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FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340



MUTUAL OF
ENUMCLAW
INSURANCE
EST. 1898

FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Policy Number: CPP 0021213

Dear Valued Member:

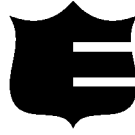
Thank you for trusting Mutual of Enumclaw to provide your insurance protection.

Having the right coverage is important and your independent agent can provide you with in-depth knowledge of all of our products. I encourage you to have your agent review your protection regularly.

If the unfortunate happens and you suffer a loss our highly regarded claims staff, many of whom live in your community, stand ready to assist you when you need us.

We sincerely appreciate your business.

Eric Nelson, CPCU, ARP
President and CEO
Mutual of Enumclaw Insurance Company
Enumclaw Property and Casualty Insurance Company



MUTUAL OF
ENUMCLAW
INSURANCE

EST. 1898

IMPORTANT INFORMATION

Dear Policyholder:

The following is a summary of the changes to coverage forms and endorsements that may impact your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. We recommend that you read your policy for complete information on the coverage you are provided. If there is any conflict between the policy and the summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL.**

This notice provides information concerning the following endorsements, which apply to your renewal policy being issued by us:

CR 00 21 – Commercial Crime Coverage Form (Loss Sustained Form)

CR 00 23 – Commercial Crime Policy (Loss Sustained Form)

CR 00 29 – Employee Theft And Forger Policy (Loss Sustained Form)

• **REDUCTIONS OF COVERAGE**

○ **Exclusion – Virtual Currency**

This new exclusion applies to loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

Thank you for insuring with Mutual of Enumclaw Insurance Company.



**Commercial Policy
Common Policy Declaration**

POLICY NUMBER: CPP 0021213 02

This policy is a RENEWAL

Named Insured:
FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Agency:
BUCKNER COMPANY INC
6550 MILLROCK DR STE 300
SALT LAKE CITY UT 84121-2331

Phone No. 801-937-6701 **Code #** 0000424

Policy Period: From: 11/01/2018 **to** 11/01/2019 **at**
12:01 A.M. Standard Time at your Mailing address shown above

Form of Business: ASSOCIATION **Type of Business:** 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.

Coverage Part	As Provided by Declarations	Premium
Commercial Property Coverage Part	DX0020	\$ 16,683
Commercial General Liability Coverage Part	DG0010	\$ 2,383
Commercial Crime Coverage Part	DC0020	\$ 443
Commercial Auto Coverage Part	DA0093	\$ 148
	TOTAL	\$ 19,657
Total Includes Terrorism Coverage Premiums For:		
Mandatory Terrorism Coverage	\$ N/A	
Optional Terrorism Coverage	\$	

Premium Due At Inception: THIS IS NOT A BILL.
Please Refer to Customer Billing For Any Payment Information.

You may pay your premium in full or installments. If you pay your premium in installments you may be subject to an additional charge for each installment. Additional charges may also be due if your payment is not received by the due date or is not honored by your financial institution.
All charges are shown on your billing statements and are subject to change.

Forms Which Describe or Modify The Coverages Provided By This Insurance Are Listed On The Coverage Part Declarations Pages For Which They Are Applicable. All Such Forms Are Attached To And A Part Of This Policy. Please Read Your Policy Carefully.

COMMERCIAL POLICY COMMON POLICY DECLARATIONS - CONTINUED

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC

Policy Number: CPP 0021213 02

COMMON POLICY SCHEDULE OF LOCATIONS

Loc No.	Bldg. No.	Description or Address
0001		4301 FAIRWAY NINE DR SUN VALLEY, ID 83353
0002		4309 FAIRWAY NINE DR SUN VALLEY, ID 83353
0003		4317 FAIRWAY NINE DR SUN VALLEY, ID 83353
0004		4380 FAIRWAY NINE DR SUN VALLEY, ID 83353
0005		4372 FAIRWAY NINE DR SUN VALLEY, ID 83353
0006		4364 FAIRWAY NINE DR SUN VALLEY, ID 83353
0007		4334 FAIRWAY NINE DR SUN VALLEY, ID 83353
0008		4386 FAIRWAY NINE DR SUN VALLEY, ID 83353
0009		4357 FAIRWAY NINE DR SUN VALLEY, ID 83353
0010		4348 FAIRWAY NINE DR SUN VALLEY, ID 83353
0011		4339 FAIRWAY NINE DR SUN VALLEY, ID 83353
0012		4329 FAIRWAY NINE DR SUN VALLEY, ID 83353
0013		4325 FAIRWAY NINE DR SUN VALLEY, ID 83353
0014		4352 FAIRWAY NINE DR SUN VALLEY, ID 83353

COMMON FORMS AND ENDORSEMENT SCHEDULE

THE FOLLOWING FORMS OR ENDORSEMENTS APPLY TO ALL COVERAGE PARTS INCLUDED ON THE POLICY.

Form Number	Form Name
IL0003 (09/08)	Calculation of Premium
IL0017 (11/98)	Common Policy Conditions
IL0021 (09/08)	Nuclear Energy Liab Excl Endr
IL0056 (01/07)	Conditional Excl of Terrorism

COMMERCIAL POLICY COMMON POLICY DECLARATIONS - CONTINUED

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC

Policy Number: CPP 0021213 02

COMMON FORMS AND ENDORSEMENT SCHEDULE

THE FOLLOWING FORMS OR ENDORSEMENTS APPLY TO ALL COVERAGE PARTS INCLUDED ON THE POLICY.

Form Number	Form Name
IL0204 (09/08)	Idaho Changes - Cancellation
IL0935 (07/02)	Exc of Certain Cmpter Rel Loss
IL0952 (01/15)	Cap on Losses from CAT
IL0995 (01/07)	Conditional Excl of Terrorism
ME0001 (10/15)	Mutual Policy Conditions
ME0105 (01/14)	Marijuana Exclusion

**Mutual of Enumclaw Insurance Holding Company
1460 Wells Street
Enumclaw, WA 98022**

Mutual Policy Conditions

This policy is issued by a mutual company having special regulations lawfully applicable to its organization, membership, policies or contracts of insurance, of which the following shall apply to and form a part of this policy.

MEETING OF MEMBERS

The annual meeting of the Members shall be held on the last Friday in January of each year at 10:30 a.m. local time at the principal office of the Company. The principal office is currently located at 1460 Wells Street, Enumclaw, Washington 98022. Every policyholder of the Company is a Member and shall be entitled to one vote on all matters coming before any annual or special meeting of the Company. A Member may vote in person or by written proxy. The intent to vote by proxy must be filed with the Secretary of the Company not less than ten days before the date of the meeting at which such proxy is to be exercised. This notice shall be deemed full notice to the Members of the annual meeting.

DIVIDENDS

The policyholder shall participate in the distribution of dividends. Dividends are fixed and determined by the Board of Trustees in accordance with the provisions of law.

LIMIT OF LIABILITY

The liability of each policyholder is limited to the amount of the premium specified in the policyholder's policy.

Signature Section



Athan Shinas
Secretary



Eric P. Nelson
President



MUTUAL OF
ENUMCLAW
INSURANCE

EST. 1898

1460 Wells Street, Enumclaw, WA 98022
www.mutualofenumclaw.com

PRIVACY POLICY

Mutual of Enumclaw Insurance Company and Enumclaw Property and Casualty Insurance Company are committed to protecting your privacy. This notice describes our current privacy policy and practices. We may change this Policy from time to time. Revisions will be posted on our website as they are implemented.

PRIVACY AND SECURITY

We use a variety of policies, procedures and technologies to safeguard the privacy and security of your personal information and to protect it from unauthorized access. Part of this involves restricting information access to those employees and others that have an actual business need for it. We utilize an assortment of data encryption and hardware security technologies to help further secure the data.

TYPES AND USE OF PERSONAL INFORMATION COLLECTED

The personal information we collect from you, and about you, is used to research, develop, provide, revise and service insurance product offerings. The type of information varies depending upon whether you are a current policyholder or a prospective insured, as well as the particular insurance product under consideration.

Sources and Types of information we may collect:

- From You – information such as your name, address, date of birth, social security number, email address, and telephone number, etc. These are obtained via applications for insurance, on questionnaires and other forms, through telephone or in-person interviews, from your Independent Agent, or Customer Service Center contact.
- From Transactions with us – information regarding payment history, underwriting correspondence and claim records, etc.
- From Consumer Report Agencies and other Third Parties – information regarding your driving record, prior claim history, credit-based insurance score, county assessor data, court or police records, etc.

A copy of our corporate policy regarding the use of credit-based insurance scores is available upon request. To obtain or see a copy, either write us at 1460 Wells St. Enumclaw, WA 98022, contact your local agent, or, review it online at www.mutualofenumclaw.com/score.

SAFEGUARDING YOUR MEDICAL INFORMATION

Mutual of Enumclaw shares your concern about the privacy of your medical information. We assure you that we do not rent, sell, or give away your personally identifiable medical information to anyone for marketing purposes. We will only use and share personally identifiable medical information for insurance underwriting purposes, to service your policy or a claim, and for other purposes required or permitted by law.

WHEN WE MAY DISCLOSE INFORMATION

Mutual of Enumclaw respects the confidentiality of personal information. There are circumstances, nevertheless, in which we may disclose some of the personal information we have about you to others. It may be done in order to adjust a claim, service or process an insurance product request, provide a service that you have requested or authorized, or as is deemed necessary or required to conduct our business.

Examples of such disclosures:

- Providing information in response to a request by regulatory or governmental authorities, to comply with laws, or legal process.
- Providing information to our re-insurers, administrators, auditors, or consultants.
- Providing information to your Independent Agent and his or her associates so they can administer your business and provide service to you. They may also use this information to advise you of additional products and services offered through their agency.
- Providing information in an aggregated form that does not directly identify you.
- Providing information with your consent.
- Providing information to third party vendors, consultants and other service providers who are working on our behalf and need the information to carry out their work for us.
- Providing your information in connection with any merger, sale of company assets, financing or acquisition of all or a portion of our business to another company.
- Providing your information to protect the rights and property of Mutual of Enumclaw, our agents, members, and others including to enforce our agreements, policies and terms of use, or in the good faith belief that disclosure is needed to respond to an emergency or protect the personal safety of any person.

We will continue to limit the disclosure of your personal information (in accordance with our stated privacy policy and practices) in the event your relationship with us ends, just as we do for those who continue a relationship with us.

HOW CAN YOU FIND OUT WHAT INFORMATION WE HAVE ABOUT YOU?

Most of the information we have about you comes directly from you and your agent via policy application, underwriting and claim forms. Some is obtained from other sources. You have the right to know what kind of information we have in our files about you (except for information that may relate to or is collected in connection with, or in reasonable anticipation of, a claim or a civil or criminal proceeding). You may request to either see, or obtain from us by mail, the information we have about you in our records. You are also entitled to find out (if recorded) who Mutual of Enumclaw has disclosed your personal information to within the two years prior to the request. We will honor this request within thirty (30) business days from the date the request is received. We may charge a reasonable fee to cover the costs incurred in providing you with a copy of this information.

If you believe that any of the information we have is inaccurate or incomplete, you may request that we make the necessary corrections, additions or deletions. Within thirty (30) days of your request, we will either: (a) correct, amend or delete the portion of the recorded personal information; or (b) notify you of our refusal to make the requested correction, amendment or deletion. In the event you disagree with our refusal to make a requested correction, deletion or amendment, you have the right to file a concise statement setting forth (a) what you believe is the correct, relevant or fair information; and (b) the reasons why you disagree with our refusal to correct, amend or delete the recorded personal information.

To fulfill your request, we may make arrangements with a support organization or consumer reporting agency to copy and disclose information to you on our behalf. You may also request a more complete description of the entities to which we disclose customer information, or the circumstances which might warrant such disclosures.

Please send any requests (along with your policy and phone number) to:

Mutual of Enumclaw
Customer Privacy Inquiries
1460 Wells St.
Enumclaw, WA 98022

Our Privacy Policy applies to all Mutual of Enumclaw companies:

- Mutual of Enumclaw Insurance Company
- Enumclaw Property and Casualty Insurance Company

**COMMERCIAL PACKAGE POLICY
LOCATION/BUILDING ADDRESS SCHEDULE**

Policy Number: CPP 0021213 02**Effective Date:** 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Loc No.	Bldg. No.	Description or Address
0001		4301 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #1
	002	16 GARAGES
	003	SWIMMING POOL
0002		4309 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #2
0003		4317 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #3
0004		4380 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #4
0005		4372 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #5
0006		4364 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #6
0007		4334 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #7
0008		4386 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #8
0009		4357 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #9
0010		4348 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #10
0011		4339 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #11
0012		4329 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #12

**COMMERCIAL PACKAGE POLICY
LOCATION/BUILDING ADDRESS SCHEDULE**

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Loc No.	Bldg. No.	Description or Address
0013		4325 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #13
0014		4352 FAIRWAY NINE DR SUN VALLEY, ID 83353
	001	BUILDING #14

FORMS AND ENDORSEMENT SCHEDULE**Policy Number:** CPP 0021213 02**Effective Date:** 11/01/2018**Named Insured:** FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Coverage Line	Form Number	Ed. Date	Description
All Lines	ME0001	(10/15)	Mutual Policy Conditions
All Lines	COM126	(01/15)	Terrorism Disclosure Notice
All Lines	COM127	(08/15)	Terrorism Rejection Form
All Lines	COM139	(08/15)	Equipment Breakdown Coverage
Interline	IL0003	(09/08)	Calculation of Premium
Interline	IL0017	(11/98)	Common Policy Conditions
Interline	IL0021	(09/08)	Nuclear Energy Liab Excl Endr
Interline	IL0056	(01/07)	Conditional Excl of Terrorism
Interline	IL0204	(09/08)	Idaho Changes - Cancellation
Interline	IL0935	(07/02)	Exc of Certain Cmpter Rel Loss
Interline	IL0952	(01/15)	Cap on Losses from CAT
Interline	IL0995	(01/07)	Conditional Excl of Terrorism
Interline	ME0105	(01/14)	Marijuana Exclusion
Commercial Fire	CP0017	(10/12)	Condominium Assoc Cov Form
Commercial Fire	CP0090	(07/88)	Commercial Property Conditions
Commercial Fire	CP0140	(07/06)	Excl of Loss Due To Virus/Bact
Commercial Fire	CP1030	(09/17)	Cause of Loss - Special Form
Commercial Fire	EP0116	(06/15)	Equip Breakdown Enhancemt Endt
Commercial Fire	EP9902	(01/17)	Special Prop Enhancement Endt
Commercial Fire	EP9925	(09/12)	Special Prop Enh Addl Limits
Commercial Fire	EP9960	(06/12)	Bus Inc (&EE) Actual Loss Sus
General Liability	CG0001	(04/13)	Comml Gen Liab Coverage Form
General Liability	CG2004	(11/85)	Addl Insd-Condo Unit Owners
General Liability	CG2011	(04/13)	Addl Insd-Managers or Less.OFP
General Liability	CG2106	(05/14)	Excl-Dscl PersInfo Liab
General Liability	CG2146	(07/98)	Abuse or Molestation Exclusion
General Liability	CG2147	(12/07)	Excl-Employ.-Related Practices
General Liability	CG2149	(09/99)	Total Pollution Excl. Endorse.
General Liability	CG2167	(12/04)	Fungi or Bacteria Excl. (CGL)
General Liability	CG2170	(01/15)	Cap on Loss Frm Cert Acts Terr
General Liability	CG2176	(01/15)	Excl-Punitive Damage C.A.T
General Liability	CG2187	(01/15)	Conditional Excl of Terrorism
General Liability	CG2196	(03/05)	Silica or Silica-Related Dust
General Liability	EG2201	(12/04)	Asbestos Exclusion
General Liability	EG2206	(12/04)	Lead Exclusion
General Liability	EG2207	(12/04)	Arsenic Exclusion

FORMS AND ENDORSEMENT SCHEDULE

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Coverage Line	Form Number	Ed. Date	Description
General Liability	EG2250	(01/07)	Aircraft Products Exclusion
General Liability	EG2297	(02/06)	Addtl CGL Conditions
General Liability	EG9901	(09/16)	Special GL Enhancement Endt
General Liability	EG9940	(11/12)	Emp-Related Prac Liab Coverage
General Liability	EG9970	(03/18)	Cyber And Data Breach
Crime	CR0021	(11/15)	CR Coverage(Loss Sustained Fm
Crime	CR0752	(01/07)	Condition Exclusion Terrorism
Commercial Auto	CA0001	(10/13)	Business Auto Coverage Form
Commercial Auto	CA0118	(11/13)	Idaho Changes
Commercial Auto	CA2394	(10/13)	Silica or Related Dust Excl
Commercial Auto	EA0301	(02/06)	Intercompany Deductible Waiver
Commercial Auto	EA9912	(08/13)	Personal Vehicle Sharing Excl

POLICY INTEREST SCHEDULE

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

CG2011-Managers/Lessors Premis
INFORMATION ALTERNATIVES INC
PO BOX 915
KETCHUM ID 83340

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
 PO BOX 2781
 KETCHUM ID 83340

Description of Premises: Refer to Common Policy Declarations DP 00 93, Page 2.

