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

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(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:

a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

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

5. **"Employee Dishonesty"** 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.

6. **"Extortion"** means the surrender of property away from the premises as a result of a threat communicated to you to do bodily harm to you or an **"employee"**, or to a relative or invitee of either, who is, or allegedly is, being held captive.

7. **"Messenger"** means you, any of your partners or any **"employee"** while having care and custody of the property outside the **"premises".**

8. **"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.

9. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.

10. **"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 Crime Coverage Form as Property Not Covered.

11. **"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

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

but does not include **"money".**

12. "Theft" means any act of stealing.

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BUSINESS INCOME WITH 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 **G., Definitions.**

COVERAGE SUMMARY

Coinsurance Option - applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coinsurance Option
0001	0063	(i)	$ 658,800	100%

Optional Coverages - applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period of Indemnity (Days)	Agreed Value Amount ($)
0001	0063	NONE		180	

A. Coverage

1. Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Coverage Summary above:

   (i) Business Income including **"Rental Value."**
   (ii) Business Income other than **"Rental Value."**
   (iii) **"Rental Value."**

   If option **(i)** above is selected, the term Business Income will include **"Rental Value."** If option **(iii)** 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 Form 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"** to property at the premises described in the Declarations, or within 1000 feet of the premises, caused by or resulting from any of the Covered Causes of Loss.

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If you are a tenant, your premises is the portion of **"buildings"** which you rent, lease or occupy, including:

a. All routes within **"buildings"** to gain access to the described premises; and

b. Your personal property within 1000 feet of the premises.

2. 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.

3. Covered Causes Of Loss

See the Causes of Loss Form.

4. Additional Coverages

a. Extra Expenses

Extra Expenses means necessary expenses you incur during the **"period of restoration"** that you would not have incurred if there had been no direct physical **"loss"** to property caused by or resulting from any of the Covered Causes of Loss.

(1) We will pay any Extra Expenses to avoid or minimize the suspension of business and to continue **"operations":**

(a) At the described premises; or

(b) At replacement premises or at temporary locations, including:

(i) Relocation expenses; and

(ii) Costs to equip and operate the replacement or temporary locations.

(2) We will pay any Extra Expenses to minimize the suspension of business if you cannot continue **"operations".**

(3) We will pay any Extra Expenses to:

(a) Repair or replace any property; or

(b) 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 Coverage Form.

b. Civil Authority

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We will pay for the actual loss of Business Income you sustain and necessary Extra Expenses you incur caused by action of Civil Authority that prohibits access to the described premises due to direct physical **"loss"** to property other than at the described premises caused by or resulting from any of the Covered Causes of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

(1) Three consecutive weeks after the time of that action; or

(2) When your Business Income coverage ends;

Whichever is later.

c. Alterations

We will pay for the actual loss of Business Income you sustain due to direct physical **"loss"** at the described premises caused by or resulting from any of the Covered Causes of Loss to:

(1) Alterations within, or on the exterior of, existing **"buildings"**; and

(2) Machinery, equipment, supplies or building materials located on or within 1000 feet of the described premises and used in the alterations.

If such direct physical **"loss"** delays the start of **"operations,"** the **"period of restoration"** will begin on the date **"operations"** would have begun if the direct physical **"loss"** had not occurred.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

d. 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:

(i) 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"** had occurred; or

(ii) 60 consecutive days after the date determined in **(1)(a)** above.

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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 Causes of Loss in the area where the described premises are located.

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

(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:

(i) 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"** had occurred; or

(ii) 60 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"** at the described premises caused by or resulting from any of the Covered Cause of Loss.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

e. Business Income From Dependent Properties

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"** at the premises of a **"contingent business property,"** caused by or resulting from any of the Covered Causes of Loss. But we will not pay more than .3% (three-tenths of one percent) of the Business Income Limit of Insurance for each day's suspension of **"operations"** at a described premises due to direct physical **"loss"** at any one **"contingent business property."**

The most we will pay under this Additional Coverage is $25,000 per Policy Period.

This Additional Coverage does not apply to **"contingent business property"** for which you have more specific insurance either under this policy or another.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

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f. Property in Transit

In the event of direct physical **"loss"** to your property in transit within the Coverage Territory, we will pay for loss of Business Income and necessary Extra Expenses you incur during the **"period of restoration"**.

This Additional Coverage does not apply to property of others in your care, custody or control.

The most we will pay under this Additional Coverage in any one occurrence is $25,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

5. Coverage Extension - Newly Acquired Premises

a. We will pay for the actual loss of Business Income you sustain caused by direct physical **"loss"** to property at any premises you acquire other than at fairs or exhibitions.

b. The most we will pay for loss under this Extension is 10% of the sum of the Limits of Insurance for Business Income shown in the Coverage Summary above, but not more than $100,000 at each premises.

c. Insurance under this Coverage Extension for each newly acquired premises will end when any of the following first occurs:

(1) This policy expires;

(2) 90 days expire after you acquire 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.

This Coverage Extension is in addition to the applicable Limits of Insurance provided by this Coverage Form. The Coinsurance Option does not apply to this Extension.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay for loss in any one occurrence:

1. For the Business Income From Dependent Properties Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.

2. For the Coverage Extension - Newly Acquired Premises is the Limit of Insurance applicable to that Coverage Extension.

3. For all other coverages provided under this Coverage Form is the applicable Limit of Insurance shown in the Coverage Summary.

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D. 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 expenses 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 expenses 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

You must see that the following are done in the event of loss:

a. Notify the police if a law may have been broken.

b. Give us prompt notice of the direct physical **"loss".** Include a description of the property involved.

c. As soon as possible, give us a description of how, when and where the direct physical **"loss"** occurred.

d. Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

e. As often as may be reasonably required, permit us to inspect the property proving the **"loss"** 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.

f. 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.

g. 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.

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h. Cooperate with us in the investigation or settlement of the claim.

i. If you intend to continue your business, you must resume all or part of your **"operations"** as quickly as possible.

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"** occurred;

(2) The likely net income of the business if no physical **"loss"** 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"**; 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. Resumption of Operations

We will reduce the amount of your Business Income loss to the extent you can resume your **"operations,"** in whole or in part, by using:

(1) Damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere;

(2) Any other available sources of material or outlets for your product.

c. 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:

a. You have complied with all of the terms applicable to this Coverage Form; and

b. (1) We have reached agreement with you in the amount of loss; or

(2) An appraisal award has been made.

E. Coinsurance Option

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

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

(1) The Coinsurance percentage shown in the Coverage Summary; times

(2) The sum of:

(a) The net income (net profit or loss before income taxes); and

(b) All 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).

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

(1) Multiply the net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

(2) Divide the Limit of Insurance for the described premises by the figure determined in step **1**; and

(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.

2. 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:

a. Prepaid freight - outgoing;

b. Returns and allowances;

c. Discounts;

d. Bad debts;

e. Collection expenses;

f. Cost of raw stock and factory supplies consumed (including transportation charges);

g. Cost of merchandise sold (including transportation charges);

h. Cost of other supplies consumed (including transportation charges);

i. Cost of services purchased from outsider (not employees) to resell, that do not continue under contract;

j. All ordinary payroll expense excluded (if form **PI-ULT-011** is attached); and

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k. 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).

Example No. 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 X 50% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)
Step **2:** $150,000 ÷ $200,000 = .75
Step **3:** $ 80,000 X .75 = $60,000

We will pay no more than $60,000. The remaining $20,000 is not covered.

Example No. 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

Step **1:** $400,000 X 50% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)
Step **2:** $200,000 ÷ $200,000 = 1.00
Step **3:** $80,000 X 1.00 = $80,000

We will pay the $80,000 loss. No penalty applies.

This condition does not apply to the Extra Expense Additional Coverage.

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3. Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Work Sheet must be made a part of this policy and must show financial data for your **"operations"**:

(a) During the 12 months prior to the date of the Business Income Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) An Agreed Value must be shown in the Coverage Summary. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Coverage Summary; multiplied by

(b) The amount of Net Income and Operating Expenses for the following 12 months you report on the Business Income Work Sheet.

b. The Coinsurance Option is suspended until the expiration date of this policy.

c. We will reinstate the Coinsurance Option automatically if you do not submit a new Business Income 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.

Example:

When:

The Limit of Insurance is	$100,000
The Agreed Value is	$200,000
The amount of loss is	$ 80,000

Step (a)	$100,000	÷	$200,000	=	.50
Step (b)	.50	X	$80,000	=	$40,000

We will pay $40,000. The remaining $40,000 is not covered.

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F. Optional Coverages

If shown in the Coverage Summary, the following Optional Coverages apply separately to each item.

1. Maximum Period of Indemnity

a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income is the lesser of:

(1) The amount of loss sustained during the 120 days immediately following the beginning of the **"period of restoration"**; or

(2) The Limit of Insurance shown in the Coverage Summary.

2. Monthly Limit of Indemnity

a. The Coinsurance Option does not apply 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 Coverage Summary for this Optional Coverage.

Example:

When:
The Limit of Insurance is $120,000
The fraction shown in the Coverage Summary for this Optional Coverage is 1/4
The most we will pay for loss in each period of 30 consecutive days is:
$120,000 X ¼ = $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

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.