Mortgage Holders: Refer to Commercial Policy Schedule of Mortgage Holders, Form DP 00 96.

Total Premium: \$ 16,683

Coverage Provided:

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

Loc/Bldg No.	Coverage	Limit of Insurance	Covered Causes of Loss	*Coins %	Ded
ALL/ ALL	Equipment Breakdown				
ALL/ ALL	Property Enhance Endorsement				
	Blanket Building	27,693,132	Special	90%	25,000
001 / 001	Business Inc Actual Loss Sust		Special	N/A	**
001 / 001	Personal Property	26,800	Special	90%	2,500
001 / 001	Building	Incl in Blkt			25,000
001 / 002	Building	Incl in Blkt			25,000
001 / 003	Swimming Pools In The Open (sp	640,377	Special	90%	25,000
002 / 001	Business Inc Actual Loss Sust		Special	N/A	**
002 / 001	Building	Incl in Blkt			25,000
003 / 001	Business Inc Actual Loss Sust		Special	N/A	**
003 / 001	Building	Incl in Blkt			25,000
004 / 001	Business Inc Actual Loss Sust		Special	N/A	**
004 / 001	Building	Incl in Blkt			25,000
005 / 001	Business Inc Actual Loss Sust		Special	N/A	**
005 / 001	Building	Incl in Blkt			25,000
006 / 001	Business Inc Actual Loss Sust		Special	N/A	**
006 / 001	Building	Incl in Blkt			25,000
007 / 001	Business Inc Actual Loss Sust		Special	N/A	**
007 / 001	Building	Incl in Blkt			25,000

* If Extra Expense Coverage Form CP 00 50 Applies, Limits on Loss Payments are indicated.

** Refer to applicable Coverage Form or Endorsement.

Value Reporting Option: Applicable to Coverages designated as REPORTING above.

Loc/Bldg No.	Coverage	"Acquired Locations"	"Incidental Locations"	Reporting Rate	Advance Premium

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
 PO BOX 2781
 KETCHUM ID 83340

Description of Premises: Refer to Common Policy Declarations DP 00 93, Page 2.

Mortgage Holders: Refer to Commercial Policy Schedule of Mortgage Holders, Form DP 00 96.

Total Premium: \$ 16,683

Coverage Provided:

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

Loc/Bldg No.	Coverage	Limit of Insurance	Covered Causes of Loss	*Coins %	Ded
008 / 001	Business Inc Actual Loss Sust		Special	N/A	**
008 / 001	Building	Incl in Blkt			25,000
009 / 001	Business Inc Actual Loss Sust		Special	N/A	**
009 / 001	Building	Incl in Blkt			25,000
010 / 001	Business Inc Actual Loss Sust		Special	N/A	**
010 / 001	Building	Incl in Blkt			25,000
011 / 001	Business Inc Actual Loss Sust		Special	N/A	**
011 / 001	Building	Incl in Blkt			25,000
012 / 001	Business Inc Actual Loss Sust		Special	N/A	**
012 / 001	Building	Incl in Blkt			25,000
013 / 001	Business Inc Actual Loss Sust		Special	N/A	**
013 / 001	Building	Incl in Blkt			25,000
014 / 001	Business Inc Actual Loss Sust		Special	N/A	**
014 / 001	Building	Incl in Blkt			25,000

* If Extra Expense Coverage Form CP 00 50 Applies, Limits on Loss Payments are indicated.

** Refer to applicable Coverage Form or Endorsement.

Value Reporting Option: Applicable to Coverages designated as REPORTING above.

Loc/Bldg No.	Coverage	"Acquired Locations"	"Incidental Locations"	Reporting Rate	Advance Premium

Optional Coverages: Applicable only when entries are made in the Schedule below.

Property								
Loc/Bldg No.	Expiration Date	Agreed Value		Inflation Guard %		Replacement Cost (X)		
		Coverage	Amount	Bldg.	Pers. Prop.	Bldg.	Pers. Prop.	Incl "Stock"
001 /001							X	X
001 /001						X		
001 /002						X		
001 /003							X	
002 /001						X		
003 /001						X		
004 /001						X		
005 /001						X		
006 /001						X		
007 /001						X		
008 /001						X		
009 /001						X		
010 /001						X		
011 /001						X		
012 /001						X		
013 /001						X		
014 /001						X		

Business Income					
Loc/Bldg No.	Maximum Period of Indemnity (x)	* Monthly Limit of Indemnity (Fraction)	*Agreed Value		*Extended Period of Indemnity (Days)
			Amount	Effective Date	
001 /001					0
002 /001					0
003 /001					0
004 /001					0
005 /001					0
006 /001					0
007 /001					0
008 /001					0
009 /001					0
010 /001					0
011 /001					0
012 /001					0
013 /001					0
014 /001					0

*Applies to Business Income Only.

Coverage Forms and Endorsements Applicable to this Coverage Part:

SEE ATTACHED SCHEDULE

COMMERCIAL PROPERTY DESCRIPTION OF PREMISES**Policy Number:** CPP 0021213 02**Effective Date:** 11/01/2018**Named Insured:** FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Prem No.	Bldg No.	Occupancy	Construction	Prot Class	Terr
001	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
001	002	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Non-Combustible	03	070
001	003	SWIMMING POOLS IN THE OPEN (SPECIAL CLASS)	Frame	03	070
002	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
003	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
004	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
005	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
006	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
007	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
008	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
009	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
010	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
011	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
012	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
013	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070
014	001	CONDOMINIUMS-RESIDENT(ASSC RISK ONLY)W/O MERC-UP TO 10 UNITS	Frame	03	070

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Premium: Advanced Premium for this Coverage Part is \$ 2,383

Limits Of Insurance:

EACH OCCURRENCE LIMIT	\$ <u>1,000,000</u>
DAMAGE TO PREMISES RENTED TO YOU LIMIT (Any One Premises)	\$ <u>300,000</u>
MEDICAL EXPENSE LIMIT (Any One Person)	\$ <u>10,000</u>
PERSONAL & ADVERTISING INJURY LIMIT (Any One Person or Organization)	\$ <u>1,000,000</u>
GENERAL AGGREGATE LIMIT (Other than Products - Completed Operations)	\$ <u>2,000,000</u>
PRODUCTS - COMPLETED OPERATIONS AGGREGATE LIMIT	\$ <u>2,000,000</u>

Location Of All Premises You Own, Rent Or Occupy:

Refer to DP 00 98 - Schedule of All Locations You Own, Rent or Occupy.

Classification Schedule: Refer to Commercial General Liability Supplemental Declarations DG 00 15.

Coverage Forms and Endorsements Applicable to This Coverage Part:

Form Title

Form Number

SEE ATTACHED SCHEDULE

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**Policy Number:** CPP 0021213 02**Effective Date:** 11/01/2018**Named Insured:** FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Loc.	Class Code	Classifications	Premium Basis/ Exposure	Rates		Advance Premiums	
				Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
1	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	8 UNIT	15.859	INCLUDED	\$127	INCLUDED
1	48925	SWIMMING POOLS {NOC} PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	1 PER EACH	265.265	INCLUDED	\$265	INCLUDED
2	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	8 UNIT	15.859	INCLUDED	\$127	INCLUDED
3	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	8 UNIT	15.859	INCLUDED	\$127	INCLUDED
4	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	8 UNIT	15.859	INCLUDED	\$127	INCLUDED
5	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	8 UNIT	15.859	INCLUDED	\$127	INCLUDED
6	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	8 UNIT	15.859	INCLUDED	\$127	INCLUDED
7	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	5 UNIT	15.859	INCLUDED	\$79	INCLUDED
8	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	5 UNIT	15.859	INCLUDED	\$79	INCLUDED
9	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	5 UNIT	15.859	INCLUDED	\$79	INCLUDED

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**Policy Number:** CPP 0021213 02**Effective Date:** 11/01/2018**Named Insured:** FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Loc.	Class Code	Classifications	Premium Basis/ Exposure	Rates		Advance Premiums	
				Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
10	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	5 UNIT	15.859	INCLUDED	\$79	INCLUDED
11	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	5 UNIT	15.859	INCLUDED	\$79	INCLUDED
12	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	5 UNIT	15.859	INCLUDED	\$79	INCLUDED
13	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	4 UNIT	15.859	INCLUDED	\$64	INCLUDED
14	62003	CONDOMINIUMS-RESIDENTIAL-(ASSOCIATION RISK ONLY) PROD/COMP OP ARE SUBJECT TO GEN'L AGGREGATE LIMIT	4 UNIT	15.859	INCLUDED	\$64	INCLUDED
ALL	49950	CG2011-MGR/LESSOR OF PREMISES	PER EACH			\$50	
ALL	99999	CYBER & DATA BREACH LIAB				\$214	
ALL		EG9901-SPECIAL GL ENH ENDT				\$50	
ALL	99999	EMP RELATED PRACTICES LIAB				\$425	

LOCATIONS OF ALL PREMISES YOU OWN, RENT OR OCCUPY

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

Loc # 1
4301 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 2
4309 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 3
4317 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 4
4380 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 5
4372 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 6
4364 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 7
4334 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 8
4386 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 9
4357 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 10
4348 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 11
4339 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 12
4329 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 13
4325 FAIRWAY NINE DR
SUN VALLEY, ID 83353

Loc # 14
4352 FAIRWAY NINE DR
SUN VALLEY, ID 83353

COMMERCIAL CRIME COVERAGE PART DECLARATIONS

Policy Number: CPP 0021213 02

Effective Date: 11/01/2018

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC
PO BOX 2781
KETCHUM ID 83340

EMPLOYEE BENEFIT PLAN(S) INCLUDED AS NAMED INSUREDS _____

INSURING AGREEMENTS	LIMIT OF INS.	DEDUCTIBLE	PREMIUM
1. Employee Theft	\$150,000		\$ 363
2. Forgery Or Alteration	\$150,000	\$2,500	\$ 80
3. Inside The Premises - Theft Of Money And Securities	NOT COVERED		\$
4. Inside The Premises - Robbery Or Safe Burglary Of Other Property	NOT COVERED		\$
5. Outside The Premises	NOT COVERED		\$
6. Computer Fraud	NOT COVERED		\$
7. Funds Transfer Fraud	NOT COVERED		\$
8. Money Orders And Counterfeit Paper Currency	NOT COVERED		\$
If Added by Endorsement, Insuring Agreement(s):			
		Total	\$ 443

If "Not Covered" is inserted above opposite any specified insuring Agreement, such Insuring Agreement and any other reference thereto in this coverage part is deleted.

ENDORSEMENTS FORMING PART OF THIS COVERAGE PART WHEN ISSUED:

SEE ATTACHED SCHEDULE

Mutual of Enumclaw Insurance Company Enumclaw, Washington 98022

Business Auto Coverage Form Declarations

Item One:

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC

Policy Number: CPP 0021213 02

Form of Business: ASSOCIATION

Item Two: Schedule of Coverages and Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages applies only to those "autos" shown as covered "autos" in the COVERED AUTO column below. "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS	LIMIT		PREMIUM
		THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS		
LIABILITY	8 9	\$1,000,000	Per accident	\$148
PERSONAL INJURY PROTECTION		Separately stated in each PIP endorsement minus \$ N/A Deductible		
AUTO MEDICAL PAYMENTS		\$	Each Insured	
UNINSURED MOTORISTS COVERAGE	*	\$	Each Accident	
UNDERINSURED MOTORISTS COVERAGE	*	\$	Each Accident	
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE		See ITEM THREE for Schedule of Owned "Autos" See ITEM FOUR for hired or borrowed "autos"		
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		See ITEM THREE for Schedule of Owned "Autos" See ITEM FOUR for hired or borrowed "autos"		
PHYSICAL DAMAGE COLLISION COVERAGE		See ITEM THREE for Schedule of Owned "Autos" See ITEM FOUR for hired or borrowed "autos"		
PHYSICAL DAMAGE TOWING AND LABOR COVERAGE		\$	for each disablement of a private passenger "auto"	
<u>ADDITIONAL COVERAGE ENDORSEMENTS INCLUDED:</u>				
ESTIMATED ADDITIONAL PREMIUM FOR ENDORSEMENTS				
TOTAL ESTIMATED PREMIUM				\$148

* For application of Covered Autos symbol with regard to UM/UIM coverage, refer to applicable UM/UIM coverage form(s).

ITEM TWO (CONTINUED)

LIST OF ALL FORMS AND ENDORSEMENTS ATTACHED AND APPLICABLE AT POLICY INCEPTION:

See Attached Schedule - DP 00 95 01 08

Quick reference for Covered Auto Designation Symbols from the COVERED AUTOS section of the Business Auto Coverage Form.

Refer to the Business Auto Coverage Form CA 00 01 Section I for a complete description of COVERED AUTOS and policy provisions that may apply.

- | | |
|--|--|
| 1 = ANY "AUTO." | 6 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. |
| 2 = OWNED "AUTOS" ONLY. | 7 = SPECIFICALLY DESCRIBED "AUTOS." |
| 3 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. | 8 = HIRED "AUTOS" ONLY. |
| 4 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. | 9 = NONOWNED "AUTOS" ONLY. |
| 5 = OWNED "AUTOS" SUBJECT TO NO-FAULT. | 10 = |
| | 11 = |

ITEM FOUR: SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS.

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE				
STATE	ESTIMATED COST OF HIRE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF PRIMARY)	PREMIUM
ID		0.586		\$20
			TOTAL PREMIUM	\$20

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE COVERAGE - RATING BASIS, COST OF HIRE				
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	Actual Cash Value, Cost of Repairs or \$ Whichever Is Less, Minus \$ Deductible For Each Covered Auto; But No Deductible, Applies to Loss Caused by Fire or Lightning.			
SPECIFIED CAUSES OF LOSS	Actual Cash Value, Cost of Repairs or \$ Whichever Is Less. Minus \$25 Deductible For Each Covered Auto For Loss Caused By Mischief or Vandalism.			
COLLISION	Actual Cash Value, Cost of Repairs Or \$ Whichever Is Less, Minus \$ Deductible For Each Covered Auto.			
			TOTAL PREMIUM	\$0

ITEM FIVE: SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	PREMIUM
Other Than A Social Service Agency	Number of Employees	IF ANY	\$128
	Number of Partners		
Social Service Agency	Number of Employees		
	Number of Volunteers		
TOTAL PREMIUM			\$128



MUTUAL OF
ENUMCLAW
INSURANCE

EST. 1898

1460 Wells Street, Enumclaw, WA 98022

www.MutualofEnumclaw.com

**POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
PURSUANT TO TERRORISM RISK INSURANCE ACT**

This notice informs you that in accordance with the federal Terrorism Risk Insurance Act, you have a right to purchase insurance coverage for losses resulting from acts of terrorism as defined in section 102(1) of the act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Where coverage is provided by this policy for losses resulting from certified acts of terrorism, a share of the losses may be partially reimbursed by the United States Government, Department of the Treasury. The amount of reimbursement is determined under a formula established by federal law. Your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under this formula, the federal share generally equals 85% of insured losses that exceed the applicable insurer retention, and we have met our insurer deductible under the Terrorism Risk Insurance Act, beginning January 1, 2016 and then decreased 1 percentage point per calendar year until it reaches 80%.

The Terrorism Risk Insurance Act, as amended, also contains a \$100 billion cap that limits federal government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one Program Year (January 1 through December 31) exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The Terrorism Risk Insurance Act requires that terrorism coverage be made available to all commercial insurance customers. Since your current commercial insurance policy already provides coverage for acts of terrorism no action is required on your part to include this coverage.

The Terrorism Risk Insurance Act requires that we notify you of the premium charge, if any, that applies to terrorism coverage. If a terrorism coverage charge is being made, it will appear as separate line items on either the declarations page of your policy or on an amendatory endorsement to your policy.

You have the right to decline coverage by notifying us in writing. The Rejection of Terrorism Coverage form is provided for your convenience.



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Rejection of Terrorism Coverage

I acknowledge the offer of Terrorism Insurance Coverage mandated by the Terrorism Risk Insurance Act of 2002.

I hereby request that the optional portion of the terrorism coverage be deleted from my commercial insurance policy described below.

Signature of Named Insured

Date

Policy Number: CPP 0021213 02

Named Insured: FAIRWAY NINE I CONDOMINIUM ASSOCIATION INC

Policy Effective Date: 11/01/2018



MUTUAL OF
ENUMCLAW
INSURANCE
EST. 1898

Equipment Breakdown Coverage

Dear Policyholder:

Mutual of Enumclaw Insurance Company policies include the following perils which are traditionally excluded: pressure systems breakdown, mechanical breakdown and electrical breakdown. Please review your policy for specific coverage details.

Local and/or state jurisdictions typically require periodic inspection of pressurized vessels. The items requiring inspection and the periodicity of the inspections vary by state and city. As a no-cost service to their policy holders, Mutual of Enumclaw Insurance Company has partnered with Mutual Boiler Reinsurance Company to provide these inspections for their policy holders. These items are most typically air/water tanks and boilers.

If you have any questions about this no-cost service, or currently require a jurisdictional inspection, please call:

JURISDICTIONAL INSPECTION SERVICE LINE
800 814 4458, ext.3

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN 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

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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.

- 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.

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".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**IDAHO – CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL TERRORISM
RISK INSURANCE ACT); COVERAGE FOR
CERTAIN FIRE LOSSES**

This endorsement modifies insurance provided under the following:

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

A. Applicability Of The Provisions Of This Endorsement

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

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or
- b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
- (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
- (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that

differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

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

- 1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or

- c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

- a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- 1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- 2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- 3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- 5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that

would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

D. Exception Covering Certain Fire Losses

- 1. The following exception applies only to insurance written under the Commercial Property Coverage Part, Farm Coverage Part, or Standard Property Policy. With respect to such insurance, the exception applies to acts of "terrorism" **other than** acts described in **D.2.**

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

- 2. The fire coverage set forth in **D.1.** does **not** apply to a violent act or an act that is dangerous to human life, property or infrastructure, when such acts are committed by an individual or individuals **acting on behalf of any foreign person or foreign interest**, 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.

E. Application Of Other Exclusions

- 1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under

this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

A. Paragraphs 1. and 2. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the first Named Insured or the date we receive the request.

2. Policies In Effect

a. 60 Days Or Less

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

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run five days following the date of postmark; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.

b. More Than 60 Days

If this policy has been in effect for more than 60 days, or is a renewal of a

policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3)** Acts or omissions on your part which increase any hazard insured against;
- (4)** Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5)** Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (6)** A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7)** Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

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

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run five days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2.b. above.

B. The following Condition is added and supercedes any provision to the contrary:

NONRENEWAL

- 1. If we elect not to renew this policy, we will mail or deliver to the first Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
- 2. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- 3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring policy.
- 4. We need not mail or deliver this notice if:
 - a. We have offered to renew this policy;
 - b. You have obtained replacement coverage; or
 - c. You have agreed in writing to obtain replacement coverage.

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

C. The following Condition is added:

PREMIUM OR COVERAGE CHANGES AT RENEWAL

- 1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten percent (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the first Named Insured, at the last mailing address known to us.
- 2. Any such notice will be mailed or delivered to the first Named Insured at least 30 days before the expiration or anniversary date of the policy.
- 3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
 - a. 30 days after notice is given; or
 - b. The effective date of replacement coverage obtained by the first Named Insured.
- 4. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
- 5. If the first Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. Cap On Certified Terrorism Losses

"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.

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

B. Application Of Exclusions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

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

SCHEDULE

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

State(s)	Coverage Form, Coverage Part Or Policy

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

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certi-

- fied terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
- 3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

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

- 1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- 2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- 1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- 2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

- 3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- 5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item C.5., the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART – FARM PERSONAL PROPERTY COVERAGE FORM
BUSINESSOWNERS POLICY

A. The following is added to the **Property Not Covered** section of the:

- Building And Personal Property Coverage Form, **CP 00 10**
- Farm Property - Farm Personal Property Coverage Form, **FP 00 13**
- Businessowners Coverage Form, **BP 00 03**

marijuana or "marijuana products"

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

- Commercial General Liability Coverage Form, **CG 00 01**
- **Section II - Liability** of the Businessowners Coverage Form, **BP 00 03**

This insurance does not apply to "bodily injury" or "property damage" arising, or allegedly arising, in whole or in part, out of the:

1. Inhalation, ingestion, absorption or use of;
2. Growing, manufacture, storage, distribution or disposal of;
3. Prescribing of or failure to prescribe;
4. Sale, handling, delivery, transfer or possession of; or
5. Exposure to marijuana or "marijuana products".

C. As used in this endorsement:

"Marijuana products" means any product containing the Controlled Substance marijuana as defined under the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812.

CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

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

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

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

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

(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; and

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops; or
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

- (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
- (b) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
- (c) Remove property of others of a type that would not be Covered Property under this Coverage Form;
- (d) Remove deposits of mud or earth from the grounds of the described premises;
- (e) Extract "pollutants" from land or water; or
- (f) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

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

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 = 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". 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 \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1)** This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2)** In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3)** The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4)** Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a)** You were required to comply with before the loss, even when the building was undamaged; and
 - (b)** You failed to comply with.
- (5)** Under this Additional Coverage, we will not pay for:
 - (a)** The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b)** Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6)** The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7)** With respect to this Additional Coverage:
 - (a)** We will not pay for the Increased Cost of Construction:
 - (i)** Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii)** Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b)** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c)** If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8)** This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

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

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by 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.

- (4) The most we will pay under this Additional 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.

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or
- (ii) Use as a warehouse.

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

(2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

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

b. Personal Effects And Property Of Others

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

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

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

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
- (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
- (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

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

- (1) Fire;
- (2) Lightning;

- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

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

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

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

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

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

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

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

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

\$ 60,100
- 250

\$ 59,850 Loss Payable - Building 1

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

Total amount of loss payable:

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

Example 2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

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

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

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

5. Recovered Property

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

6. 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.

7. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

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

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

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

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

8. Valuation

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

a. At actual cash value as of the time of loss or damage, except as provided in **b.** and **c.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value, even when attached to the building:

(1) Awnings or floor coverings;

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

(3) Outdoor equipment or furniture.

c. Glass at the cost of replacement with safety-glazing material if required by law.

9. 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.

F. Additional Conditions

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

1. Coinsurance

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

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **(2)**; and

(4) Subtract the deductible from the figure determined in Step **(3)**.

We will pay the amount determined in Step **(4)** or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

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

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

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

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

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

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

Example 2 (Adequate Insurance)

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

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

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

Example 3

When: The value of the property is:
 Building at Location 1: \$ 75,000
 Building at Location 2: \$100,000
 Personal Property at Location 2: \$ 75,000
 \$250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$180,000

The Deductible is: \$ 1,000

The amount of loss is:
 Building at Location 2: \$ 30,000
 Personal Property at Location 2: \$ 20,000
 \$ 50,000

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

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

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

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

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

2. Mortgageholders

- a.** The term mortgageholder includes trustee.
- b.** We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c.** The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d.** If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1)** Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your 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 mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

- b. The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

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

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

- b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence; or
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the 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.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

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

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

- (4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;

- (b) Basements, whether paved or not; or

- (c) Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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

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

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

This exclusion does not apply:

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

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

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

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

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.

d.(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

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

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

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:
 - (1)** An abrupt falling down or caving in;
 - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

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, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b)** To collapse caused by one or more of the following:
 - (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.
- l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.
- m.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a.** Weather conditions. 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 or damage.
 - b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c.** Faulty, inadequate or defective:
 - (1)** Planning, zoning, development, surveying, siting;
 - (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3)** Materials used in repair, construction, renovation or remodeling; or
 - (4)** Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

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

c. Legal Liability Coverage Form

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

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. 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.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in **2.a.** or **2.b.**;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

(1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

- 1. "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.
- 2. "Specified causes of loss" means the following:
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 PROPERTY ENHANCEMENT ENDORSEMENT
 SPECIAL PROPERTY ENHANCEMENT ENDORSEMENT
 CAUSES OF LOSS – SPECIAL FORM

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

Pollutant Clean Up and Removal		\$250,000*		
Refrigerant Contamination		\$250,000		
Green Environmental and Efficiency Improvements		\$100,000		
Spoilage		\$250,000		
SCHEDULE OF SPOILAGE LIMITS AND DEDUCTIBLE				
Prem No.	Bldg No.	Limit of Insurance	Deductible	Premium
Information required to complete this scheduled, if not shown above, will be shown in the Declarations <small>*Limit applies only when Property Enhancement Endorsement or Special Property Enhancement Endorsement are a part of the policy</small>				

The following changes revise the Special Property Enhancement Endorsement or Property Enhancement Endorsement if applicable.

A. Coverage

Additional Coverage **B.4.** is deleted and replaced with the following:

4. Pollutant Clean Up and Removal

We will pay for the Pollutant Clean Up and Removal for loss resulting from an **Equipment Breakdown**. The most we will pay for the Pollutant Clean Up and Removal is \$250,000 unless a higher limit is provided by an endorsement to the property form for which this endorsement is attached. In that case, whichever limit is greater will apply.

The following changes revise the Building and Personal Property Coverage Form.

A. Coverage

Additional Coverage **A.4.d.** is deleted and replaced with the following:

d. Pollutant Clean Up and Removal

We will pay for the Pollutant Clean Up and Removal for loss resulting from an **Equipment Breakdown**. The most we will pay for the Pollutant Clean Up and Removal is \$25,000 unless a higher limit is provided by an endorsement to the property form for which this endorsement is attached. In that case, whichever limit is greater will apply.

F. Additional Conditions

The following **Additional Conditions** are added:

1. Suspension

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

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

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

2. Inspections and Surveys

- a. We have the right to:
 - (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and
 - (3) Recommend changes.
- b. 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:
 - (1) Are safe or healthful; or
 - (2) Comply with laws, regulations, codes or standards.
- c. Paragraphs **a.** and **b.** 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.
- d. Paragraph **b.** 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.

3. Environmental, Safety and Efficiency Improvements

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

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

4. Green Environmental and Efficiency Improvements

If Covered Property requires repair or replacement due to an "equipment breakdown", we will pay;

- a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "Green". "Like kind and quality" includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- c. The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Covered Property as "Green".
- d. The additional reasonable and necessary cost incurred by the Insured for "Green" in the removal, disposal or recycling of damaged Covered Property.
- e. The business interruption (if covered within the Policy to which this **Equipment Breakdown Enhancement Endorsement** is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverages above.

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

The following revises the **Causes of Loss – Special Form**.

B. Exclusions

Exclusion, 1.e. Utility Services, is deleted and replaced by the following:

e. Utility Services

Loss resulting from **Equipment Breakdown** to power or other utility service supplied to the described premises, however caused. Failure includes lack of sufficient capacity and reduction in supply.

But if failure of power or other utility service results in an **Equipment Breakdown**, we will pay for the loss or damage caused by that **Equipment Breakdown**.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement or flood.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead the Special Exclusion in paragraph **B.4.a.(1)** applies to these coverages.

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by an endorsement to the property form for which this endorsement is attached. In that case, whichever limit is greater will apply.

The following **Exclusions** are removed:

2.a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

2.d.(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in

elevator collision, we will pay for the loss or damage caused by that elevator collision.

2.e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

The following **Special Exclusions** have been amended as follows:

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

Loss resulting from **Equipment Breakdown**, we will not pay for:

(1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement or flood.

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by an endorsement to the property form for which this endorsement is attached. In that case, whichever limit is greater will apply.

C. Limitations

The following **Limitations** are removed:

- 1.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 of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- 1.b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than any explosion.

F. Additional Coverage Extensions

The following **Additional Coverage Extensions** are added:

1. Drying Out

If covered electrical equipment requires **drying out** as a result of a flood, we pay the direct expenses of such drying out. This Additional Coverage does not increase the limit for the Covered Property.

2. Expediting Expenses

We will pay for the expediting expense loss resulting from an **Equipment Breakdown** with respect to your damaged Covered Property. We will pay the reasonable extra cost to:

- a. Make temporary repairs;
- b. Expedite permanent repairs; and
- c. Expedite permanent replacement

Reasonable extra cost shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation" which will be a part of and not an addition to the limit per loss.

3. Refrigerant Contamination

Contamination by a refrigerant resulting from an **Equipment Breakdown** with respect to your damaged Covered Property to refrigerating, cooling or humidity control equipment at the described premises.

The most we will pay for loss or damage under this coverage is \$250,000 unless a higher limit is provided by Endorsement. In that case, whichever limit is greater will apply.

4. Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an

Equipment Breakdown to types of property covered by this policy, that are owned by you, the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is \$250,000 unless a higher limit is provided in the schedule above. In that case, whichever limit is greater will apply.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

G. Definitions

1. "**Specified Causes of Loss**" also means **Equipment Breakdown**.

Equipment Breakdown as used herein means:

- a. Physical loss or damage both originating within:

- (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

- (a) waste disposal piping;
- (b) any piping forming part of a fire protective system;
- (c) furnaces; and
- (d) any water piping other than
 - i. boiler feed water piping between the feed pump and the boiler;
 - ii. boiler condensate return piping; or
 - iii. water piping forming part of a refrigerating or air conditioning system used

for cooling, humidifying or space heating purposes.