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3. **Extended Period of Indemnity**

   Under paragraph **A.4.d.**, Extended Business Income, the number "60" in subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Coverage Summary for this Optional Coverage.

G. Definitions

1. **"Buildings"** means buildings or structures.

2. **"Contingent Business Property"** means property operated by others you depend on to:

   a. Deliver materials or services (other than water, communications or power supply) to you, or to others for your account (Contributing Locations);

   b. Accept your products or services (Recipient Locations); or

   c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations).

3. **"Finished Stock"** means stock you have manufactured.

   "Finished Stock" also includes whiskey and alcoholic products being aged.

   "Finished Stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.

4. **"Loss"** means accidental loss or damage.

5. **"Operations"** means:

   a. Business activities you perform at the described premises; and

   b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.

6. **"Period of Restoration"** means the period of time that:

   a. Begins:

   (1) 72 hours after the time of direct physical **"loss"** for Business Income coverage; or

   (2) Immediately after the time of direct physical **"loss"** for Extra Expense coverage; 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.

   c. "Period of Restoration" does not include 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

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(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 cut short the **"period of restoration."**

7. "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.

8. "Rental Value" means:

a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and

b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and

c. Fair rental value of any portion of the described premises which is occupied by you.

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WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies coverage provided under the following:

Property Coverage Form

COVERAGE SUMMARY

Premises No.	Bldg. No.	Windstorm or Hail Deductible Percentage (enter 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10%)
0001	0001	2%
0001	0002	2%
0001	0003	2%
0001	0004	2%
0001	0005	2%
0001	0006	2%
0001	0007	2%
0001	0008	2%
0001	0009	2%
0001	0010	2%
0001	0011	2%
0001	0012	2%
0001	0013	2%
0001	0014	2%
0001	0015	2%
0001	0016	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to direct physical **"loss"** to Covered Property, caused by or resulting from Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"** or damage. If **"loss"** from a covered weather condition other than Windstorm or Hail occurs, and that **" loss"** would not have occurred but for the Windstorm or Hail such **"loss"** shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm of Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm of Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

As used in this endorsement the terms **"specific insurance"** and **"blanket insurance"** have the following meanings. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example a building and personal property in that building or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of insurance are shown in the Declarations.

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Windstorm or Hail Deductible Clause

A. All Policies

1. A deductible is calculated separately for and applies separately to:

a. Each building, if two or more buildings sustain **" loss"** .

b. The building and to personal Property in that building, if both sustain **"loss"** .

c. Personal property at each building , if personal property at two or more buildings sustains **"loss"**.

d. Personal Property in the open.

2. We will not pay for **"loss"** until the amount of **"loss"** exceeds the applicable Deductible. We will then pay the amount of **" loss"** in excess of that Deductible up to the applicable Limit of Insurance, after any reduction required by any of the following ;

a. Coinsurance Condition

b. Agreed Value Option Coverage

c. Reporting Endorsement

3. For property covered under the Coverage Extension for Newly Acquired or Constructed Property: When we determine the amount, if any, that we will pay for **"loss"**, 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 Schedule for any described premises.

B. Calculation of the Deductible - Specific Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss",** we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained **"loss"** .

2. Property Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"** , we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss"** . 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 Value shows less than the full value (s) of the property in 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"** , we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

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C. Calculation of the Deductible - Blanket Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"**, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss".** 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 Endorsement

When we determine the amount, if any, that we will pay for property that has sustained **"loss"** or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss .

EXAMPLES - APPLICATION OF DEDUCTIBLE

Example #1 - Specific Insurance (B.1)

The amount of **"loss"** to the damaged building is $60,000.

The value of the damaged building at time of **"loss"** is $100,000. The Coinsurance percentage shown in the Declarations is 80%, the minimum Limit of Insurance needed to meet the coinsurance requirement is $80,000. (80% of $100,000.)

The actual Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%

Step (1)	$70,000	÷	$80,000	=	.875
Step (2)	$60,000	X	.875	=	$52,500
Step (3)	$70,000	X	1%	=	$700
Step (4)	$52,500	–	$700	=	$51,800

The most we will pay is $51,800. The remainder of the **"loss",** $8,200 is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example #2 - Specific Insurance (B.1)

The amounts of **"loss"** to the damaged property are $60,000 (building) and $40,000 (business personal property in building).

The value of the damaged building at time of **"loss"** is $100,000. The value of the business personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the business personal property.

The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the business personal property (therefore no Coinsurance penalty).

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The Deductible is 2%

Building

Step (1)	$80,000	X	2%	=	$1,600
Step (2)	$60,000	–	$1,600	=	$58,400

Business Personal Property

Step (1)	$64,000	X	2%	=	$1,280
Step (2)	$40,000	–	1,280	=	$38,720

The most we will pay is $97,120. That portion of the total **"loss"** not covered due to application of the Deductible is $2,880.

Example #3 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), and Building #3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the declarations is 90%, the minimum Blanket of Insurance needed to meet the coinsurance requirement is $1,800,000 (90% of $2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is $1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of **"loss"** to these buildings are $40,000 (Building #1) and $20,000 (Building #2).

The Deductible is 2%

Building #1

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$40,000	–	$10,000	=	$30,000

Building #2

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$20,000	–	$10,000	=	$10,000

The most we will pay is $40,000. That portion of the total **"loss"** not covered due to application of the Deductible is $20,000.

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Example #4 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), Business Personal Property at Building #1 ($250,000) and Business Personal Property at Building #2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,350,000 (90% of $1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Building #1 and #2 shown in the Declarations is $1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of **"loss"** are $95,000 (Building) and $5,000 (Business Personal Property).

The Deductible is 5%

Building

Step (1)	$500,000	X	5%	=	$25,000
Step (2)	$95,000	–	$25,000	=	$70,000

Business Personal Property

Step (1)	$250,000	X	5%	=	$12,500

The loss of $5,000 does not exceed the deductible.

The most we will pay is $70,000. The remainder of the building **"loss",** $25,000, is not covered due to application of the Deductible. There is no **"loss"** payment for the business personal property.

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WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies coverage provided under the following:

Property Coverage Form

COVERAGE SUMMARY

Premises No.	Bldg. No.	Windstorm or Hail Deductible Percentage (enter 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10%)
0001	0017	2%
0001	0018	2%
0001	0019	2%
0001	0020	2%
0001	0021	2%
0001	0022	2%
0001	0023	2%
0001	0024	2%
0001	0025	2%
0001	0026	2%
0001	0027	2%
0001	0028	2%
0001	0029	2%
0001	0030	2%
0001	0031	2%
0001	0032	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to direct physical **"loss"** to Covered Property, caused by or resulting from Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"** or damage. If **"loss"** from a covered weather condition other than Windstorm or Hail occurs, and that **" loss"** would not have occurred but for the Windstorm or Hail such **"loss"** shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm of Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm of Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

As used in this endorsement the terms **"specific insurance"** and **"blanket insurance"** have the following meanings. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example a building and personal property in that building or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of insurance are shown in the Declarations.

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Windstorm or Hail Deductible Clause

A. All Policies

1. A deductible is calculated separately for and applies separately to:

a. Each building, if two or more buildings sustain **" loss"** .

b. The building and to personal Property in that building, if both sustain **"loss"** .

c. Personal property at each building , if personal property at two or more buildings sustains **"loss"**.

d. Personal Property in the open.

2. We will not pay for **"loss"** until the amount of **"loss"** exceeds the applicable Deductible. We will then pay the amount of **" loss"** in excess of that Deductible up to the applicable Limit of Insurance, after any reduction required by any of the following ;

a. Coinsurance Condition

b. Agreed Value Option Coverage

c. Reporting Endorsement

3. For property covered under the Coverage Extension for Newly Acquired or Constructed Property: When we determine the amount, if any, that we will pay for **"loss"**, 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 Schedule for any described premises.

B. Calculation of the Deductible - Specific Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss",** we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained **"loss"** .

2. Property Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"** , we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss"** . 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 Value shows less than the full value (s) of the property in 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"** , we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

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C. Calculation of the Deductible - Blanket Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"**, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss".** 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 Endorsement

When we determine the amount, if any, that we will pay for property that has sustained **"loss"** or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss .

EXAMPLES - APPLICATION OF DEDUCTIBLE

Example #1 - Specific Insurance (B.1)

The amount of **"loss"** to the damaged building is $60,000.

The value of the damaged building at time of **"loss"** is $100,000. The Coinsurance percentage shown in the Declarations is 80%, the minimum Limit of Insurance needed to meet the coinsurance requirement is $80,000. (80% of $100,000.)

The actual Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%

Step (1)	$70,000	÷	$80,000	=	.875
Step (2)	$60,000	X	.875	=	$52,500
Step (3)	$70,000	X	1%	=	$700
Step (4)	$52,500	–	$700	=	$51,800

The most we will pay is $51,800. The remainder of the **"loss",** $8,200 is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example #2 - Specific Insurance (B.1)

The amounts of **"loss"** to the damaged property are $60,000 (building) and $40,000 (business personal property in building).

The value of the damaged building at time of **"loss"** is $100,000. The value of the business personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the business personal property.

The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the business personal property (therefore no Coinsurance penalty).