- (2) All mechanical, electrical, electronic or fiber optic equipment; and
- b. Caused by, resulting from, or consisting of:
- (1) Mechanical breakdown; or
 - (2) Electrical or electronic breakdown; or
 - (3) Rupture, bursting, bulging, implosion, or steam explosion.

However, **Equipment Breakdown** will not mean:

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

- (1) Wear and Tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals; and
 - (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
 - (7) Scratching or marring;
 - (8) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement or flood.
2. "Green" means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting

emissions or otherwise minimize environmental impact.

3. "Green Authority" means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "Green" Building Initiative Green Globes®, Energy Star Rating System or any other recognized "Green" rating system.
4. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

(The Coverages and Limits shown below are subject to the terms and conditions found in the remainder of this Endorsement.)

Schedule

A. Coverage

B. Additional Coverages

1. Debris Removal	Refer to B.1
2. Preservation of Property	Refer to B.2
3. Fire Department Service Charge	\$ 15,000
4. Pollutant Clean-Up and Removal	\$ 25,000
5. Employee Theft (Including ERISA)	\$ 50,000
6. Lock and Key Replacement	\$ 2,500
7. Utility Services	\$ 25,000
8. Reward Payment	\$ 10,000
9. Fire Extinguisher Systems Recharge Expense	\$ 10,000
10. Inventory and Loss Adjustment Expenses	\$ 2,500
11. Ordinance or Law	
Blanket - Coverages A, B & C	10% of Bldg. limit subject to a maximum of \$250,000
12. Extra Expense	\$ 15,000
13. Back-Up of Sewers, Drains or Sumps (Applies to Special Causes of Loss Form only)	\$ 25,000
14. Electronic Data	\$ 50,000
15. Forgery Or Alteration	\$ 10,000
16. Fine Arts	\$ 25,000
17. Business Income From Dependent Properties	\$ 25,000

C. Coverage Extensions

1. Newly Acquired or Constructed Property	
a. Buildings	\$1,000,000
b. Business Personal Property	\$ 500,000
2. Personal Effects and Property of Others	
a. Personal Effects	\$2,500 per person/\$10,000 maximum
b. Property of Others	\$ 2,500
3. Valuable Papers and Records	\$ 50,000
4. Accounts Receivable	\$ 50,000
5. Property Off Premises including Transportation	\$ 25,000
6. Outdoor Property	\$20,000/\$1,000 per tree, shrub or plant
7. Outdoor Signs	\$ 10,000
8. Electronic Data Processing Hardware	\$50,000 hardware
9. Electronic Data Processing Extra Expense	\$ 50,000
10. Money and Securities	\$25,000 inside/\$10,000 outside
11. Non-Owned Detached Trailers	\$ 5,000
12. Business Personal Property Temporarily In Portable Storage Units	\$ 10,000

D. Limits of Insurance

E. Additional Definitions

Any reference to distance from the described premises is increased to “**within 1,000 feet**” of the described premises.

A. COVERAGE

The following is added to Paragraph **1.b.** of Section **A – Coverage** of the **Building and Personal Property Coverage Form** and **Condominium Association Coverage Form** and Paragraph **1.a.** of the **Condominium Commercial Unit-Owners Coverage Form**.

Your Business Personal Property is amended to include Building Plate Glass that you have a contractual responsibility to insure as a building tenant.

B. ADDITIONAL COVERAGES

Paragraph **4. Additional Coverages** of the **Building and Personal Property Coverage Form**, **Condominium Association Coverage Form** and **Condominium Commercial Unit-Owners Coverage Form** is deleted in its entirety and replaced by the following:

1. Debris Removal

- a. Subject to Paragraphs **b.**, **c.** and **d.**, we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- b. Debris Removal does not apply to costs to:
 - (1) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property.
 - (2) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (3) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (4) Remove deposits of mud or earth from the grounds of the described premises;
 - (5) Extract “pollutants” from land or water; or
 - (6) Remove, restore or replace polluted land or water.
- c. Subject to the exceptions in Paragraph **d.**, the following provisions apply:
 - (1) The most we will pay for the total of direct physical loss or damage plus

debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

- (2) Subject to (1) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
 - d. We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one of both of the following circumstances apply:
 - (1) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (2) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- Therefore, if **d.(1)** and/or **d.(2)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

2. Preservation of Property

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

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within 60 days after the property is first moved.

3. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$15,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number of type of services performed. This Additional Coverage applies to your liability for fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance or assessment.

No Deductible applies to this Additional Coverage.

4. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". 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.

5. Employee Theft

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your "employees" acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (a) Any "employee"; or
- (b) Any other person or organization.

- b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
- (2) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.

- c. The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$50,000. This limit is in addition to any amount shown in the Declarations.

- d. All loss or damage:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- f. This Additional Coverage does not apply to any "employee" immediately upon discovery by:

- (1) You; or
- (2) Any of your partners, officers or directors not in collusion with the "employee" before or after being hired by you.

- g. We will only pay for covered loss or damage discovered no later than one year from the end of the Policy Period.

- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:

- (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

- i. A deductible of \$500 per occurrence applies to this Coverage Extension.

- j. Additional Condition

- (1) Any "employee benefit plan(s)" provided by the insured to their "employees" is

included as an insured under Employee Theft Coverage.

(2) If any "employee benefit plan(s)" is insured jointly with any other entity under this policy, you or the Plan Administrator must maintain a Limit of Insurance for Employee Theft that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) With respect to losses sustained by any such Plan, Paragraph 5.a. is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(4) Any payment we make to the first Named Insured for loss sustained by any plan will be held by the first Named Insured for the use and benefit of the Plan(s) sustaining the loss.

(5) If two or more Plans are insured under this policy, 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 Limit of Insurance required for each Plan bears to the total of those limits.

(6) The deductible amount described in Paragraph i. above does not apply to loss sustained under any "employee benefit plan(s)".

6. Lock and Key Replacement

We will pay the cost of:

- a. Premises entry key(s) replacement, if keys are stolen; or
- b. Premises entry lock repair or replacement made necessary by theft or attempted theft at the described premises.

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

No Deductible applies to this Additional Coverage.

7. Utility Services

We will pay for:

- a. Direct physical loss or damage to Covered Property caused by an interruption of service to the described premises. The interruption

must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

(1) Utility generating plants, switching stations, substations, transformers and transmission lines, except for overhead transmission lines;

(2) Communication transmission lines, including optic fiber transmission lines (does not include overhead transmission lines), coaxial cables, and microwave radio relays except satellites;

(3) Water mains, pumping stations, pipes, aqueducts and other similar means of transporting water or steam; and

b. The actual loss of "business income" and necessary "extra expense" at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph a.(1),(2),(3) above.

Coverage will apply only if one of the Business Income Coverage Forms or the Extra Expense Coverage Form is attached to this policy.

c. This Additional Coverage does not apply to loss or damage:

(1) You incur during the first 12 consecutive hours after the direct loss or damage to utility supply equipment.

d. Exclusion B.1.e. **Utility Services** of the applicable **Causes of Loss Form** does not apply to this Additional Coverage.

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

8. Reward Payment

a. We will reimburse you for rewards paid as follows:

(1) Up to \$10,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

- (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
- (2) Up to \$10,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
 - (b) The amount determined by the loss settlement procedure applicable to the return Covered Property under the Loss Payment Condition.
- b. This Additional Coverage applies subject to the following conditions:
 - (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
 - (a) You or any family member;
 - (b) Your employee or any of his or her family members;
 - (c) An employee of a law enforcement agency;
 - (d) An employee of a business engaged in property protection; Any person who had custody of the Covered Property at the time the theft was committed; or
 - (e) Any person involved in the crime
 - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
 - (3) The lesser of the amount of the reward or \$10,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

No Deductible applies to this Additional Coverage.

9. Fire Extinguisher Systems Recharge Expense

We will pay for expenses you incur for the recharging of fire extinguishers made necessary by the fighting of a fire at the premises described in the Declarations or adjacent to such property.

The most we will pay for any one occurrence is \$10,000.

No Deductible applies to this Additional Coverage.

10. Inventory and Loss Adjustment Expenses

We will pay up to \$2,500 each occurrence for the cost of any inventory or appraisal required as a result of direct physical loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss. This Additional Coverage will not pay for expenses incurred in using the services of a public adjuster.

No Deductible applies to this Additional Coverage.

11. Ordinance or Law Coverage

Exclusion B.1.a. Ordinance or Law of the applicable Causes of Loss Form is deleted.

a. Coverage

(1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building

If a Covered Cause of Loss occurs to Covered Building Property, we will pay for loss to the undamaged portion of the building caused by enforcement of or compliance with any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss.

(2) Coverage B - Demolition Cost Coverage

We will pay 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.

(3) Coverage C - Increased Cost of Construction Coverage

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. Coverage also applies if the ordinance or law requires relocation to another premises.

- b. Under this Additional Coverage, we will not pay for:

(1) The Increased Cost of Construction:

- (a) Unless the property is actually repaired or replaced at the same or other premises; and

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

- (2) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry bacteria;
- (3) Any costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (4) Loss due to any ordinance or law that:
- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

The most we will pay under this Additional Coverage for each described building insured under this Coverage Form is \$250,000 or 10% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$250,000 or 10% times the value of the damaged building as of the time of loss.

12. Extra Expense

We will pay the actual and necessary "Extra Expense" you sustain due to direct physical loss of or damage to property at the scheduled locations, including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from any Covered Cause of Loss. If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- a. All routes within the building to gain access to the described premises; and
- b. Your personal property in the open (or in a vehicle) within 1,000 feet.

We will pay for the actual and necessary "Extra Expense" you incur 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. This coverage will apply for a period of up to 30 consecutive days from the date of that action.

The most we will pay under this Additional Coverage is \$15,000.

No Deductible applies to this Additional Coverage.

13. Back Up of Sewers, Drains or Sumps

We will pay for loss or damage to Covered Property caused by or resulting from water that backs up or overflows from a sewer, drain or sump.

Exclusion **B.1.g.(3)** of the **Causes of Loss - Special Form** does not apply to this Additional Coverage.

The most we will pay under this Additional coverage is \$25,000.

14. Electronic Data

a. Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

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

c. The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage – Electronic Data, subject to the following:

(1) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(2) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(3) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(4) 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.

d. The most we will pay under this Additional Coverage, Electronic Data is \$50,000 each occurrence.

15. Forgery Or Alteration

a. We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money," that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

b. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money," 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 in that defense.

c. The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.

16. Fine Arts

a. We will pay for loss or damage to your "fine arts" and "fine arts" owned by others in your care, custody or control at covered locations. We cover such property against direct physical loss or damage from a Covered Cause of Loss applying to your business personal property at the location.

b. We will not pay for loss caused by processing of or work upon the covered property including repairs or restoration. We will not pay for any reduction in the value of damaged property after the damage has been repaired.

c. The most we will pay for loss or damage in any once occurrence is \$25,000 subject to an Annual Policy Aggregate of \$25,000.

The Business Personal Property deductible, as shown in the Commercial Property Coverage Part Declarations, applies to this Additional Coverage.

d. The value of fine arts will be the least of the following amounts:

(1) The actual cash value of that property;

(2) The cost of reasonably restoring that property to its condition immediately before loss; or

(3) The costs of replacing that property with substantially identical property.

e. In the event of loss, the value of the property will be determined as of the time of loss.

f. If there is other insurance covering the same loss or damage provided by this Additional Coverage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, but we will not pay more than the applicable limit of insurance shown in paragraph 16.c.

17. Business Income From Dependent Properties

a. We will pay for the loss of "Business Income" you incur due to the necessary suspension of "operations" during the "period of restoration" at the premises of a "Dependent Property" not specifically described in the Declarations and caused by direct physical loss of or damage to such property by a Covered Cause of Loss.

b. 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 any other available source of materials or outlet for your products or services.

c. The coverage period for "Business Income" under this Additional Coverage:

(1) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and

(2) Ends on the date when the property at the premises of the "dependent property" system should be repaired, rebuilt or replaced with reasonable speed and similar quality.

d. The most we will pay for loss under this Additional Coverage in any one annual policy period is \$25,000.

e. If there is other insurance covering the same loss or damage provided by this Additional Coverage, whether covered by this policy or any other policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, but we will not pay more than the applicable limit of insurance shown in paragraph 17.d.

Except as provided in **C. Limits Of Insurance**, each of these Additional Coverages is additional insurance. The Additional Condition, **Coinsurance** does not apply to these Additional Coverages.

C. COVERAGE EXTENSIONS

Paragraph 5. **Coverage Extensions** of the **Building and Personal Property Coverage Form, Condominium Association Coverage Form and Condominium Commercial Unit-Owners Coverage Form** is deleted in its entirety and replaced by the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

1. Newly Acquired or Constructed Property

a. Buildings

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

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

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building. This coverage extension does not apply to the **Condominium Commercial Unit-Owners Coverage Form**.

b. Your Business Personal Property

- (1) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (a) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (b) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (c) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- (2) This extension does not apply to:

- (a) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (b) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

c. Period of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

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

2. Personal Effects and Property of Others

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

- a. Personal effects, including tools, owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.

The most we will pay for loss or damage under extension **2.a.** is \$2,500 per person to a maximum of \$10,000 at each described premises.

- b. Personal property of others in your care, custody or control.

The most we will pay for loss or damage under extension **2.b.** is \$2,500 at each described premises.

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

3. Valuable Papers and Records (Other Than Electronic Data)

- a. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

- b. If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the “specified causes of loss” as defined in that form and Collapse as set forth in that form.
- c. If the Causes of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- d. Under this Extension, the most we will pay to replace or restore the lost information is \$50,000 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

4. Accounts Receivable

You may extend the insurance that applies to Covered Property to apply to Accounts Receivable. Accounts Receivable are amounts owed to you by those with whom you deal in operating your business.

- a. We will pay:
 - (1) All amounts due from your customers that you are unable to collect;
 - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3) Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- b. We will not pay for "loss" caused by or resulting from any of the following:
 - (1) Alterations, 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.
 - (2) Bookkeeping, accounting or billing errors or omissions.
 - (3) Unauthorized instructions to transfer property to any person or to any place.

The most we will pay under this Extension is \$50,000 at each described premises.

5. Property Off-Premises including Transportation

- a. You may extend the insurance provided by the applicable Coverage Form to apply to your Covered Property that is temporarily at a location you do not own, lease or operate, or to your Covered Property while in transit.
- b. If theft coverage applies, then the loss or damage of Covered Property, while in transit, must be caused by or result from the following cause of loss:
Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$25,000.

If the Causes of Loss - Special Form applies to the loss or damage, then the Additional Coverage Extension **F.1.** is deleted and replaced by **5.** above.

6. Outdoor Property

- a. You may extend the insurance provided by the applicable Coverage Form to apply to the following outdoor property located on the described premises:
 - (1) Fences and retaining walls that are not a part of a building. The most we will pay under this Extension is \$20,000 in any one occurrence;
 - (2) Outdoor radio, television, satellite or other antennae, including their mast, towers and lead-in and support wiring. The most we will pay for loss or damage under this Extension is \$20,000 any one occurrence; and
 - (3) Trees, shrubs and plants (other than trees, shrubs or plants which are “stock” or are part of a vegetated roof). The most we will pay for loss or damage including debris removal expense, under this Extension is \$20,000, but not more than \$1,000 for any one tree, shrub or plant.
- b. We will only pay for loss to Outdoor Property specified in Paragraph **6.a.** caused by or resulting from any of the following Covered Causes of Loss:
 - (1) Fire;
 - (2) Lightning;
 - (3) Explosion;
 - (4) Riot or Civil Commotion; or
 - (5) Aircraft.

7. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. The most we will pay for loss or damage under this Extension is \$10,000 per sign in any one occurrence.
- c. The provisions of this Coverage Extension supersede all other outdoor signs coverage references in the Building And Personal Property Coverage Form.

8. Electronic Data Processing Hardware

- a. You may extend Your Business Personal Property to apply to electronic data processing "hardware" at the premises described in the Declarations for the following additional causes of loss.
 - (1) Changes in your electrical power supply, including interruption, power surge, blackout or brownout, if the cause of such event originates 1,000 feet or less from any premises described in the Declarations.
 - (2) Dishonest acts committed by your employees acting alone or in collusion with other persons, except you or your partners, directors or trustees but theft by employees is not covered.
 - (3) Dampness or dryness of atmosphere or changes in or extremes of temperature.
 - (4) Floods, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.
 - (5) Earth movement, such as an earthquake, landslide or earth sinking, rising or shifting.
 - (6) Mechanical breakdown and malfunction if the cause of such occurrence took place within 500 feet of the described premises.
 - (7) Electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings if the cause of such occurrence took place within 500 feet of the described premises.

The most we will pay under this Extension is \$50,000 each occurrence.

9. Electronic Data Processing Extra Expense

We will pay your necessary "extra expense" to continue normal "operations" following loss or damage to your electronic data processing

"hardware", "data" or "media" from a Covered Cause of Loss.

The most we will pay under this Extension is \$50,000 any one occurrence.

10. Money and Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank of savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described "premises", or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of "money" and "securities" in any exchange or purchase; or
 - (3) Of "money" and "securities" in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss inside the "premises" in any one occurrence is \$25,000.
- d. The most we will pay for loss outside the "premises" in any one occurrence is \$10,000.
- e. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- f. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- g. A deductible of \$500 per occurrence applies to this Coverage Extension.

11. Non – Owned Detached Trailers

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (1) The trailer is used in your business;
 - (2) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (3) You have a contractual responsibility to pay for loss or damage to the trailer.
- b. We will not pay for any loss or damage that occurs:

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

(2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

c. The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

d. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

12. Business Personal Property Temporarily In Portable Storage Units

a. You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 1,000 feet of the building or structure described in the Declarations or within 1,000 feet of the premises described in the Declarations, whichever distance is greater.

b. If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

c. Coverage under this Extension:

(1) Will end 90 days after the business personal property has been placed in the storage unit;

(2) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

d. Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

e. This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

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

D. LIMITS OF INSURANCE - Item C. - Limits of Insurance of the Building and Personal Property Coverage Form, Condominium Association Coverage Form and Condominium Commercial Unit-Owners Coverage Form is deleted and replaced by the following:

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

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

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

The limits applicable to all other Additional Coverages and to the Coverage Extensions are in addition to the Limits of Insurance.

Regardless of the number of buildings at a location covered by this endorsement, the most we will pay under this endorsement in any one occurrence is the applicable Limits of Insurance shown in the Schedule on page 1 of this endorsement.

E. DEFINITIONS

Paragraph H., Definitions, is deleted and replaced by the following:

1. "**Business Income**" means the:

a. Net income (net profit or loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

b. Rental value, meaning:

(1) Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and

(2) Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and

(3) Fair rental value of any portion of the described premises which is occupied by you.

c. Tuition and fees from or for students, including fees from room, board, laboratories and other similar sources; and

- d. Continuing normal operating expenses incurred, including ordinary payroll expenses.
2. **“Dependent Property”** means property at premises located anywhere in the world which is operated by others on whom you depend to:
 - a. Deliver materials or services, other than power, water or communication supply services (including services relating to internet access or access to any electronic network), to you or to others for your account;
 - b. Accept your products or services;
 - c. Manufacture products for delivery to your customers under contract or sale; or
 - d. Attract customers to your business.
 3. **“Employee”** as used in the Employee Theft Additional Coverage, means:
 - a. Any natural person:
 - (1) While in your services (and for 30 days after termination of service); and
 - (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.
 4. **“Employee Benefit Plan(s)”** means any welfare or pension benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
 5. **“Extra Expense”** means necessary expenses you incur during the "period of restoration":
 - a. To avoid or minimize the suspension of business and to continue "operations":
 - (1) At the scheduled location;
 - (2) At replacement locations or at temporary locations, including:
 - (a) Relocation expenses; and
 - (b) Costs to equip and operate the replacement or temporary locations;
 - b. To minimize the suspension of business if you cannot continue "operations"; or
 - c. To repair or replace any property, to the extent it reduces the amount of loss that otherwise would have been payable under this coverage;

that you would not have incurred if there had been no direct physical loss or damage to property.
 6. **“Fine Arts”** means paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, “antique” furniture, “antique” jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit. “Antique” means an object having value because its craftsmanship is in the style or fashion of former times and its age is 100 years or older.
 7. **“Funds”** means “money” and “securities”.
 8. **“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.
 9. **“Hardware”** means equipment and components which accept information, process and analyze that information according to programmed instructions, and then produces or retains the results of those processes.
 10. **“Loss”** as used in the Accounts Receivable Extension means accidental loss or damage.
 11. **“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.
 12. **“Operations”** means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises.
 13. **“Other Property”**, as used in the Employee Theft Additional Coverage, means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property excluded under this policy.
 14. **“Period of restoration”** means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

- 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."
 - d. The expiration date of this policy will not cut short the "period of restoration."
15. **"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.
16. **"Premises"** as used in the Money and Securities Extension means the interior of that portion of any building you occupy in conducting your business.
17. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".
18. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into manmade underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal Property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
19. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

SPECIAL PROPERTY ENHANCEMENT ADDITIONAL LIMITS SCHEDULE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY ENHANCEMENT ENDORSEMENT

Schedule

The Limits of Insurance displayed below replace the Limits of Insurance found in the Special Property Enhancement Endorsement for the applicable coverage unless otherwise noted below.

Additional Coverages

- Ordinance Or Law Coverage (Refer to Page 2 for coverage provided)
Undamaged Portion Of Building Included in building limit subject to a maximum of \$1,000,000
Demolition Cost and Increased Cost of Construction 10% of Bldg. limit subject to a maximum of \$250,000/bldg.
- Back-Up Of Sewers, Drains Or Sumps (Applies to Special Causes of Loss Form only) \$ 50,000
- Electronic Data \$100,000

Coverage Extensions

- Valuable Papers And Records \$100,000
- Accounts Receivable \$100,000
- Property Off Premises Including Transportation \$ 50,000
- Outdoor Signs \$ 25,000
- Electronic Data Processing Hardware \$100,000
- Electronic Data Processing Extra Expense \$100,000

B. Additional Coverages

Paragraph 11. is deleted in its entirety and replaced by the following:

11. Ordinance Or Law Coverage

Exclusion **B.1.a. Ordinance or Law** of the applicable **Causes of Loss Form** is deleted.

a. This Additional Coverage applies only if both **a.(1)** and **a.(2)** below are satisfied and are then subject to the qualifications set forth in **a.(3)** below:

(1) The ordinance or law:

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

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

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

(2) The building sustains direct physical damage:

(a) That is covered under this policy and such damage results in enforcement of the ordinance or law; or

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

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

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

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

b. Under this Additional Coverage, we will not pay for:

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

(2) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

c. Under this Additional Coverage, we will not pay for loss due to any ordinance or law that:

(1) You were required to comply with before the loss, even if the building was undamaged; and

(2) You failed to comply with.

d. With respect to the building that has sustained covered direct physical damage, we will pay:

(1) For the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building;

(2) The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(3) The increased cost to:

(a) Repair or reconstruct damaged portions of that building; and/or

(b) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

e. Limit of Insurance

- (1) Coverage for **Loss To The Undamaged Portion Of The Building** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

However, we will not pay more than \$1,000,000 for all losses to all buildings in any one policy period for **Loss To The Undamaged Portion Of The Building**.

- (2) The most we will pay, for the total of all covered losses for **Demolition Cost** and **Increased Cost of Construction** is a combined limit of \$250,000 or 10% of the building limit of insurance applicable to that building, whichever is less. This limit is in addition to any amount shown in the Declarations for Ordinance or Law.

f. Loss Payment

- (1) All the following loss payment provisions, **f.(2)** through **f.(4)**, are subject to the apportionment procedures set forth in paragraph **a.(3)** above.

- (2) With respect to loss in value of an **Undamaged Portion Of The Building**, the loss payment for that building, including damaged and undamaged portions will be determined as follows:

- (a) If replacement cost coverage applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (b) If replacement cost coverage applies and the property is not repaired or replaced, or if replacement cost coverage does not apply, we will not pay more than the lesser of:

- (i) The actual cash value of the building at the time of loss; or
- (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (3) For **Demolition Cost**, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

- (4) With respect to **Increased Cost of Construction**:

- (a) We will not pay for the increased cost of construction:

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

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

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

- g. The terms of this endorsement apply separately to each building to which this endorsement applies.

- h. The coverage provided for **Loss to the Undamaged Portion Of The Building** does not increase the Limit of Insurance shown in the Declarations as applicable to the covered building.

- i. The coverage provided for **Demolition Cost** and for **Increased Cost of Construction** is in addition to the Limits of Insurance. The **Additional Condition, Coinsurance**, does not apply to either coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED 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 **D.**, Definitions.

A. Coverage

1. Business Income

Business Income means the:

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

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

We will pay for the actual loss of Business Income (including "Rental Value") you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

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

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

2. Extra Expense

- a.** Extra Expense Coverage is provided at the premises described in the Declarations.

- b.** Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

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

- (1)** Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2)** Minimize the "suspension" of business if you cannot continue "operations".

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

We will only pay Extra Expense you incur during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

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

destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.

- c. 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.

5. Additional Coverages

a. Civil Authority

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

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

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

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

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

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

whichever is later.

b. Alterations And New Buildings

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

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

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

This Additional Coverage applies to losses that you incur during the "period of restoration" and that occur within 12 consecutive months after the date of direct physical loss or damage.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

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

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:

- (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 or damage had occurred; or
- (ii) 30 consecutive days after the date determined in **(1)(a)** above.

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

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

(2) "Rental Value"

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

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (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 or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in **(2)(a)** above.

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

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

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
 - (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.

(4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. 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.

(5) This Additional Coverage – Interruption in 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 (4) above has not been exhausted.

6. Coverage Extensions

You may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 3- days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

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

B. Loss Conditions

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

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

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

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

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

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

4. Loss Payment

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

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

C. Optional Coverage

If shown as applicable in the Declarations, the following Optional Coverage applies separately to each item.

1. Extended Period Of Indemnity

Under Paragraph **A.5.c.**, **Extended Business Income**, the number 30 in Subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

D. Definitions

1. "Finished stock" means stock you have manufactured.
"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.
"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not 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".
4. "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.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a 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".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

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

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
 - d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

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

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

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method Of Sharing

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

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

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

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

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, 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.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - CONDOMINIUM
UNIT OWNERS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
SCHEDULE

Designation Of Premises (Part Leased To You): OWNED CONDO UNIT #'S 4300-4386
Name Of Person(s) Or Organization(s) (Additional Insured): INFORMATION ALTERNATIVES INC PO BOX 915 KETCHUM ID 83340
Additional Premium: \$ 50
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and 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 the person(s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
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 “bodily injury”, “property damage” or “personal and advertising injury” arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
2. The negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting 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 and whose conduct would be excluded by Paragraph 1. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2.**, **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1)** "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (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".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Fungi Or Bacteria**
- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
- B. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Fungi Or Bacteria**
- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- C. The following definition is added to the Definitions Section:**
- "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT 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 PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"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.

- 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

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. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy 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 or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **C.5.** or **C.6.** are exceeded.

With respect to this Exclusion, Paragraphs **C.5.** and **C.6.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
SILICA OR SILICA-RELATED DUST 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:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

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:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following is added to Paragraph 2. Exclusions of both **Section I – Coverage A – Bodily Injury And Property Damage Liability**, and **Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to:

Asbestos

- (1) “Bodily injury”, “property damage”, “personal and advertising injury” or “reduction in value” related to the actual, alleged, or threatened presence of or exposure to “asbestos” in any form, or to harmful substances emanating from “asbestos”. This includes the use of, consumption of, ingestion of, inhalation of, absorption of, contact with, existence of, presence of, proliferation of, discharge of, dispersal of, seepage of, migration of, release of, escape of, or exposure to “asbestos”. Such injury from or exposure to “asbestos” also includes, but is not limited to:

- (a) The existence, installation, storage, handling or transportation of “asbestos”;
- (b) The removal, abatement or containment of “asbestos” from any structures, materials, goods, products, or manufacturing process;
- (c) The disposal of “asbestos”;
- (d) Any structures, manufacturing processes, or products containing “asbestos”;
- (e) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage; or
- (f) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above.

- (2) Any loss, cost or expense, including, but not limited to payment for investigation or defense, fines, penalties and other costs or expenses, arising out of any:

- (a) Claim, “suit”, demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or any other person or

entity test for, monitor, clean up, remove, contain, mitigate, treat, neutralize, remediate, or dispose of, or in any way respond to, or assess the actual or alleged effects of “asbestos”, or

- (b) Claim, “suit”, demand, judgment, obligation, request, or settlement due to any actual, alleged, or threatened injury or damage from “asbestos” or testing for, monitoring, cleaning up, removing, containing, mitigating, treating, neutralizing, remediating, or disposing of, or in any way responding to or assessing the actual or alleged effects of, “asbestos” by any insured or by any other person or entity; or

- (c) Claim, “suit”, demand, judgment, obligation, or request to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to “asbestos”.

This exclusion applies regardless of who manufactured, produced, installed, used, owned, sold, distributed, handled, stored or controlled the “asbestos”.

- B. The following exclusion is added to Paragraph 2. Exclusions, of **Coverage C Medical Payments**:

We will not pay expenses for “bodily injury”:

Asbestos

Due to the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of, “asbestos” in any form.

- C. The following definitions are added to the **Definitions** Section:

- (1) “Asbestos” means any type or form of asbestos, asbestos fibers, asbestos products, or asbestos materials, including any products, goods, or materials containing asbestos or asbestos fibers, products or materials and any gases, vapors, scents or by-products produced or released by asbestos.

- (2) “Reduction in value” means any claim, demand or “suit” that alleges diminution, impairment or devaluation of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following is added to Paragraph **2. Exclusions** of both **Section I – Coverage A – Bodily Injury And Property Damage Liability**, and **Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to:

Lead

- (1)** “Bodily injury”, “property damage”, “personal and advertising injury” or “reduction in value” related to the actual, alleged, or threatened presence of or exposure to “lead” in any form, or to harmful substances emanating from “lead”. This includes the use of, consumption of, ingestion of, inhalation of, absorption of, contact with, existence of, presence of, proliferation of, discharge of, dispersal of, seepage of, migration of, release of, escape of, or exposure to “lead”. Such injury from or exposure to “lead” also includes, but is not limited to:
- (a)** The existence, storage, handling or transportation of “lead”;
 - (b)** The removal, abatement or containment of “lead” from any structures, materials, goods, products, or manufacturing processes;
 - (c)** The disposal of “lead”;
 - (d)** Any structures, manufacturing processes, or products containing “lead”;
 - (e)** Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage;
 - (f)** Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains “lead”; or
 - (g)** Any supervision, instructions, recommendations, warranties (express or implied), warnings or advice given or which should have been given.