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The Deductible is 2%

Building

Step (1)	$80,000	X	2%	=	$1,600
Step (2)	$60,000	–	$1,600	=	$58,400

Business Personal Property

Step (1)	$64,000	X	2%	=	$1,280
Step (2)	$40,000	–	1,280	=	$38,720

The most we will pay is $97,120. That portion of the total **"loss"** not covered due to application of the Deductible is $2,880.

Example #3 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), and Building #3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the declarations is 90%, the minimum Blanket of Insurance needed to meet the coinsurance requirement is $1,800,000 (90% of $2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is $1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of **"loss"** to these buildings are $40,000 (Building #1) and $20,000 (Building #2).

The Deductible is 2%

Building #1

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$40,000	–	$10,000	=	$30,000

Building #2

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$20,000	–	$10,000	=	$10,000

The most we will pay is $40,000. That portion of the total **"loss"** not covered due to application of the Deductible is $20,000.

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Example #4 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), Business Personal Property at Building #1 ($250,000) and Business Personal Property at Building #2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,350,000 (90% of $1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Building #1 and #2 shown in the Declarations is $1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of **"loss"** are $95,000 (Building) and $5,000 (Business Personal Property).

The Deductible is 5%

Building

Step (1)	$500,000	X	5%	=	$25,000
Step (2)	$95,000	–	$25,000	=	$70,000

Business Personal Property

Step (1)	$250,000	X	5%	=	$12,500

The loss of $5,000 does not exceed the deductible.

The most we will pay is $70,000. The remainder of the building **"loss",** $25,000, is not covered due to application of the Deductible. There is no **"loss"** payment for the business personal property.

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0001	0033	2%
0001	0034	2%
0001	0035	2%
0001	0036	2%
0001	0037	2%
0001	0038	2%
0001	0039	2%
0001	0040	2%
0001	0041	2%
0001	0042	2%
0001	0043	2%
0001	0044	2%
0001	0045	2%
0001	0046	2%
0001	0047	2%
0001	0048	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to direct physical **"loss"** to Covered Property, caused by or resulting from Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"** or damage. If **"loss"** from a covered weather condition other than Windstorm or Hail occurs, and that **" loss"** would not have occurred but for the Windstorm or Hail such **"loss"** shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm of Hail occurrence.

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Windstorm or Hail Deductible Clause

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b. The building and to personal Property in that building, if both sustain **"loss"** .

c. Personal property at each building , if personal property at two or more buildings sustains **"loss"**.

d. Personal Property in the open.

2. We will not pay for **"loss"** until the amount of **"loss"** exceeds the applicable Deductible. We will then pay the amount of **" loss"** in excess of that Deductible up to the applicable Limit of Insurance, after any reduction required by any of the following ;

a. Coinsurance Condition

b. Agreed Value Option Coverage

c. Reporting Endorsement

3. For property covered under the Coverage Extension for Newly Acquired or Constructed Property: When we determine the amount, if any, that we will pay for **"loss"**, 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 Schedule for any described premises.

B. Calculation of the Deductible - Specific Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss",** we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained **"loss"** .

2. Property Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"** , we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss"** . 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 Value shows less than the full value (s) of the property in 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"** , we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

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C. Calculation of the Deductible - Blanket Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"**, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss".** 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 Endorsement

When we determine the amount, if any, that we will pay for property that has sustained **"loss"** or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss .

EXAMPLES - APPLICATION OF DEDUCTIBLE

Example #1 - Specific Insurance (B.1)

The amount of **"loss"** to the damaged building is $60,000.

The value of the damaged building at time of **"loss"** is $100,000. The Coinsurance percentage shown in the Declarations is 80%, the minimum Limit of Insurance needed to meet the coinsurance requirement is $80,000. (80% of $100,000.)

The actual Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%

Step (1)	$70,000	÷	$80,000	=	.875
Step (2)	$60,000	X	.875	=	$52,500
Step (3)	$70,000	X	1%	=	$700
Step (4)	$52,500	–	$700	=	$51,800

The most we will pay is $51,800. The remainder of the **"loss",** $8,200 is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example #2 - Specific Insurance (B.1)

The amounts of **"loss"** to the damaged property are $60,000 (building) and $40,000 (business personal property in building).

The value of the damaged building at time of **"loss"** is $100,000. The value of the business personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the business personal property.

The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the business personal property (therefore no Coinsurance penalty).

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The Deductible is 2%

Building

Step (1)	$80,000	X	2%	=	$1,600
Step (2)	$60,000	–	$1,600	=	$58,400

Business Personal Property

Step (1)	$64,000	X	2%	=	$1,280
Step (2)	$40,000	–	1,280	=	$38,720

The most we will pay is $97,120. That portion of the total **"loss"** not covered due to application of the Deductible is $2,880.

Example #3 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), and Building #3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the declarations is 90%, the minimum Blanket of Insurance needed to meet the coinsurance requirement is $1,800,000 (90% of $2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is $1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of **"loss"** to these buildings are $40,000 (Building #1) and $20,000 (Building #2).

The Deductible is 2%

Building #1

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$40,000	–	$10,000	=	$30,000

Building #2

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$20,000	–	$10,000	=	$10,000

The most we will pay is $40,000. That portion of the total **"loss"** not covered due to application of the Deductible is $20,000.

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Example #4 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), Business Personal Property at Building #1 ($250,000) and Business Personal Property at Building #2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,350,000 (90% of $1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Building #1 and #2 shown in the Declarations is $1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of **"loss"** are $95,000 (Building) and $5,000 (Business Personal Property).

The Deductible is 5%

Building

Step (1)	$500,000	X	5%	=	$25,000
Step (2)	$95,000	–	$25,000	=	$70,000

Business Personal Property

Step (1)	$250,000	X	5%	=	$12,500

The loss of $5,000 does not exceed the deductible.

The most we will pay is $70,000. The remainder of the building **"loss",** $25,000, is not covered due to application of the Deductible. There is no **"loss"** payment for the business personal property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies coverage provided under the following:

Property Coverage Form

COVERAGE SUMMARY

Premises No.	Bldg. No.	Windstorm or Hail Deductible Percentage (enter 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10%)
0001	0049	2%
0001	0050	2%
0001	0051	2%
0001	0052	2%
0001	0053	2%
0001	0054	2%
0001	0055	2%
0001	0056	2%
0001	0057	2%
0001	0058	2%
0001	0059	2%
0001	0060	2%
0001	0061	2%
0001	0062	2%
0001	0063	2%
0001	0063	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to direct physical **"loss"** to Covered Property, caused by or resulting from Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"** or damage. If **"loss"** from a covered weather condition other than Windstorm or Hail occurs, and that **" loss"** would not have occurred but for the Windstorm or Hail such **"loss"** shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm of Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm of Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

As used in this endorsement the terms **"specific insurance"** and **"blanket insurance"** have the following meanings. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example a building and personal property in that building or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of insurance are shown in the Declarations.

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Windstorm or Hail Deductible Clause

A. All Policies

1. A deductible is calculated separately for and applies separately to:

a. Each building, if two or more buildings sustain **" loss"** .

b. The building and to personal Property in that building, if both sustain **"loss"** .

c. Personal property at each building , if personal property at two or more buildings sustains **"loss"**.

d. Personal Property in the open.

2. We will not pay for **"loss"** until the amount of **"loss"** exceeds the applicable Deductible. We will then pay the amount of **" loss"** in excess of that Deductible up to the applicable Limit of Insurance, after any reduction required by any of the following ;

a. Coinsurance Condition

b. Agreed Value Option Coverage

c. Reporting Endorsement

3. For property covered under the Coverage Extension for Newly Acquired or Constructed Property: When we determine the amount, if any, that we will pay for **"loss"**, 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 Schedule for any described premises.

B. Calculation of the Deductible - Specific Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss",** we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained **"loss"** .

2. Property Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"** , we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss"** . 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 Value shows less than the full value (s) of the property in 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"** , we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

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C. Calculation of the Deductible - Blanket Insurance

1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"**, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss".** 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 Endorsement

When we determine the amount, if any, that we will pay for property that has sustained **"loss"** or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss .

EXAMPLES - APPLICATION OF DEDUCTIBLE

Example #1 - Specific Insurance (B.1)

The amount of **"loss"** to the damaged building is $60,000.

The value of the damaged building at time of **"loss"** is $100,000. The Coinsurance percentage shown in the Declarations is 80%, the minimum Limit of Insurance needed to meet the coinsurance requirement is $80,000. (80% of $100,000.)

The actual Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%

Step (1)	$70,000	÷	$80,000	=	.875
Step (2)	$60,000	X	.875	=	$52,500
Step (3)	$70,000	X	1%	=	$700
Step (4)	$52,500	–	$700	=	$51,800

The most we will pay is $51,800. The remainder of the **"loss",** $8,200 is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example #2 - Specific Insurance (B.1)

The amounts of **"loss"** to the damaged property are $60,000 (building) and $40,000 (business personal property in building).

The value of the damaged building at time of **"loss"** is $100,000. The value of the business personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the business personal property.

The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the business personal property (therefore no Coinsurance penalty).