- (2)** Any loss, cost or expense including, but not limited to, payment for investigation or defense, fines, penalties, interest and other costs or expenses, arising out of any:

- (a)** Claim, “suit”, demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or any other person or entity test for, monitor, clean up, remove, contain, mitigate, treat, neutralize, remediate, or dispose of, or in any way respond to, or assess the actual or alleged effects of “lead”; or
- (b)** Claim, “suit”, demand, judgment, obligation, request, or settlement due to any actual, alleged, or threatened injury or damage from “lead” or testing for, monitoring, cleaning up, removing, containing, mitigating, treating, neutralizing, remediating, or disposing of, or in any way responding to or assessing the actual or alleged effects of, “lead” by any insured or by any other person or entity; or
- (c)** Claim, “suit”, demand, judgment, obligation, or request to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to “lead”.

This exclusion applies regardless of who produced, installed, used, owned, sold, distributed, handled, stored or controlled the “lead”.

- B.** The following exclusion is added to Paragraph **2. Exclusions, of Coverage C Medical Payments** :

We will not pay expenses for “bodily injury” due to the actual, alleged or threatened consumption of, inhalation of, ingestion of, absorption of, contact with, exposure to, existence of or presence of, “lead” in any form.

C. The following definition is added to the **DEFINITIONS** Section:

1. "Lead" means any type or form of lead, lead products, or lead materials, including any products, goods, or materials containing lead, products or materials and any gases, vapors, scents or by-products produced or released by lead.
2. "Reduction in value" means any claim, demand or "suit" that alleges diminution, impairment or devaluation of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARSENIC EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to Paragraph 2. Exclusions of both Section I – Coverage A – Bodily Injury And Property Damage Liability, and Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

Arsenic

(1) “Bodily injury”, “property damage”, “personal and advertising injury” or “reduction in value” related to the actual, alleged, or threatened presence of or exposure to “arsenic” in any form, or to harmful substances emanating from “arsenic”. This includes the use of, consumption of, ingestion of, inhalation of, absorption of, contact with, existence of, presence of, proliferation of, discharge of, dispersal of, seepage of, migration of, release of, escape of, or exposure to “arsenic”. Such injury from or exposure to “arsenic” also includes, but is not limited to:

- (a) The existence, installation, storage, handling or transportation of “arsenic”;
- (b) The removal, abatement or containment of “arsenics” from any structures, materials, goods, products, or manufacturing process;
- (c) The disposal of “arsenic”;
- (d) Any structures, manufacturing processes, or products containing “arsenic”;
- (e) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage; or
- (f) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above.

(2) Any loss, cost or expense, including, but not limited to payment for investigation or defense, fines, penalties and other costs or expenses, arising out of any:

- (a) Claim, “suit”, demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or any other person or

entity test for, monitor, clean up, remove, contain, mitigate, treat, neutralize, remediate, or dispose of, or in any way respond to, or assess the actual or alleged effects of “arsenic”, or

(b) Claim, “suit”, demand, judgment, obligation, request, or settlement due to any actual, alleged, or threatened injury or damage from “asbestos” or testing for, monitoring, cleaning up, removing, containing, mitigating, treating, neutralizing, remediating, or disposing of, or in any way responding to or assessing the actual or alleged effects of, “arsenic” by any insured or by any other person or entity; or

(c) Claim, “suit”, demand, judgment, obligation, or request to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to “arsenic”.

This exclusion applies regardless of who manufactured, produced, installed, used, owned, sold, distributed, handled, stored or controlled the “arsenic”.

B. The following exclusion is added to Paragraph 2. Exclusions, of Coverage C Medical Payments:

We will not pay expenses for “bodily injury”:

Arsenic

Due to the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of, “arsenic” in any form.

C. The following definitions are added to the Definitions Section:

(1) “Arsenic” means any type or form of arsenic including, but not limited to, arsenic-containing products, goods, fibers or materials; arsenic dust; fine particulate dust of arsenic; and any gases, vapors, scents or by-products produced or released by arsenic, arsenic dust or arsenic containing products, goods, fibers or materials.

(2) “Reduction in value” means any claim, demand or “suit” that alleges diminution, impairment or devaluation of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AIRCRAFT PRODUCTS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following is added to **Coverage A, Paragraph 2. - Policy Exclusions** as a distinct and separate exclusion:

This insurance does not apply to "bodily injury" or "property damage" arising out of any "aircraft product."

As used in this endorsement, aircraft shall be deemed to include missiles, spacecraft or other aeronautical mechanisms.

As used in this endorsement, "aircraft product" shall be deemed to include:

1. any ground support or control equipment used in with any aircraft;
2. any article designed for installation in aircraft;
3. any ground handling tool or equipment;
4. any aircraft training aids, instructions, manuals or blueprints; and
5. any engineering labor or other service involving aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COMMERCIAL GENERAL LIABILITY CONDITIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. TWO OR MORE COVERAGES

If two or more coverages of this policy apply to the same loss, the maximum amount we will pay as damages shall not exceed the highest of the applicable Limits of Insurance.

B. TWO OR MORE POLICIES

If two or more policies issued to you by us apply to the same loss, the maximum amount we will pay as damages under all the policies shall not exceed the highest of the applicable Limits of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Schedule

1. Incidental Malpractice Liability	Included
2. Expected Or Intended Injury	Included
3. Non-Owned Watercraft	Up to 51 Feet in Length
4. Non-Owned Aircraft	Included
5. Property Damage Liability	
• By Use of Elevators	Included
• "Borrowed Personal Property" (Deductible: \$1000)	\$25,000
• Premises Rented to You or Temporarily Occupied by You With Permission of Owner	\$300,000
6. Product Recall Expense	\$100,000
7. Medical Payments	\$10,000
8. Supplementary Payments - Increased Limits	
• Bail Bonds	\$1,000
• Loss of Earnings	\$500 a day
9. Broad Form Named Insured	Included
10. Newly Formed Or Acquired Organizations - Covered up to 180 days	Included
11. Additional Insured - Broad Form Vendors	Included
12. Knowledge of Occurrence	Included
13. Unintentional Failure To Disclose Hazards	Included
14. Definitions	
15. Employment-Related Practices Liability (Deductible: \$3,000)	\$15,000 each injury/\$15,000 aggregate

1. INCIDENTAL MALPRACTICE LIABILITY

A. The definition of "bodily injury" in Section V – Definitions is amended to include injury arising out of the rendering or failure to render medical or paramedical services to persons by any physician, dentist, nurse, emergency medical technician or paramedic who is employed by you to provide such services.

B. Paragraph 2.a.(1)(d) under WHO IS INSURED (Section II) does not apply to nurses, emergency medical technicians or paramedics referred to in a. above.

This coverage does not apply if you are engaged in the business or occupation of providing any services referred to in paragraph A. above.

2. EXPECTED OR INTENDED INJURY

Exclusion a. under COVERAGE A (Section I) is replaced by the following:

- a. "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.

3. NON-OWNED WATERCRAFT

Paragraph (2) of Exclusion g. under COVERAGE A (Section I) is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
- (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge.

Paragraph (2) applies to any person, who with your expressed or implied consent, either uses or is responsible for the use of the watercraft;

4. NON-OWNED AIRCRAFT

The following paragraph is added to Exclusion g. under COVERAGE A. (Section I):

This exclusion does not apply to

- (6) An aircraft that is:
- (a) Hired, chartered or borrowed with a paid crew; and
 - (b) Not owned by any insured.

However, paragraph (6) does not apply if other insurance is available to the insured for a loss we cover under paragraph (6), whether primary, excess, contingent or any other basis.

5. PROPERTY DAMAGE LIABILITY

A. Exclusion j. under COVERAGE A (Section I) is revised as follows:

1. The paragraph immediately following paragraph (6) is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, explosion, smoke or leakage from fire protection systems) to premises, including the contents of such premises, rented to you for a period of 7 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.

2. The following paragraphs are added to Exclusion j. under COVERAGE A (Section I):

Paragraphs (3) and (4) of do not apply to the use of elevators.

Paragraph (4) of this exclusion does not apply to "property damage" to "borrowed personal property" while:

- (a) The "borrowed personal property" is on premises occupied by you and owned, leased or rented by you; and
- (b) "Property damage" insurance under this policy applies to the premises.

Subject to paragraph 2. under LIMITS OF INSURANCE (Section III), the most we will pay for "property damage" to "borrowed personal property" is \$25,000 any one "occurrence". Our obligation to pay damages on your behalf applies only to the amount of damages in excess of \$1,000. The deductible amount applies to all damages because of "property damage" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain damages because of that

"occurrence". We may pay any part or the entire deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The insurance provided for "property damage" from the use of elevators and for "property damage" to "borrowed personal property" is excess over any other valid and collectible property insurance (including any deductible portion thereof) available to any insured whether primary, excess, contingent or on any other basis.

B. The last paragraph under Exclusions (Section I – Coverage A) is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, explosion, smoke or leakage from fire protection systems 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 paragraph **6.** under LIMITS OF INSURANCE (Section III).

C. Paragraph **6.** under LIMITS OF INSURANCE (Section III) is replaced by the following:

- 6.** Subject to **5.** above, the Damage To Premises Rented To You Limit of \$300,000 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, explosion, smoke or leakage from fire protection systems, while rented to you or temporarily occupied by you with permission of the owner.

D. Paragraph **4.b.(1)(a)(ii)** under COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV) is replaced by the following:

- (b)** That is Fire, Explosion, Smoke Or Leakage From Fire Protective Systems insurance for premises rented to you or temporarily occupied by you with permission of the owner;

6. PRODUCT RECALL EXPENSE

NOTICE: COVERAGE FOR "DEFENSE EXPENSES" IS SUBJECT TO THE LIMIT OF INSURANCE, NOT IN ADDITION TO THE LIMIT OF INSURANCE. THIS MEANS THAT PAYMENT FOR "DEFENSE EXPENSES" REDUCES THE AMOUNT AVAILABLE TO PAY FOR DAMAGES.

A. Exclusion **n.** under COVERAGE A (Section I) - is replaced by the following:

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 "your product" if "your product" 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.

This exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product," except for "product recall expenses" resulting from or due to:

(1) Failure To Conform To Intended Purpose

The failure of "your product" to accomplish its intended purpose.

(2) Breach of Warranty

Breach of warranty of fitness, quality, durability or performance, whether written or implied.

(3) Loss of Customer Approval

Loss of customer approval, or any cost incurred to regain customer approval.

(4) Redistribution or Replacement of Recalled Product

The redistribution or replacement of "your product" which has been recalled, by like products or substitutes.

(5) Known Defect or Condition

A defect or condition known to exist by the named insured or the named insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the

time "your product" leaves your control or possession;

(6) Expiration of Shelf Life

The expiration of the designated shelf life of "your product".

(7) Deterioration, Decomposition, Or Chemical Transformation

Transformation of a chemical nature, deterioration or decompositions of "your product". This exclusion does not apply if it is caused by:

- (i) An error in manufacturing, design or processing;
- (ii) Transportation of "your product"; or
- (iii) Product tampering.

(8) Otherwise Excluded Products

Recall of any specific products for which "bodily injury" or "property damage" is excluded under Coverage A (Section I) by endorsement.

(9) Government Ban

A recall of "your product" or a component contained within "your product" which has been:

- (i) Banned from the market by an authorized government entity prior to the policy period; or
- (ii) Distributed or sold by you subsequent to any governmental ban.

(10) Third Party Damages, Fines And Penalties

Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

B. The following is added to paragraph 3 under WHO IS INSURED (Section II):

COVERAGE A does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

C. LIMITS OF INSURANCE (Section III) is replaced by the following:

3. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of:

- a.** Damages under Coverage A because of "bodily injury" and "property damage" included in the "products completed operations

hazard";

b. "Product recall expenses"; and

c. "Defense expenses".:

D. The following is added under LIMITS OF INSURANCE (Section III):

Subject to 5. above, \$100,000 is the most we will pay for all "product recall expenses" and "defense expenses" arising out of the same known or suspected defect, deficiency, inadequacy or dangerous condition in "your product".

E. The following is added under COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense";

(1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for withdrawal or recall;

(2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

7. MEDICAL PAYMENTS

A. Paragraph 1.a. under COVERAGE C – MEDICAL PAYMENTS (Section I) is replaced by the following:

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:

- (1)** The accident takes place in the "coverage territory" and during the policy period;

- (2) The expenses are incurred and reported to us within three years of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

B. Paragraph 7. under LIMITS OF INSURANCE (Section III) is replaced by the following:

- 7. Subject to 5. above, the Medical Expense Limit of \$10,000 is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

8. SUPPLEMENTARY PAYMENTS

Paragraph 1 under SUPPLEMENTARY PAYMENTS – COVERAGES A AND B (Section I) is revised as follows:

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- b. Up to \$1,000 for cost of bail required because of accidents or traffic laws 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.
- 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 \$500 a day because of time off from work.

9. BROAD FORM NAMED INSURED

The following is added to paragraph 2. under WHO IS INSURED (Section II):

Any subsidiary and subsidiary thereof which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of the Coverage Part. The insurance afforded herein for any subsidiary not named in the Coverage Part as a named insured does not apply to injury or damage with respect to which an insured under this Coverage Part is also an insured under another policy or would be an insured under such policy but for its termination or the exhaustion of its limits of insurance.

10. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

Paragraph 3.a. under WHO IS INSURED (Section II) is replaced by the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

11. ADDITIONAL INSURED - BROAD FORM VENDORS

The following is added to WHO IS INSURED (Section II):

Any person or organization with whom you have agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

a. Exclusions

The insurance afforded the vendor does not apply to:

(1) Contractual Liability

"Bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement.

(2) Express Warranty

Any express warranty unauthorized by you.

(3) Physical or Chemical Change

Any physical or chemical change in the product made intentionally by the vendor.

(4) Repackaging

Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing or substitution of parts under instructions from the manufacturer, and then repackaged in the original container.

(5) Failure to Make Inspections, Adjustments, Tests or Servicing

Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(6) Demonstration, Installation, Servicing or Repair

Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product.

(7) Labeling, Re-labeling or Other Use of Products After Distribution

Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

- b. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- c. This insurance does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

12. KNOWLEDGE OF OCCURRENCE

The following is added to paragraph 2 under COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

Knowledge of an "occurrence", offense, claim or "suit" by any agent, servant or employee of any insured, or receipt by any agent, servant or employee of any insured of any demand, notice, summons or other legal paper in connection with a claim or "suit", shall not in itself constitute knowledge of any insured or receipt by any insured unless such "occurrence", offense, claim, or "suit" is known to or received by:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A manager, if you are a limited liability company; or
- (4) An "executive officer" or insurance manager, if you are a corporation.

13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

Paragraph 6. under COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV) is replaced by the following:

6. Representations

- a. By accepting this policy, you agree:
 - (1) The statements in the Declarations are accurate and complete;
 - (2) Those statements are based upon representations you made to us; and
 - (3) We have issued this policy in reliance upon your representations.
- b. We will not deny coverage under this Coverage Part because of your unintentional failure to disclose all existing hazards at the inception date of your policy.

14. DEFINITIONS

A. The following definitions are revised under DEFINITIONS (Section V):

1. Bodily Injury

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

2. Insured Contract

"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, explosion, smoke or leakage from fire protection systems 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 liability of another party to pay for "bodily injury" or "property damage" to a third person or organization.

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

3. Mobile Equipment

Paragraph 12.f.(1)(a)(b)(c) does not apply to self-propelled vehicles of less than 1000 pounds gross vehicle weight.