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The Deductible is 2%

Building

Step (1)	$80,000	X	2%	=	$1,600
Step (2)	$60,000	–	$1,600	=	$58,400

Business Personal Property

Step (1)	$64,000	X	2%	=	$1,280
Step (2)	$40,000	–	1,280	=	$38,720

The most we will pay is $97,120. That portion of the total **"loss"** not covered due to application of the Deductible is $2,880.

Example #3 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), and Building #3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the declarations is 90%, the minimum Blanket of Insurance needed to meet the coinsurance requirement is $1,800,000 (90% of $2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is $1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of **"loss"** to these buildings are $40,000 (Building #1) and $20,000 (Building #2).

The Deductible is 2%

Building #1

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$40,000	–	$10,000	=	$30,000

Building #2

Step (1)	$500,000	X	2%	=	$10,000
Step (2)	$20,000	–	$10,000	=	$10,000

The most we will pay is $40,000. That portion of the total **"loss"** not covered due to application of the Deductible is $20,000.

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Example #4 - Blanket Insurance (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), Business Personal Property at Building #1 ($250,000) and Business Personal Property at Building #2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,350,000 (90% of $1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Building #1 and #2 shown in the Declarations is $1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of **"loss"** are $95,000 (Building) and $5,000 (Business Personal Property).

The Deductible is 5%

Building

Step (1)	$500,000	X	5%	=	$25,000
Step (2)	$95,000	–	$25,000	=	$70,000

Business Personal Property

Step (1)	$250,000	X	5%	=	$12,500

The loss of $5,000 does not exceed the deductible.

The most we will pay is $70,000. The remainder of the building **"loss",** $25,000, is not covered due to application of the Deductible. There is no **"loss"** payment for the business personal property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BOILER AND MACHINERY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Property Coverage Form
Causes of Loss Form
Business Income and Extra Expense Coverage Form
Business Income Coverage Form
Extra Expenses Coverage Form

SCHEDULE

Coverage Description	**Limit of Insurance**
Property Damage	$ 75,355,881
Property Damage and Business Income/Extra Expense	$
Business Income and Extra Expense	$ 658,800
Business Income	$
Extra Expense	$

Sublimits of Insurance applicable to each covered location. These sublimits are part of and not in addition to the Limits of Insurance shown above.

Coverage	**Sublimit of Insurance**
Ammonia Contamination	$ 50,000
Water Damage	$ 50,000
Hazardous Substances	$ 50,000
Spoilage	$ 50,000
Expediting Expense	$ 25,000
Newly Acquired Location Coverage	$ 500,000
Off Premises Service Interruption	
Business Income	$
Business Income and Extra Expense	$ 25,000
Extra Expense	$
Spoilage	$ 25,000
Ordinance or Law	$ 100,000

Deductibles

Coverage	**Deductible**
Property Damage	$ 10,000
Business Income and Extra Expense	24 hours
Business Income	hours
Extra Expense	$
Spoilage	Combined w/ PD
Off Premises Service Interruption	24 hours
Ammonia Contamination	Combined w/ PD
Other ( )	$

Premium	**$ 2,261**

A. Coverage

For the purposes of this endorsement, the following exclusions and limitations, or parts thereof, are deleted as respects to the Boilers, Pressure Vessels and Machinery and Equipment at the described premises:

Exclusion B.2.a.	Artificially generated electric current, including electric arcing, that disturbs electrical devices, wiring or wires.
Exclusion B.2.d.(2)	The word latent is deleted.
Exclusion B.2.d.(6)	Mechanical breakdown, including rupture or bursting caused by centrifugal force.
Exclusion B.2.e.	Explosion of steam boilers, steam pipes, steam engines, steam turbines owned or leased by your, or operated under your control.
Limitation C.1.a.	Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from a condition or event inside such equipment.
Limitation C.1.b.	Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

B. Exclusions

As respects the Boiler and Machinery coverage provided by this endorsement, coverage shall not include **"loss"** caused by or resulting from:

1. Damage while any boiler, fired or unfired vessel or electrical steam generator is undergoing a hydrostatic or gas pressure test;

2. Damage while any type of electrical or electronic equipment is undergoing an insulation breakdown test;

3. Damage to or destruction of media, however caused, and regardless of the function of that media;

4/ Depletion, deterioration, corrosion, erosion or wear or tear, and other gradually developing conditions. But if **"loss"** or damage otherwise covered by this endorsement ensues, we will pay for such ensuing **"loss"**;

C. Limits

The most we will pay under this endorsement for direct **"loss"** to Covered Property is the Property Damage Limit of Insurance shown in the schedule of this endorsement. If Business Income Coverage, Extra Expense Coverage, or Business Income and Extra Expense Coverage is included in the policy to which this endorsement is a part, the most we will pay for those extensions of coverage under this endorsement are the respective Limits of Insurance shown in the schedule of this endorsement.

All losses covered by this endorsement occurring at any one location which manifests themselves at the same time and are the result of the same cause will be considered a single loss. If an initial loss covered by this endorsement causes other losses covered by this endorsement, all will be considered a single loss.

D. Extra Expediting

This endorsement is extended to cover the reasonable extra cost of temporary repair and of expediting repair or replacement of Covered Property as a direct result of loss otherwise covered by this endorsement. The most we will pay under this extension is the amount shown as the Expediting Expense Sublimit in the schedule of this endorsement.

E. Ammonia Contamination

If Covered Property is contaminated by ammonia as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Ammonia Contamination Sublimit in the schedule of this endorsement.

F. Water Damage

If Covered Property is damaged by water as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Water Damage Sublimit in the schedule of this endorsement.

G. Hazardous Substances

If covered Property is contaminated by a hazardous substance as the direct result of loss otherwise covered by this endorsement, the most we will pay for expenses to clean up or dispose of such property is the amount shown as the Hazardous Substances Sublimit in the schedule of this endorsement.

H. Spoilage

If Covered Property spoils from lack of power, light, heat, steam, or refrigeration as a direct result of the Breakdown of the insured's Boilers, Pressure Vessels, Machinery or Equipment, the most we will pay for this kind of damage, including salvage expenses, is the amount shown as the Spoilage Sublimit in the schedule of this endorsement.

I. Newly Acquired Locations

The coverages of this endorsement are extended to the interest of the named insured in Boilers, Pressure Vessels, Machinery and Equipment, not otherwise insured, at newly constructed, acquired, or leased locations within the policy coverage territory and which have been previously undeclared. The most we will pay under this extension for loss or damage at any one location is the amount shown as the Newly Acquired Location Coverage Sublimit in the schedule of this endorsement.

J. Off Premises Service Interruption

If Off Premises Service Interruption Coverage is included in the policy of which this endorsement is a part, the coverage extensions of this endorsement for Business Income and/or Extra Expense and/or Spoilage are further extended to include loss caused by Boilers, Pressure Vessels, Machinery and Equipment, whether or not they are located on Insured's premises, owned by a public utility or other company and used to directly supply electrical power, communications services, heating, gas, water, steam or air conditions to the described premises.

K. Deductibles

There shall be liability under this endorsement only when the amount of loss exceeds the Boiler and Machinery Deductibles shown in the schedule of this endorsement. If no Boiler and Machinery Deductibles are shown, coverage under this endorsement is subject to the policy deductible.

If an hour deductible is shown in the schedule, we will only pay for loss or damage you sustain after the first specified number of hours immediately following the physical loss to the Covered Property.

If a multiplier is shown in the schedule of this endorsement, the deductible is determined by multiplying the One Hundred Percent Average Daily Value (100% ADV) times the multiplier. The 100% ADV will be obtained by dividing the total net profits, fixed charges and expenses for the entire location that would have been earned had no physical loss occurred during the period of interruption of business by the number of working days in that period. No reduction shall be made for net profits, fixed charges and expenses not being earned, or in the number of working days, because of the physical loss or damage or any other scheduled or unscheduled shutdowns during the period of interruptions.

If a percent of loss deductible is indicated in the schedule of this endorsement, we will not be liable for the indicated percentage of loss or damage insured under this endorsement. If the dollar amount of such percentage is less than the indicated minimum deductibles, the minimum deductible will the applicable deductible.

L. Suspension

If any Boiler, Pressure Vessel, Machinery or Equipment covered by this endorsement is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement for that equipment by written notice mailed or delivered to:

1. Your last known address; or

` **2.** The address where the affected equipment is located.

Once suspended in this way, your insurance can be reinstated only by endorsement.

If we suspend your insurance, you will get a pro rata refund for the affected equipment. But the suspension will be effective even if we have not yet made or offered a refund.

M. Mechanical or Electrical Breakdown

With respect to coverage provided by this endorsement, Mechanical or Electrical Breakdown means a sudden and accidental breakdown of covered Boilers, Pressure Vessels, Machinery and Equipment. At the time breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the affected equipment or part of the affected equipment.

Mechanical or Electrical Breakdown does not mean or include any of the following:

1. Breakdown of any structure or foundation.

2. Breakdown of any boiler setting, insulating or refractory material.

3. Breakdown of a power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, well casing, penstock or draft tube.

4. Breakdown of any elevator, crane, hoist, escalator or conveyor, but not including any pressure vessel or electrical equipment used with such a machine.

5. Breakdown of Boilers, Pressure Vessels, Machinery or Equipment manufactured or held for sale by you.

6. Breakdown of catalyst.

7. Breakdown of any oven, stove, furnace, incinerator, pot or kiln.

8. Breakdown of any buried vessel or piping.

9. Breakdown of a felt, wire, screen, die, mold, form, pattern, extrusion plate, swing hammer, grinding disc, cutting blade, chain, cable, belt, rope, clutch plate, brake pad, nonmetallic part or any part or tool subject to frequent, periodic replacement.

10. Breakdown, of any nonmetallic vessel, unless it is constructed and used in accordance with the American Society of Engineers (A.S.M.E.) code.

11. Breakdown of sewer piping, piping forming a part of a fire protection system or water piping other than:

a. Feed water piping between any boiler and its feed pump or injector; or

b. Boiler condensate return piping; or

c. Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes.

12. Breakdown of a part of a Boiler, Pressure Vessel or Electric Steam Generator that:

a. Does not contain steam or water; or

b. Is not under pressure of contents of the vessel; or

c. Is not under internal vacuum.

13. The functioning of any safety or protective devices.

This Endorsement Changes The Policy. Please Read It Carefully.

Condominium Association Coverage Endorsement

This endorsement modifies coverage provided under the following:

Property Coverage Form

A. Covered Property

Section **A.1., Covered Property**, is deleted and replaced by the following:.

1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

a. Your Business Personal Property:

(1) Located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises;

(2) In transit; and

(3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

(a) Property owned by you or owned indivisibly by all unit-owners, consisting of

(i) "Fine Arts"

If the total value of **"Fine Arts"** are over $25,000 they must be listed in a schedule on file with us ;

(ii) "Computer Property";

(iii) All other personal property;

(iv) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and

(v) Signs;

(b) Similar property of others in your care, custody or control; and

(c) Labor, materials or services furnished or arranged by you on personal property of others;

But Your Business Personal Property does not include property owned only by a unit-owner.

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b. "Buildings" described in the Declarations, including:

(1) Building glass;

(2) Completed additions;

(3) Fixtures, outside of individual units, including outdoor fixtures;

(4) Permanently installed:

(a) Machinery; and

(b) Equipment.

(5) Fences;

(6) Personal property owned by you that is used to maintain or service the **"buildings"** or their premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings;

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units; and

(e) Alarm, communication and monitoring systems.

(7) If not covered by other insurance:

(a) Alterations and repairs to the **"buildings"**; and

(b) Materials, equipment, supplies, and temporary structures, on or within 1,000 feet of the described premises, used for making alterations or repairs to the **"buildings"**.

(8) Any of the following types of property contained within a unit, if your Condominium Association Agreement requires you to insure it:

(a) Your fixtures, improvements and alterations that are a part of the **"buildings"**;

(b) Your appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and

(c) Fixtures, installations or additions owned by unit-owners and comprising that part of the **"buildings"** within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual units:

(i) Initially installed in accordance with the original plans and specifications, or replacements of like kind or quality as those initially installed; or

(ii) As existed at the time the unit was initially conveyed, if the original plans and specifications are not available.

(d) Floor coverings, wall coverings and ceiling coverings within individual units, if your Condominium Association Agreement required you to insure it.

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(e) Additional property as described in the Schedule, or in the Declarations.

(9) Foundations, of covered **"buildings"**, machinery and boilers and foundations of equipment and machinery, whether above or below ground;

(10) Underground Pipes, flues and drains;

(11) Roadways, walks, patios, and other paved surfaces;

(12) But **"buildings"** do not include:

(a) Electrical fixtures, appliances, air conditioner or heating equipment, water heaters or built-in cabinets which are located within an individual unit and which the unit-owner is required to repair or replace, and

(b) Personal property owned by, used by or in the care, custody or control of a unit-owner.

With respect to coverage for fixtures, installations and additions provided in paragraph **b.(7)** above, each unit-owner will be considered an additional insured.

B. The following are deleted from Section **A.4., Additional Coverages**:

h. Theft Damage to "Buildings";

i. Brands and Labels; and

j. Consequential Damage.

C. The following are added to Section **E., Loss Conditions**:

9. Unit-Owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

10. Waiver of Rights of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ADDITIONAL PROVISIONS

This endorsement modifies insurance provided under the following:

UltimateCover Policy

A. Paragraph **2.** of the Cancellation Common Policy Condition is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

B. The following are added:

1. We may elect not to renew this policy by mailing or delivering notice of nonrenewal to the first Named Insured's last mailing address known to us. We will mail or deliver this notice at least 30 days before the expiration date of this policy.

2. No act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the Association.

C. The **Waiver of Rights of Recovery** Loss Condition is replaced by the following:

Waiver of Rights of Recovery

We waive our rights to recover payment against:

1. Any unit-owner described in he Declarations including the developer, and members of his or her household;

2. The Association; and

3. Members of the board of directors for acts or omissions within the scope of their duties for you.

But we reserve our rights to recover from the developer damages for which he or she may be held liable in his or her capacity as a developer.

D. Paragraph **b.** of the **Mortgageholders** Additional condition is replaced by the following:

b. If the condominium is terminated, we will pay for covered **"loss"** to, **"buildings"** to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.

In all other respects, we will pay for **"loss"** to **"buildings"** to you or the designated insurance trustee in accordance with the **Loss Payment** Loss Condition.

E. Paragraphs **f.** and **g.** of the **Mortgageholders** Additional Condition are replaced by the following:

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f. If we cancel this policy, we will give written notice to the mortgageholder at least 30 days before the effective date of cancellation.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 30 days before the expiration date of this policy.

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LIMITATIONS ON FUNGUS, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM
CAUSES OF LOSS FORM

SCHEDULE

Increased Limit: _____
Separate Premises or Locations Option YES _____ **NO** _____ If YES, describe the separate premises or locations:
Information required to complete this **SCHEDULE**, if not shown on this endorsement, will be shown in the Declarations.

I. CAUSES OF LOSS FORM, Section **E. Additional Coverage Extensions** is amended to include the following:

A. Coverage

1. We will pay for **"loss"** or damage by **"fungus,"** wet or dry rot or bacteria that is the result of fire or lightning.

2. a. We will also pay for loss or damage by **"fungus,"** wet or dry rot or bacteria that is the result of one or more of the following causes that occurs during the policy period. Coverage applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

(1) A **"specified cause of loss"** other than fire or lightning;

(2) Water that backs up or overflows from a sewer, drain or sump, if coverage applies to the affected premises; or

(3) 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;

(c) Doors, windows or other openings;

if coverage applies to the affected premises; or

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(4) **"Flood,"** if the Flood Endorsement applies to the affected premises.

b. The term loss or damage as used in Item **2.a.** means:

(1) Direct physical **"loss"** or damage to Covered Property caused by **"fungus,"** wet or dry rot or bacteria, including the cost of removal of the **"fungus,"** wet or dry rot or bacteria;

(2) The cost to tear out and replace any part of the building or other property as needed to gain access to the **"fungus,"** wet or dry rot or bacteria; and

(3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that **"fungus,"** wet or dry rot or bacteria are present.

3. The amount we will pay for coverage described in **2.a.** above is limited as described in **B. Limits of Insurance** and **C. Additional Conditions – Business Income and/or Extra Expense**.

B. Limits of Insurance

1. The most we will pay for all **"loss"** or damage for coverage described in **A.1.** above is the Limit of Insurance for Covered Property shown in the Declarations.

2. **a.** The most we will pay for all loss or damage for coverage described in **A.2.** above is limited to $15,000, unless an increased limit is shown in the **SCHEDULE** of this endorsement:

(1) Regardless of the number of claims arising out of all occurrences which take place in a 12 month period, starting with the beginning of the present annual policy period; and

(2) Even if the **"fungus,"** wet or dry rot or bacteria continues to be present or active, or recurs in a later policy period.

b. The $15,000 Limit of Insurance or Increased Limit shown in the **SCHEDULE** of this endorsement is included within, and is not in addition to, the applicable Limit of Insurance for any Covered Property.

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

d. The terms of this Limited Coverage do not increase or reduce the coverage provided under:

(1) Paragraph **D. Additional Coverage – Collapse**; or

(2) Paragraph **E. 1. Water Damage, Other Liquids, Powder or Molten Material Damage**

In the **CAUSES OF LOSS FORM**.

C. Additional Conditions – Business Income and/or Extra Expense

Under Item **A. 2.** above, the following applies only if the 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 (WITH EXTRA EXPENSE) COVERAGE FORM**:

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1. If the **"specified cause of loss"** which resulted in **"fungus,"** wet or dry rot or bacteria does not in itself necessitate a suspension of **"operations,"** but such suspension is necessary due to loss or damage to property caused by **"fungus,"** wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

2. If a covered suspension of **"operations"** was caused by **"loss"** or damage other than **"fungus,"** wet or dry rot or bacteria, but remediation of **"fungus,"** wet or dry rot or bacterial prolongs the **"period of restoration,"** we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the **"period of restoration"**), but such coverage is limited to 30 days. The days need not be consecutive.