4. Personal and Advertising Injury

The following is added to the "personal and advertising injury" definition:

"Personal and advertising injury" includes discrimination or humiliation that results in injury to the feelings or reputation of a

natural person, but only if such discrimination or humiliation is:

- (1) Not done intentionally by or at the direction of;
 - a. Any insured; or
 - b. Any "executive officer," director, stockholder, partner or member of the insured; and
- (2) Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.

B. The following definitions are added under DEFINITIONS (Section V):

1. Borrowed Personal Property

"Borrowed personal property" means personal property other than "auto" which you receive from another for temporary use in your business with the intent to return it or its equivalent.

"Borrowed personal property" does not include:

- a. Personal property owned by:
 - (1) You or your spouse if you are an individual;
 - (2) Your members, partners or their spouses if you are a partnership or joint venture;
 - (3) Your members or managers if you are a limited liability company;
 - (4) Your "executive officers" or directors if you are an organization other than a partnership, joint venture or limited liability company; or
- b. Personal property that is rented, leased or hired.

2. Covered Recall

"Covered recall" means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage."

3. Product Recall Expense

"Product recall expense" means:

- a. The following necessary and reasonable expenses you incur exclusively for the purpose of recalling "your product":
 - (1) Communications, including radio or television announcements or

- printed advertisements including stationery, envelopes and postage;
 - (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
 - (3) Remuneration paid to your regular "employees" for necessary overtime;
 - (4) Hiring additional persons, other than regular "employees";
 - (5) Expenses incurred by "employees" including transportation and accommodations;
 - (6) Expenses to rent additional warehouse or storage space;
 - (7) Disposal of "your product," but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal; and
- b. Your lost profit resulting from such "covered recall."

4. Defense Expenses

Solely for the of Products Recall Coverage, "defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

- (a) Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees."
- (b) Fees of attorneys the insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), the insured is given the right to retain defense counsel to defend against a "claim."
- (c) All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
- (d) Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim," including actual loss of earnings up to \$500 a day because of time off from work.
- (e) Costs taxed against the insured in the "suit."

"Defense expense" does not include salaries and expenses of our "employees" or the insured's "employees" other than those described in Paragraphs (a) and (d) above.

15. COVERAGE D – EMPLOYMENT-RELATED PRACTICES LIABILITY

NOTICE: COVERAGE FOR "DEFENSE EXPENSES" IS SUBJECT TO THE LIMIT OF INSURANCE, NOT IN ADDITION TO THE LIMIT OF INSURANCE. THIS MEANS THAT PAYMENT FOR "DEFENSE EXPENSES" REDUCES THE AMOUNT AVAILABLE TO PAY FOR DAMAGES.

Employment- Related Practices Liability coverage is added as follows:

A. Insuring Agreement

- (1) We will pay those sums the insured becomes legally obligated to pay as damages resulting from "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 because of an "injury" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in "injury." We may, with your written consent, settle any "claim" that may result. But:
 - a. The amount we will pay for damages or "defense expenses" is limited as described herein;
 - b. The coverage and duty to defend provided by this policy will end when we have used up the applicable limit of insurance for "defense expenses" or the payment of judgments or settlements.

No other obligation or liability to pay sums, such as civil or criminal fines, imposed on you or any other insured, or to perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- (2) This insurance applies to "injury" only if:
 - a. The "injury" arises out of an offense that takes place in the "coverage territory"; and
 - b. The offense out of which the "injury" arose commenced during the policy period.

B. Exclusions

This insurance does not apply to:

(1) Criminal, Fraudulent Or Malicious Acts

An insured's liability arising out of criminal, fraudulent or malicious acts or omissions by that insured, or arising out of that insured's knowing acquiescence or failure to act, or instruction, direction, or approval given to another concerning such acts or omissions.

This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** above, an insured prior to determining, through the appropriate legal processes, that that insured is responsible for a criminal, fraudulent or malicious act or omission or has instructed, directed or provided approval for another concerning such acts or omissions.

(2) Contractual Liability

"Injury" 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 that the insured would have in the absence of the contract or agreement.

(3) Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

(4) Americans With Disabilities Acts

"Injury" arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

(5) Violation Of Laws Applicable To Employers

A violation of your responsibilities or duties required by any other federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefor or amendments thereto, except for the

following: Title VII of the Civil Rights Act of 1964 and amendments thereto, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform Control Act of 1986 and the Family and Medical Leave Act of 1993 or any other similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

(6) Strikes and Lockouts

"Injury" to any striking or locked-out "employee" or to an "employee" who has been temporarily or permanently replaced due to a labor dispute.

(7) Sexual Harassment

Liability of that insured who commits a "sexual harassment" offense.

This exclusion does not affect our duty to defend that insured prior to determining, through the appropriate legal processes, that that insured has committed a "sexual harassment" offense, other than an assault or battery.

(8) Employment, Termination Or Relocation Due To Business Decisions

"Injury" arising out of termination of employment, job relocation or reassignment, if the action is taken because;

- a. You have filed for bankruptcy protection, or you are placed in receivership or liquidation;
- b. You have merged with or been acquired by another business entity;
- c. You have closed an operation or a business location; or
- d. Your business location is partly closed or the size of an operation must be reduced because of fire or other disasters beyond your control.

(9) Intentional Injury

Liability of that insured who commits an act of intentional "discrimination" or coercion.

This exclusion does not affect our duty to defend that insured prior to determining, through the appropriate legal processes, whether that insured committed such act.

(10) Retaliatory Actions

Liability arising out of an insured's retaliatory action against a person because the person has:

- a. Declined to perform an illegal or unethical act;
- b. Filed a complaint with a governmental authority or a "suit" against you or any other insured in which damages are claimed.
- c. Testified against you or any other insured at a legal proceeding; or
- d. Notified a proper authority of any aspect of your business operation which is illegal.

C. SUPPLEMENTARY PAYMENTS (Section 1) is extended to apply to COVERAGE D – EMPLOYMENT RELATED PRACTICES.

D. WHO IS INSURED (Section II) is replaced by the following:

(1) If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds.
- b. A partnership or joint venture, you are an insured. Your partners or your members are also insureds.
- c. A limited liability company, you are an insured. Your members are also insureds.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and your directors are also insureds.

(2) Your "employees" who hold managerial or supervisory positions are also insureds.

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.

E. LIMITS OF INSURANCE (Section III) is replaced by the following:

Limits of Insurance

(1) The most we will pay is \$15,000 for the sum of:

- a. All claims for damage arising out of an "injury"; and
- b. "Defense expenses" for all claims seeking damages payable under Paragraph (1) above.

(2) The most we will pay for all damages and "defense expenses" arising out of "injuries" during the policy period is \$15,000.

(3) The limits of insurance 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.

F. Paragraph 2 under COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV) is replaced by the following:

2. Duties In The Event Of A "Claim" Or An Incident That May Result In "Injury"

a. If a "claim" is received by any insured, you must:

- (1) Immediately record the specifics of the "claim" and the date received; and
- (2) Notify us, in writing, as soon as practicable.

b. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (2) Authorize us to obtain records and other information; and
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit."
- (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.

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

d. If you have knowledge of an incident which may result in "injury" and for which a "claim" has not yet been received, you must notify us, in writing, as soon as practicable.

G. DEFINITIONS (Section **V**) is replaced by the following:

(1) Claims

"Claim" means a "suit" or demand made by or for the injured person for damages because of alleged "injury."

(2) Coverage Territory

"Coverage territory" means:

- (a)** The United States of America (including its territories or possessions) and Puerto Rico; or
- (b)** All parts of the world if the insured's responsibility to pay damages is determined in a "suit" on the merits brought in the territory described in **a.** above or in a settlement we agree to.

(3) Defense Expense

"Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

- (a)** Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees."
- (b)** Fees of attorneys the insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), the insured is given the right to retain defense counsel to defend against a "claim."
- (c)** All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
- (d)** Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim," including actual loss of earnings up to \$500 a day because of time off from work.
- (e)** Costs taxed against the insured in the "suit."

"Defense expenses" does not include salaries and expenses of our "employees" or the insured's "employees" other than those described in Paragraphs **(a)** and **(d)** above.

(4) Discrimination

"Discrimination" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

(5) Employee

"Employee" includes a "leased worker" and a "temporary worker."

(6) Executive Officer

"Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

(7) Injury

"Injury" means injury to a person arising out of one or more of the following offenses:

- (a)** Refusal to employ the person, termination of the person's employment, demotion or failure to promote, negative evaluation, reassignment, discipline, defamation or humiliation of the person, based on "discrimination" directed at that person;
- (b)** Coercing that person to commit an unlawful act or omission within the scope of the person's employment;
- (c)** Work-related "sexual harassment"; or
- (d)** Other work-related verbal, physical, mental or emotional abuse directed at the person with respect to that person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

(8) Leased Worker

"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."

(9) Sexual Harassment

"Sexual harassment" means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:

- (a) Is linked with a decision affecting an individual's employment;
- (b) Interferes with an individual's job performance; or
- (c) Creates an intimidating, hostile or offensive working environment for an individual.

(10) Suit

"Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged, including:

- (a) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;
- (b) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
- (c) Any administrative proceeding or hearing conducted by a governmental agency (federal, state or local) having the proper legal authority over the matter in which such damages are claimed.

(11) Temporary Worker

"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.

H. Deductible

- (1) Our obligation to pay damages and "defense expenses" applies only to the amount in excess of \$3,000 as a result of any one "injury."
- (2) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE. PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

WE HAVE NO DUTY TO PROVIDE COVERAGE UNLESS THERE HAS BEEN FULL COMPLIANCE WITH ALL THE CONDITIONS, SECTION V AND ANY OTHER APPLICABLE COVERAGE CONDITIONS.

IF WE HAVE ISSUED THIS POLICY BASED UPON YOUR APPLICATION FOR THIS INSURANCE, THE APPLICATION IS INCORPORATED BY REFERENCE AND IS ON FILE WITH THE COMPANY OR ITS AGENT AND BECOMES A PART OF THIS POLICY. THAT APPLICATION IS A REPRESENTATION OF THE CORRECTNESS OF THE INFORMATION BASED UPON WHICH WE HAVE ISSUED THIS POLICY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
SPECIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

SCHEDULE

Employment-Related Practices Liability Annual Aggregate Limit Of Insurance	\$ 100,000
Deductible	\$ 2,500
Retroactive Date	11/01/2015
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Throughout this Coverage, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this Coverage. 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.**

All words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS.**

Paragraph 15. – **Coverage D – Employment-Related Practices Liability** of the Special General Liability Enhancement endorsement is deleted in its entirety.

SECTION I – COVERAGE

In consideration of the payment of premium and subject to the Limits of Insurance shown in the Schedule of this endorsement and all the definitions, exclusions, terms and conditions of this insurance, we agree with you as follows:

1. Insuring Agreement

- a. We will pay on behalf of the insured for "damages" in excess of the Deductible arising out of any "wrongful acts" to which this insurance applies.

We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph and in paragraph 2. below.

- b. This insurance applies to such "damages" only if:
 - (1) The "damages" result from "claims" made by:
 - (a) "Employees";
 - (b) "Leased workers";
 - (c) "Temporary workers";
 - (d) Former "employees"; or
 - (e) Applicants for employment by you;
 - (2) The "wrongful acts" take place in the "coverage territory";
 - (3) Such "wrongful acts" occurred:
 - (a) After the Retroactive Date, if any, shown in the Schedule of this endorsement; and
 - (b) Before the end of the policy period; and
 - (4) A "claim" is both:
 - (a) First made against any insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**; and
 - (b) Reported to us either (i) during the policy period or within thirty (30) days thereafter; or (ii) with respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.
- c. A "claim" will be deemed to have been made at the earlier of the following times:
 - (1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
 - (2) When we make settlement in accordance with paragraph 2.b.(2) below.
- d. All "claims" by one or more claimants for "damages" based on or arising out of:
 - (1) One "wrongful act"; or
 - (2) An "interrelated" series of "wrongful acts";
 by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.
- e. Each payment we make for "damages" or "defense expense" reduces the Limit of Insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**.

2. Defense of Claims, Administrative Hearings & Settlement Authority

Subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage:

- a. We have the right and duty to defend "claims" against the insured seeking "damages" to which this insurance applies and to pay for related, "defense expense."
 However, we have no duty to:
 - (1) Defend "claims" against the insured seeking "damages"; or
 - (2) Pay for related "defense expense",
 when this insurance does not apply.
- b. We may, at our sole discretion:
 - (1) Investigate any "wrongful act" that may result in "damages"; and
 - (2) Settle any "claim" which may result, provided:

- (a) We have the insured's written consent to settle; and
 - (b) The settlement is within the applicable Limit of Insurance available.
- c. Our liability will be limited as described below if:
- (1) The insured refuses to consent to any settlement we recommend; and
 - (2) Such recommended settlement is acceptable to the claimant.

After such refusal, our liability under this Coverage for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if the insured had consented to our settlement recommendation. The insured shall thereafter be responsible for the negotiation and defense of that "claim" at their own cost and without our involvement.

- d. Our right and duty to defend such "claims" ends when we have used up the Limit of Insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and any that may be made.
- e. (1) When we control defense of a "claim", we will pay associated "defense expense" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "wrongful acts" "claims".

If you give us a specific written request at the time a "claim" is first made:

- (a) You or any involved insured may select one of our panel of wrongful acts attorneys; or
- (b) You or such insured may ask us to consider the approval of a defense attorney of your or that insured's choice who is not on our panel.

We will then use the attorney selected in paragraph (a) above, or consider the request in paragraph (b) above, if we deem it appropriate to engage counsel for such "claim".

- (2) If by mutual agreement or court order the insured assumes control of the defense before the applicable Limit of Insurance is used up, the insured will be allowed to select defense counsel and we will reimburse the insured for reasonable "defense expense". You and any involved insured must:
- (a) Continue to comply with **SECTION V – CONDITIONS, 2. Duties in Event of "Wrongful Acts" or "Claims"**.
 - (b) Direct defense counsel to:
 - (1) Furnish us with the additional information we request to evaluate the "wrongful acts" or "claim"; and
 - (2) Cooperate with any counsel we may select to monitor or associate in the defense of the "wrongful acts" or "claim".

If we defend any insured under a reservation of rights, both such insured's counsel and our counsel will be required to maintain records pertinent to "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you or any insured may be solely responsible, including defense of an allegation not covered by this insurance.

We will notify you in writing when the applicable limit of insurance has been used-up by the payment of judgments, settlements or "defense expense". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for whom the duty to defend has ended by reason of paragraph 2.d. above.

- f. Upon notice to us and with our prior approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of any Administrative Hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar Federal, state or local body or commission. This authorization is limited to the sum of:
- (1) "Damages" covered by this Coverage; and
 - (2) "Defense expenses", as defined in paragraph 5.d. in **SECTION VII – DEFINITIONS**;

in a total amount not to exceed two times the amount of the Deductible stated in the Schedule of this endorsement.

3. Exclusions

This insurance does not apply to "claims" based on, arising out of, or in any way involving:

- a. (1) "Wrongful acts" which were the subject of any demand, suit or other proceeding which was initiated against any insured; or
 - (2) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured;
- prior to the effective date of the earlier of:
- (i) The first Coverage of this type that we issued to you of which this Coverage was an uninterrupted renewal of this type of coverage; or
 - (ii) This Coverage.
- b. Loss of any benefit conferred or loss of any obligation imposed under an express contract of employment.
 - c. Any obligation to pay "damages" by reason of the assumption of liability in any contract or agreement.