II. CAUSES OF LOSS FORM, Section **B. Exclusions**, is amended as follows:

A. Exclusion **2.d. (2)** is deleted in its entirety and replaced with the following:

(2) Rust, corrosion, decay, deterioration, spoilage, contamination, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

B. The following exclusions are added:

1. Unless as provided for in Section **I.A. Coverage** above, we will not pay for **"loss"** or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of **"fungus,"** wet or dry rot or bacteria. Such **"loss"** or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss."**

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

2. We will not pay for **"loss"** or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay under:

a. The **Ordinance or Law** coverage extension in the **PROPERTY COVERAGE FORM**; or

b. Any **ORDINANCE OR LAW COVERAGE** endorsement, if applicable to this policy:

For:

(1) **"Loss"** or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of **"fungus,"** wet or dry rot or bacteria; 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 **"fungus,"** wet or dry rot or bacteria.

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III. CAUSES OF LOSS FORM, Section **C. Limitations,** Paragraph **3.** is deleted and replaced by the following:

3. We will not pay for **"loss"** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, frosted, rotted, soured, steamed, or changed in flavor.

But we will pay for such **"loss"** caused by: the **"specified causes of loss"**; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

IV. CAUSES OF LOSS FORM, Section **F. Definitions**, is amended by adding the following:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS OF INCOME DUE TO WORKPLACE VIOLENCE

This endorsement modifies and is subject to the insurance provided under the following:

ULTIMATECOVER PROGRAM - BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

The following is added to **Section A. Coverage, 4. Additional Coverages:**

g. Workplace Violence

(1) Coverage:

Loss of Business Income:

We will pay for the actual loss of Business Income you sustain due to the suspension of your **"operations"** caused by any intentional use, or threat to use, deadly force by any person.

The most we will pay under this coverage is $100,000.

Extra Expense:

Coverage is extended to include the cost of public relations consultants or other specialists to restore the insured's reputation following an incident of workplace violence. Additionally, coverage includes mental health counseling for employees.

The most we will pay under this coverage is $5,000.

(2) Loss Determination:

Determination of the Business Income loss under this additional coverage will be calculated only for the location where the workplace violence occurred. Coverage will only be for the **"period of restoration"**.

Extra expense will apply even though operations have resumed. However, they will not apply after 60 days following the incident.

All other terms and conditions remain the same.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION OF CERTIFIED ACTS OF TERRORISM; COVERAGE FOR CERTAIN FIRE LOSSES

This endorsement modifies insurance provided under the following:

ULTIMATECOVER PROPERTY COVERAGE PART
ULTIMATECOVER CRIME COVERAGE PART

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

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

A. The following definition is added with respect to the provisions of this endorsement:

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

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

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C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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

D. Application Of Other Exclusions

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – ELECTRONIC DATA

This endorsement modifies insurance provided under the following:

ULTIMATECOVER PROPERTY COVERAGE PART

A. Under this endorsement, 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. For the purpose of this endorsement, the term electronic data does not include your "stock" of prepackaged software.

B. This section, **B.**, and the following sections **C.** and **D.**, apply to the UltimateCover Property Coverage Form, Condominium Association Coverage Endorsement, Commercial Condominium Unit-Owner's Coverage Endorsement, and the UltimateCover Causes of Loss Form. Paragraphs **B.1.** and **B.2.** supersede any provisions relating to electronic data, electronic media or valuable papers or records, including any such provisions under Property Not Covered, Coverage Extensions, Valuation Conditions or Limitations in the aforementioned forms.

1. Covered Property does not include electronic data, except as provided below in **C.**, Limited Coverage – Electronic Data.

2. Covered Property does not include 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. However, limited coverage for valuable papers and records, other than those which exist as electronic data, is provided below in **D.**, Limited Coverage – Valuable Papers And Records (Other Than Electronic Data).

C. Limited Coverage – Electronic Data

1. Subject to the provisions of this Limited 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 Limited Coverage – Electronic Data, subject to the following:

a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited 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 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 Limited Coverage – Electronic Data.

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c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by 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. The most we will pay under this Limited Coverage – Electronic Data is $2,500 (unless a higher limit is shown in the Declarations)for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional 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.

D. Limited Coverage – Valuable Papers And Records (Other Than Electronic Data)

1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Limited Coverage does not apply to valuable papers and records which exist as electronic data.

2. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.

3. Under this Limited Coverage, the most we will pay to replace or restore the lost information is $2,500 at each described premises. 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.

E. With respect to the UltimateCover Business Income and/or Extra Expense Coverage Forms, the following exclusion is added:

Exclusion – Interruption Of Computer Operations

1. 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 below in **F.**, Limited Coverage – Interruption Of Computer Operations.

2. 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 below in **F.**, Limited Coverage – Interruption Of Computer Operations.

F. Limited Coverage – Interruption Of Computer Operations

This Limited Coverage applies only to the Ultimate Cover Business Income and/or Extra Expense Coverage Forms.

1. Subject to all provisions of this Limited Coverage, you may extend the insurance that applies to Business Income and/or 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 Limited Coverage, the Covered Causes of Loss are subject to the following:

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a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited 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 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 Limited Coverage – Interruption Of Computer Operations.

c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for 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 Limited Coverage -Interruption Of Computer Operations is $2,500 for the total of all loss sustained and/or expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. 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 Limited 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.

G. Under the Legal Liability Coverage Form, Covered Property does not include electronic data.

H. If this policy is endorsed to cover damage to Covered Property or Business Income loss or Extra Expense caused by or related to interruption in utility service, such coverage does not apply to destruction or corruption of (or any loss or damage to) electronic data.

I. If this policy is endorsed to cover Business Income loss or Extra Expense related to "suspension" of "operations" due to loss or damage to a "dependent property", such coverage does not apply when the only loss to "dependent property" is destruction or corruption of (or any loss or damage to) electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under the "dependent property" endorsement will not continue once the other property is repaired, rebuilt or replaced.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0001	10,000	(2)
0001	0002	10,000	(2)
0001	0003	10,000	(2)
0001	0004	10,000	(2)
0001	0005	10,000	(2)
0001	0006	10,000	(2)
0001	0007	10,000	(2)
0001	0008	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0009	10,000	(2)
0001	0010	10,000	(2)
0001	0011	10,000	(2)
0001	0012	10,000	(2)
0001	0013	10,000	(2)
0001	0014	10,000	(2)
0001	0015	10,000	(2)
0001	0016	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0017	10,000	(2)
0001	0018	10,000	(2)
0001	0019	10,000	(2)
0001	0020	10,000	(2)
0001	0021	10,000	(2)
0001	0022	10,000	(2)
0001	0023	10,000	(2)
0001	0024	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0025	10,000	(2)
0001	0026	10,000	(2)
0001	0027	10,000	(2)
0001	0028	10,000	(2)
0001	0029	10,000	(2)
0001	0030	10,000	(2)
0001	0031	10,000	(2)
0001	0032	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0033	10,000	(2)
0001	0034	10,000	(2)
0001	0035	10,000	(2)
0001	0036	10,000	(2)
0001	0037	10,000	(2)
0001	0038	10,000	(2)
0001	0039	10,000	(2)
0001	0040	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0041	10,000	(2)
0001	0042	10,000	(2)
0001	0043	10,000	(2)
0001	0044	10,000	(2)
0001	0045	10,000	(2)
0001	0046	10,000	(2)
0001	0047	10,000	(2)
0001	0048	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0049	10,000	(2)
0001	0050	10,000	(2)
0001	0051	10,000	(2)
0001	0052	10,000	(2)
0001	0053	10,000	(2)
0001	0054	10,000	(2)
0001	0055	10,000	(2)
0001	0056	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE FORM

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
0001	0057	10,000	(2)
0001	0058	10,000	(2)
0001	0059	10,000	(2)
0001	0060	10,000	(2)
0001	0061	10,000	(2)
0001	0062	10,000	(2)
0001	0063	10,000	(2)
0001	0063	10,000	(2)

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

****** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** those listed separately

(3) Water damage

(4) Lightning

(5) Windstorm or Hail

(6) Theft

(7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.

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

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELITE PROPERTY ENHANCEMENT: CONDOMINIUM ASSOCIATION

This endorsement modifies insurance provided under the Ultimate Cover program:

PROPERTY COVERAGE FORM
CAUSES OF LOSS FORM

I. Schedule of Coverages and Limits

The following is a summary of increased limit of insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy.

Coverage Applicable	Limit of Insurance	Page #
Fine Arts	$35,000	2
Pollutant Clean up and Removal	$35,000	2
Newly Acquired Property	$1,000,000 building $250,000 business personal property	2
Ordinance or Law-Demolition Cost	$300,000	3
Ordinance or Law – Increased Cost of Construction	$300,000	3
Increased Period of Restoration	Subject to Business Income limit	3
Structures	Included in building limit	3
Emergency Vacating Expense	$15,000	3
Automated External Defibrillators (AEDs)	$5,000	4
Earthquake Sprinkler Leakage	$10,000	4
Bulkheads, Docks, Piers and Wharves	$10,000	4
Garages and Carports	$5,000	4
Business Income and Extra Expense including contingent (Maintenance Fees and Assessments)	$100,000	4
Reward Reimbursement	$5,000	5
Spoilage	$25,000	6
Elevator Collision	$100,000	6
Personal Property of Others	$15,000	6
Utility Services – Direct Damage	$25,000	7
Surface Water	$10,000	7

II. Conditions

A. Applicability of Coverage

Coverage provided in forms attached to your policy is amended by this endorsement where applicable.

B. Limits of Insurance

1. When coverage is provided by this form and another coverage form attached to this policy, the greater limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.

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2. Limits of insurance identified herein are not excess of, or in addition to, limits of insurance provided by the **PROPERTY COVERAGE** or **CAUSES OF LOSS FORM** applicable to this endorsement unless otherwise stated.

3. Coverage is considered to be on an occurrence basis (not on a per location basis).

C. Applicability of Exclusions

Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

D. Requirement for Covered Cause of Loss

Except where a specific covered cause of loss is identified in this coverage enhancement, coverage for the losses described herein are applicable only for covered causes of loss as designated in the **CAUSES OF LOSS FORM** attached to the policy.

III. The **PROPERTY COVERAGE FORM** is amended under **A. Coverage, 1. Covered Property, a. Your Business Personal Property, (d) "Fine Arts"** as follows:

If the total of **"Fine Arts"** is over $35,000, they must be listed in a schedule on file with us.

The **PROPERTY COVERAGE FORM** is amended under **A. Coverage, 2. Property Not Covered, o. "Fine Arts"** as follows:

"Fine Arts," If the total value of such property is greater than $35,000, unless such property is listed in a schedule on file with us.

IV. The **PROPERTY COVERAGE FORM** is amended as follows under **A. Coverage, 4. Additional Coverages.**

f. Pollutant Clean Up and Removal

The limit of insurance for this additional coverage is increased to $35,000 for the sum of all covered expenses arising out of a covered cause of loss occurring during each separate 12 month period of this policy.

V. The **PROPERTY COVERAGE FORM** is amended as follows under **A. Coverage, 5. Coverage Extensions.**

a. Section **a. Newly Acquired Property**

We will pay for direct physical **"loss"** to:
(1) "Buildings"
(2) Business personal property you acquire; and
(3) "Buildings" which you have had constructed after:
(a) Construction is completed; and
(b) You have accepted the **"buildings**" for occupancy; and
(c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the **"buildings"**;

At any premises caused by or resulting from any of the covered causes of loss.

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The most we will pay under this coverage extension for **"loss"** to **"buildings"** in any one occurrence is $1,000,000.

The most we will pay under this coverage extension for **"loss"** to business personal property in any one occurrence is $250,000.

This coverage extension does not increase the limits of insurance for **"buildings"** and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire the property or have completed construction; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or construction is completed.

b. Section **j. Ordinance or Law**

(1) The limit of insurance for demolition costs is increased to $300,000 in any one occurrence.

(2) The limit of insurance for increased cost of construction is increased to $300,000 in any one occurrence.

c. Section **l. Increased Period of Restoration Coverage**

We will extend coverage provided under **VIII. n. Business Income and Extra Expense** to include the amount of actual and necessary **"loss"** you sustain during the increased **"period of restoration"** of normal business operations. This coverage applies to Section **j. Ordinance or Law**, items **(1)**, **(2)**, and **(3)**.

VI. The following is added to the **PROPERTY COVERAGE FORM** under **A. Coverage, 1. Covered Property, b. Buildings:**

(12) Structures

Structures not described in the Declarations and used in whole as: cabanas, courts for handball, courts for racquet sports, pool houses, gate houses, storage sheds, shelters, mailboxes, gazebos, pump houses, recreation fixtures, outdoor swimming pools including the water they contain, flagpoles, light poles, fountains, outside statues, and freestanding walls.

VII. The following is added to the **PROPERTY COVERAGE FORM** under **A. Coverage, 4. Additional Coverages:**

q. Emergency Vacating Expense

(1) The coverage provided by this policy is extended to apply to the reasonable expenses that you incur in the emergency vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an emergency situation resulting from a covered cause of loss.

(2) Emergency will mean imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to occupants.

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(3) We will not pay for any expenses under this extension arising out of:

(a) A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority; or

(b) A planned vacating drill; or

(c) The vacating of one or more individuals that is due and confined to their individual medical condition.

No other exclusions in your policy apply to this extension. However, specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

(4) The most we will pay for emergency vacating expenses in any one occurrence under this extension is $15,000. The deductible for emergency vacating expenses is $250 per occurrence.

r. Automated External Defibrillators

Automated external defibrillators (AEDs) are considered covered property. Coverage for automated external defibrillators is limited to $5,000 per occurrence, which is in addition to the Business Personal Property Limit stated on the Declarations.

s. Earthquake Sprinkler Leakage

We will pay up to $10,000 for damages resulting from sprinkler leakage which is caused by earth movement.

t. Bulkheads, docks, piers and wharves

Coverage is provided for your bulkheads, docks, piers and wharves. The most we will pay for **"loss"** or damage in any one occurrence is $10,000.

VIII. The following is added to the **PROPERTY COVERAGE FORM** under **A. Coverage, 5. Coverage Extensions:**

m. Garages and Carports

Coverage for your building is extended to apply to any garage or carport located at the premises described in the Declarations caused by or resulting from any covered cause of loss. Coverage for all garages and carports is subject to a $5,000 limit of insurance per location.

n. Business Income and Extra Expense

(1) Coverage is extended to cover Business Income/Extra Expense incurred when your covered building or business personal property listed on the Declarations is damaged by a covered cause of loss.

We will also pay any Extra Expense to continue your normal operations:

(a) At the described premises; or

(b) At replacement premises or temporary locations; including:

(i) Relocation expenses; and

(ii) Costs to equip or operate the replacement or temporary locations; and

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(c) We will pay for any corresponding Extra Expense to minimize the suspension of your normal operation if you cannot continue them.

(2) 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 due to direct physical **"loss"** of or damage to property, other than at the described premises, caused by or resulting from any covered cause of loss. The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins. The coverage for Extra Expense will begin immediately after the time of that action and will end: (1) 3 consecutive weeks after the time of that action; or (2) When your Business Income coverage ends; whichever comes first.

(3) Coverage is extended, subject to all provisions herein, to cover Business Income/Extra Expense incurred when Contingent Business Property is damaged by a covered cause of loss. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

(4) The following, when used in this section, are defined as follows:

(a) Extra Expense 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.

(b) Business Income means Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred during the **"period of restoration"** and continuing normal operating expenses including payroll. Business income includes but is not limited to all maintenance fees and assessments due you from unit owners which you have been unable to collect during the **"period of restoration."**

(c) Contingent Business Property means property operated by others on whom you depend to:

(i) Deliver materials or services to you or to others for your account (Contributing Locations);

(ii) Accept your products or services (Recipient Locations);

(iii) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(iv) Attract customers to your business (Leader Locations).

The most we will pay under this section is $100,000 for any one occurrence.

o. Reward Reimbursement

Coverage is extended to provide a reward for information that leads to a criminal conviction in connection with **"loss"** or damage to covered property by a covered cause of loss; provided that the reward is pre-approved by the Company. The most we will pay for **"loss"** or damage under this extension is $5,000 regardless of the number of persons involved providing information.

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This extension does not include arson reward as arson reward is included in **Section 4. Additional Coverages** of the **PROPERTY COVERAGE FORM**.

No deductible shall apply to this coverage.

p. Spoilage

(1) We will pay for direct physical **"loss"** or damage to your perishable business personal property, and perishable personal property of others while at or within 1000 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:

(a) Complete or partial interruption of electrical power to the described premises due to condition beyond your control; or

(b) Mechanical breakdown or failure of heating, cooling or humidity control equipment or apparatus at the described premises.

(2) Coverage does not apply to:

(a) The disconnection of any heating, cooling or humidity control equipment or apparatus from the source of power; or

(b) The deactivation of electrical power or current caused by the throwing of any switch or other device used to control the flow of electrical power or current; or

(c) The inability of an electric utility company or other power source to provide sufficient power; or

(d) The inability of a power source at the described premises to provide sufficient power due to insufficient generating capacity to meet demand.

(3) The most we will pay for **"loss"** or damage in any one occurrence is $25,000.

q. Elevator Collision

Coverage is provided for personal property of others in your care, custody or control for damage caused by collision of the elevator, or any property inside, with the elevator or any other objects.

The most we will pay in any one occurrence is $100,000.

r. Personal Property of Others

We will pay for personal property of others including unexplained disappearance that is in your care, custody, or control, and located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

The most we will pay for **"loss"** or damage under this extension is $15,000 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.

IX. The **CAUSES OF LOSS FORM** is amended as follows:

A. Section **E. Additional Coverage Extensions, 2. Utility Services – Direct Damages:**

The most we will pay under this coverage extension for the sum of all occurrences at all premises

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during each separate 12 month period of this policy is $25,000.

B. In **F. Definitions, 3. Flood**, **"surface water**" is deleted and included as a covered cause of loss. We will not pay more than $10,000 in any one occurrence for **"surface water."**

This extension applies to all claim expenses including, but not limited to building, business personal property, personal property of others, business income and extra expense and debris removal. However, this extension does not apply to roof drainage systems, gutters or downspouts.

X. Other Insurance

If there is other insurance under a separate policy covering the same **"loss"** or damage as provided for in this coverage enhancement, we will pay only for the amount of covered **"loss"** or damage in excess of the amount due from that other insurance, regardless of whether you are able to collect. However, we will not pay more than the applicable limit of insurance.

XI. Definition

A. "Period of restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical **"loss"** for Business Income coverage; or

(2) Immediately after the time of direct physical **"loss"** for Extra Expense coverage; 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.

c. "Period of Restoration" does not include 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 cut short the **"period of restoration."**

B. "Surface water" means water above the ground surface. **"Surface water"** does not include overflow of a natural body of water or release of water impounded by a dam.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLLAPSE – EXCLUSION AND ADDITIONAL COVERAGE RE-STATED

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM

I. Section **B. Exclusions**, **2.i.** is deleted in its entirety and replaced with the following:

i. 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.

But 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 **i.** 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:

(i) The **"specified causes of loss"**;

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

II. Section **D. Additional Coverage – Collapse** is deleted in its entirety and replaced with the following:

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.

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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 only 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;

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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.**

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BOILER AND MACHINERY - SEPARATE DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM

A. When any Boiler and Machinery Endorsement is attached to the policy, deductibles apply separately for each applicable coverage as shown in the Boiler and Machinery Endorsement except if:

1. A deductible is shown as COMBINED or included within another deductible for any of the coverages in these endorsements, then we will first subtract the combined deductible amount from the aggregate amount of any **"loss"** to which the combined deductible applies; or

2. More than one **"covered equipment"** is involved in **"one breakdown"**, then only one deductible, the highest, shall apply for each of the applicable coverages.

B. The last sentence in **D. Deductible** does not apply whenever:

1. there is a covered property **"loss"** in the Property Coverage Form; and

2. a covered boiler and machinery **"loss"** in any Boiler and Machinery Endorsement for the same occurrence.

Instead,:

1. the applicable property **"loss"** deductible will apply to the property **"loss"**; and

2. the applicable boiler and machinery **"loss"** deductible will apply to the boiler and machinery **"loss"** for the same occurrence.

C. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

1. "Breakdown"

a. "Breakdown" means the following direct physical loss that causes physical damage to **"Covered Equipment"** and necessitates its repair or replacement:

(1) Failure of pressure or vacuum equipment; or

(2) Mechanical failure including rupture or bursting caused by centrifugal force; or

(3) Electrical failure including arcing;

unless such loss or damage is otherwise excluded within this Policy or any Endorsement forming a part of this Policy.

b. "Breakdown" does not mean or include:

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(1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(2) Defects, erasures, errors, limitations or viruses in **"Computer Equipment"**, **"Data"**, **"Media"** and/or programs including the inability to recognize and process any date or time or provide instructions to **"Covered Equipment"**. However, if a **"Breakdown"** ensues, we will pay the ensuing loss or damage not otherwise excluded;

(3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(4) Damage to any vacuum tube, gas tube, or brush;

(5) Damage to any structure or foundation supporting the **"Covered Equipment"** or any of its parts;

(6) The functioning of any safety or protective device; or

(7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

2. **"Computer Equipment"** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include **"Data"** or **"Media"**.

3. **"Covered Equipment"**

a. **"Covered Equipment"** means and includes any:

(1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;

(2) For any boiler or fired vessel, the furnace of the **"Covered Equipment"** and the gas passages from there to the atmosphere will be considered as outside the **"Covered Equipment"**;

(3) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;

(4) Communication equipment and **"Computer Equipment"**; or

(5) Fiber optic cable.

b. **"Covered Equipment"** does not mean or include any:

(1) **"Media"**;

(2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

(3) Insulating or refractory material;

(4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a

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Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;

(5) Catalyst;

(6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

(7) Structure, foundation, cabinet or compartment supporting or containing the **"Covered Equipment"** or part of the **"Covered Equipment"** including penstock, draft tube or well casing;

(8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any **"Covered Equipment"** mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

(9) Dragline, power shovel, excavation or construction equipment including any **"Covered Equipment"** mounted on or used solely with any dragline, power shovel, excavation or construction equipment;

(10) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;

(11) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;

(12) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);

(13) **"Diagnostic Equipment"**;

(14) **"Power Generating Equipment"**;

(15) **"Production Machines"**; or

(16) Equipment or any part of equipment manufactured by you for sale.

4. **"Data"** means: programmed and recorded material stored on **"Media"** and programming records used for electronic data processing, or electronically controlled equipment.

5. **"Diagnostic Equipment"** means any machine or apparatus (other than astronomical telescopes, cyclotron, nuclear reactor or particle accelerator) used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.

6. **"Media"** means electronic data processing or storage material such as films, tapes, discs, drums or cells.

7. **"One Breakdown"** means if an initial **"breakdown"** causes other **"breakdowns"**, all will be considered **"one breakdown"**.

All **"breakdowns"** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **"one breakdown"**. If an initial **"breakdown"** causes other **"breakdowns",** all will be considered **"one breakdown"**.

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8. **"Power Generating Equipment"** means any pressure, mechanical, or electrical equipment, machinery, apparatus used in, or associated with, the generation of electric power, but it does not include emergency power generating equipment less than or equal to 1000kw.

9. **"Production Machines"** means any production or process machine or apparatus that processes, forms, cuts, shapes, or grinds raw materials, materials in process or finished products, including all **"Covered Equipment"** that is used solely with and/or forms an integral part of the production or process or apparatus. But **"Production Machines"** does not include any:

   a. Pressure vessel or vacuum vessel, other than any cylinder containing a movable plunger or piston;

   b. Pump, compressor, fan or blower that conveys raw materials, materials in process or finished products;

   c. Separate enclosed gear set connected by a coupling, clutch or belt; or

   d. Separate driving electrical or mechanical machine connected by a coupling, clutch or belt.

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WATER DAMAGE PER UNIT DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM

SCHEDULE

Water Damage Per Unit Deductible: $ 10,000

A. Section **D. Deductible** is amended to include the following:

We will not pay for **"loss"** in any one occurrence in each **"unit"** at each premises listed in the Declarations caused by or resulting from water damage until the amount of such **"loss"** exceeds the Deductible shown in the **SCHEDULE** above.

The Deductible will apply as follows:

1. The Water Damage Per Unit Deductible shown above shall apply separately to each **"unit".**

2. If in any one occurrence, the Water Damage Per Unit Deductible amount is met by the application of one or more **"unit"** deductibles, no deductible shall apply to any **"loss"** outside those affected **"units"**.

3. When the Water Damage Per Unit Deductible is not met, the applicable Property Deductible shown in the Declarations will apply to **"loss"** outside the affected **"units"**.

4. If the Water Damage Per Unit Deductible applies, the Property Deductible(s) shown in the Declarations does not apply to **"loss"** to the same affected area.

B. For the purpose of this endorsement, **"unit"** means a separate physical part of the building designed and intended for individual use.

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CONTINUOUS OR REPEATED WATER DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

ULTIMATE COVER PROPERTY COVERAGE PART

We will not pay for **"loss"**, damage, or other claim caused in whole or in part, by or resulting from:

a. continuous or repeated exposure, seepage, leakage or inundation of water; or

b. the presence or condensation of humidity, moisture or vapor;

that occurs or is present over a period of 30 days or more. Such "**loss**", damage or other claim is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"**, damage or other claim.

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FLOOD REDEFINED

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM

A. Section **F. Definitions**, **3. "Flood"** is deleted in its entirety and replaced with the following:

"Flood" means:

1. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

2. Mudslide or mudflow;

3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment caused in whole or in part by flood as redefined in this endorsement, regardless of how the water enters the building, including but not limited to water that backs up from a sewer or drain away from your premises;

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;

Whether natural or man-made.

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MISMATCH EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM

The following exclusion is added to Section **B. Exclusions**, paragraph **1.**:

a. We will not pay for **"loss"** caused by or resulting from any of the following:

Mismatch

(1) Mismatch of color between undamaged roof or siding material on **"buildings"** and new roof or siding material used to repair or replace the damaged roof or siding on **"buildings"**; due to but not limited to fading, oxidization, weathering, or wear and tear of any existing undamaged roof or siding material.

(2) Mismatch of material between undamaged roof or siding material on **"buildings"** and new roof or siding material used to repair or replace the damaged roof or siding on the **"buildings"**; due to but not limited to outdated, obsolete, unavailable, or discontinued material.

b. This exclusion or the inapplicability of this exclusion to a particular **"loss"** does not create coverage for any **"loss"** that would otherwise be excluded under this policy.

All other terms and conditions of this policy remain unchanged.

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EXISTING DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM

The following exclusion is added to Section **B. Exclusions**, Paragraph **1.**:

Existing Damage

(1) Any **"loss"** commencing prior to the Policy Period shown in the UltimateCover Program Declarations regardless of whether damages were apparent at the inception date of this policy or at a later date;

(2) Any **"loss"** arising out of workmanship, repairs, or lack of repairs arising from damage commencing prior to the Policy Period shown in the UltimateCover Program Declarations; or

(3) Any unrepaired part or portion of a **"loss"** to **"buildings"** for which you have made an insurance claim, whether or not paid by insurance.

All other terms and conditions of this policy remain unchanged.

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