However, this exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

- d. Liability arising under any of the following laws:

- (1) Any workers compensation, disability benefits or unemployment compensation law, or any similar law.

However, this exclusion shall not apply to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law;

- (2) Employees' Retirement Income Security Act of 1974, Public Law 93-406, (ERISA) as now or hereafter amended, or any similar state or other governmental law. This includes

- (a) Fiduciary liability;
- (b) Liability arising out of the administration of any employee benefit plan; and
- (c) Any other liability under any such laws;

- (3) The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation and including any recordkeeping and reporting related thereto.

This exclusion includes actions or claims brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement or other affirmative relief or compensation.

This exclusion does not include claims based on the Equal Pay Act or retaliation related to Equal Pay Act claims;

- (4) The National Labor Relations Act;
- (5) The Worker Adjustment and Retraining Notification Act (Public Law 100-379);
- (6) The Consolidated Omnibus Budget Reconciliation Act of 1985; or
- (7) The Occupational Safety and Health Act.

This exclusion **d. (1) – (7)** also applies to:

- (i) Any rules or regulations promulgated under any of the foregoing and amendments thereto,
- (ii) Any similar provisions of any federal, state or local law,
- (iii) That part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee", and

(iv) Any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law described in this paragraph d. This provision d.(iv) does not apply to the specific retaliation exceptions shown in paragraphs d.(1) and d.(3) above.

e. Oral or written publication of material, if such material:

(1) Was published by or at the direction of the insured with knowledge of the material's falsity; or

(2) Was first published before the Retroactive Date, if any, shown in the Schedule of this endorsement.

f. Dishonest, criminal or fraudulent acts of the insured.

g. The willful failure by the insured or with the insured's consent to comply with any law or any governmental or administrative order or regulation relating to "employment practices".

Willful, as used in this exclusion g., means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured shall not be imputed to any other insured.

h. "Bodily injury".

i. "Wrongful acts" which occur when or after:

(1) You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or

(2) Any other business entity acquires an ownership interest in you, which is greater than fifty percent.

j. Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law described in this paragraph j.

k. Lockout, strike, picket line, related worker replacements or other similar actions resulting from labor disputes or labor negotiations.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to labor disputes or labor negotiations.

SECTION II – WHO IS AN INSURED

1. For purposes of this insurance, if you are designated in the Declarations as:

a. An individual, you and your spouse or "domestic partner" are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses or "domestic partners" are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former 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 current or former directors are insureds, but only with respect to their duties as your directors.

2. Your current or former "employees" are also insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

3. Any heirs, executors, administrators, assignees or legal representatives of any individual insured in subparagraphs 1. and 2. above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds, but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.
4. 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. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;
 - b. 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;
 - c. Coverage does not apply to any "wrongful acts" that occurred before you acquired or formed the organization; and
 - d. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

This paragraph does not apply to any organization after it is shown in the Declarations.

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 Employment-Related Practices Liability Annual Aggregate Limit of Insurance shown in the Schedule of this endorsement is the most we will pay for the sum of:
 - a. "Damages" for all "claims" arising out of any actual or alleged "wrongful acts" covered by this insurance; and
 - b. "Defense expense" for all "claims" seeking "damages" payable under paragraph a. above.

Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment.

This reduced limit will then be the Amount of Insurance available for further "damages" and "defense expenses" under this Coverage.

2. In addition to the payments for "damages" and "defense expense" in paragraph 1. above, we will also pay 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 amount available for the judgment under the provisions of paragraph 1. above.

The Limits of Insurance of this Coverage 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 – DEDUCTIBLE

1. A deductible applies to all "damages" for injury arising from "wrongful acts" and any "defense expense" however caused.
2. Our obligation to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" for any one "claim" which are in excess of the deductible amount stated in Schedule of this endorsement.

3. Your obligation is to pay the deductible applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "wrongful acts" paid for any one "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
4. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
 - a. Our right and duty to defend any "claims" seeking those "damages"; and
 - b. Your and any involved insured's duties in the event of a "claim".
5. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
6. The application of the deductible does not reduce the applicable Limits of Insurance.

SECTION V – CONDITIONS

1. Bankruptcy

Subject to exclusion **i.(1)**, the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.

2. Duties in the Event of "Wrongful Acts" or "Claims"

- a. You must see to it that we are notified as soon as practicable of any specific "wrongful acts" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. Notices of "wrongful acts" should include the following detailed information:

- (1) How, when and where such "wrongful acts" took place;
- (2) The names and addresses of any potential claimants and witnesses; and
- (3) The nature of any injury arising out of such "wrongful acts".

Notice of such "wrongful acts" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "wrongful acts" as described in the Basic Extended Reporting Period of **SECTION VI – EXTENDED REPORTING PERIODS**.

- b. If a "claim" is received by any insured:
 - (1) You must immediately record the specifics of the "claim" and the date received;
 - (2) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
 - (a) During the policy period or within thirty (30) days thereafter; or
 - (b) With respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

As a condition precedent for coverage under this insurance, notice of a "claim" must include the detailed information required in paragraphs **4.a.(1)**, **(2)** and **(3)** above; and

- (3) You and any other involved insured must:
 - (a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
 - (b) Authorize us to obtain records and other information;
 - (c) Cooperate with us in the investigation, settlement or defense of the "claim"; and

(d) Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to the insured because of injury or damage to which this insurance may also apply.

c. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under paragraph 2.f. of **Defense of Claims, Administrative Hearings & Settlement Authority**, in **SECTION I – COVERAGE**.

3. Legal Action Against Us

No person or organization has a right under this Coverage:

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

Any person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "damages" that are not payable under the terms of this Coverage 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 "damages" or "defense expense" we cover under this Coverage, our obligations are limited as follows:

a. As this insurance is primary insurance, 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 b. below.

b. If all of the other insurance permits contribution by equal shares, we will follow this method also.

Under this method, 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. Representations

By accepting this Coverage you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us in your application for this insurance. That application is attached to and incorporated into this Coverage and forms the basis of our obligations under this insurance; and
- c. Since we have issued this Coverage in reliance upon your representations, this insurance is voidable if any material fact or circumstance relating to the subject of this insurance is intentionally omitted or misrepresented in your application.

6. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage 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.

7. Sole Agent

The first Named Insured is authorized to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or nonrenewal, receiving premium refunds, requesting any Supplemental Extended Reporting Period and agreeing to any changes in this Coverage.

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 insurance, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will sue those responsible or transfer those rights to us and help us enforce them.

SECTION VI – EXTENDED REPORTING PERIODS

1. We will provide Extended Reporting Periods, as described below, if:
 - a. This Coverage is cancelled or not renewed; or
 - b. We renew or replace this Coverage with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "wrongful acts" committed after the Retroactive Date, if any, shown in the Schedule of this endorsement and before the end of the policy period. Once in effect, Extended Reporting Periods may not be cancelled.
3. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.
4. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
 - a. Five years with respect to "claims" arising out of "wrongful acts" which had been properly reported to us before the end of the policy period in accordance with paragraph 2.a. of **Duties in the Event of "Wrongful Acts" or "Claims"**, in **SECTION V – CONDITIONS**; and
 - b. Sixty days with respect to "claims" arising from "wrongful acts" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

5. A Supplemental Extended Reporting Period of either twelve (12) or thirty-six (36) months duration is available, but only by endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period set forth in paragraph 4.b. above ends. You must give us a written request for the endorsement, and its length, within 30 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limits of Insurance available under this Coverage for future payment of "damages" or "defense expense"; and
 - d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage.

6. The Supplemental Extended Reporting Period Endorsement we issue shall set forth the terms, not inconsistent with this **SECTION VI – EXTENDED REPORTING PERIODS**, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

SECTION VII – DEFINITIONS

1. **"Bodily injury"** means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time.

"Bodily injury" does not include mental anguish that results from a "wrongful act".

2. **"Claim"** means written or oral notice presented by:

- a. Any

- (1) "Employee";

- (2) "Leased worker";

- (3) "Temporary worker";

- (4) Former "employee"; or

- (5) Applicant for employment by you; or

- b. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of a person described in paragraph **2.a.** above,

alleging that the insured is responsible for "damages" as a result of injury arising out of any "wrongful act".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the result of any "wrongful act" to which this insurance applies. This includes:

- (i) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;

- (ii) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or

- (iii) Any administrative proceedings as established under federal, state or local laws applicable to "wrongful acts" covered under this insurance.

3. **"Coverage territory"** means:

- a. The United States of America (including its territories and possessions) and Puerto Rico; or

- b. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in paragraph **3.a.** above, while he or she is away for a short time on your business, provided that the insured's responsibility to pay "damages" is determined in a suit on the merits (or any type of civil proceeding described under the definition of "claim") in and under the substantive law of the United States of America (including its territories and possessions) or Puerto Rico.

4. **"Damages"** means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.

"Damages" include:

- a. "Pre-judgment interest" awarded against the insured on that part of the judgment we pay;

- b. Any portion of a judgment or award, to the extent allowed by law, that represents a multiple of the compensatory amounts, punitive or exemplary damages; and

- c. Statutory attorney fees.

"Damages" do not include:

- (1) Civil, criminal, administrative or other fines or penalties;

- (2) Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money; or

- (3) Judgments or awards because of acts deemed uninsurable by law.

5. **"Defense expense"** means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:

- a. Attorney fees and all other litigation expenses.

- b. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the Amount of Insurance available. We do not have to furnish these bonds.
- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", 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 "claim". However, these payments do not include attorney's fees or attorney's expenses taxed against the insured.

"Defense expense" does not include:

- (1) Salaries and expenses of our employees or your "employees", other than:
 - (a) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or
 - (b) The expenses described in paragraph d. above; or
- (2) 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 amount available for the judgment under the provisions of **SECTION III – LIMITS OF INSURANCE.**

- 6. **"Domestic partner"** means any natural person legally recognized as a domestic or civil union partner under:
 - a. The provisions of any applicable federal, state or local law; or
 - b. The provisions of any formal program established by you.

- 7. **"Employee"** means:
 - a. A person employed by you for wages or salary; or
 - b. A person who is a current or former member of your board of directors.

However, "employee" does not include:

- (1) Any independent contractor;
- (2) Any employees of any independent contractor while acting within the scope of their employment;
- (3) Any "temporary worker"; or
- (4) Any "leased worker".

- 8. **"Employment Practices"** means any remedy which is sought by any of your:

- a. "Employees";
- b. "Leased workers";
- c. "Temporary workers";
- d. Former "employees"; or
- e. Applicants for employment by you,

under any civil employment law whether federal, state or local and whether arising out of statutory or common law, because of any of the following actual or alleged practices:

- (1) Wrongful refusal to employ a qualified applicant for employment;
- (2) Wrongful failure to promote;
- (3) Wrongful deprivation of career opportunity;
- (4) Wrongful demotion, evaluation, reassignment or discipline;
- (5) Wrongful termination of employment, including constructive discharge;
- (6) Employment related misrepresentation;

- (7) Harassment, including sexual harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state or local statute; or
- (8) Oral or written publication of material that:
 - (a) Slanders;
 - (b) Defames or libels; or
 - (c) Violates or invades a right of privacy.
- 9. **"Interrelated"** means having as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.
- 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. **"Pre-judgment interest"** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.
- 12. **"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.
- 13. **"Wrongful Acts"** means "employment practices".

**THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.
PLEASE READ IT CAREFULLY.**

CYBER AND DATA BREACH LIABILITY COVERAGE FORM

THE ENDORSEMENT'S AGGREGATE LIMIT OF LIABILITY WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DAMAGES, CLAIM EXPENSES, PRIVACY BREACH EXPENSES AND BUSINESS INCOME LOSS AND EXTRA EXPENSES.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

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

Throughout this endorsement, the words "you" and "your" refer to an "insured" as defined in Section II, I. 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 and are defined within **SECTION II - DEFINITIONS** of this endorsement.

SCHEDULE

Coverage	Limit Of Insurance	Deductible / Waiting Period
A. Third Party Cyber Liability Coverage	\$ Included in Aggregate	\$ 2,500
Sub-Limit for all "PCI Fines", which is part of and not in addition to the Third Party Cyber Liability Coverage Limit.	\$10,000	
B. "Regulatory Proceeding" Coverage	\$ Included in Aggregate	\$ 2,500
C. First Party "Privacy Breach Expense" Coverage	\$ Included in Aggregate	\$ 2,500
Sub-Limit for all "Extortion Threat" Expenses each "Privacy Breach Event" or "Extortion Threat", which is part of and not in addition to the First Party "Privacy Breach Expense" Coverage Limit.	\$10,000	
Sub-Limit for all Data Replacement Expenses and System Restoration Expenses each "System Compromise", which is part of and not in addition to the First Party "Privacy Breach Expense" Coverage Limit.	\$10,000	
D. First Party Business Interruption Coverage Aggregate	\$ N/A	
E. Cyber Coverage Aggregate	\$ 100,000	

Endorsement Premium		\$ 214
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Endorsement Period: From 11/01/2018 to 11/01/2019

At 12:01 A.M. Standard Time at the address of the "named insured" as stated herein

SECTION I – COVERAGES

A. INSURING AGREEMENTS

1. Third Party Cyber Liability Coverage:

We will pay on your behalf those "damages" and "claim expenses" you become legally obligated to pay resulting from any "claim", provided such "claim" is first discovered by you during the "endorsement period" or within thirty (30) days after the end of the

"endorsement period" if this endorsement is not renewed and is reported to us in accordance with **SECTION V – CONDITIONS**, Condition **B**, for any:

- a. "Media wrongful act";
- b. "Network security wrongful act";
- c. "Privacy wrongful act"; or
- d. "PCI fines".

2. “Regulatory Proceeding” Coverage:

We will pay on your behalf those “claim expenses” and “regulatory fines” you become legally obligated to pay resulting from any “regulatory proceeding” for a “privacy wrongful act”, provided such “regulatory proceeding” is first discovered by you during the “endorsement period” or within thirty (30) days after the end of the “endorsement period” if this endorsement is not renewed and is reported to us in accordance with **SECTION V – CONDITIONS, Condition B.**

3. First Party “Privacy Breach Expense” Coverage:

We will pay the “named insured” those “privacy breach expenses” directly incurred in responding to a “privacy breach event”, “system compromise” or “extortion threat” provided such “privacy breach event”, “system compromise” or “extortion threat” is first discovered by you during the “endorsement period” or within thirty (30) days after the end of the “endorsement period” if this endorsement is not renewed and is reported to us in accordance with **SECTION V – CONDITIONS, Condition B.**

4. First Party Business Interruption Coverage:

We will pay the “named insured” for the “business income loss” and “extra expense” the “named insured” sustained during a “reconstruction period” directly caused by a “network disruption” to the “named insured’s” “computer system”, provided such “network disruption” is first discovered by you during the “endorsement period” or within thirty (30) days after the end of the “endorsement period” if this endorsement is not renewed and is reported to us in accordance with **SECTION V – CONDITIONS, Condition B.**

B. Our Rights and Duties in the Event of “Claims”

We have the right and duty to defend, and pay on your behalf any “claim expenses” resulting from, any “claim” to which this insurance applies, even if the allegations are groundless, false or fraudulent. We have the right to investigate, direct the defense, and settle any “claim” as we deem expedient. Our duty ends when the endorsement’s applicable Limit of Insurance has been exhausted by our payment of “damages”, “claim expenses”, “regulatory fines”, “privacy breach expenses” or “business income loss” and “extra expense” or we have deposited the endorsement’s remaining applicable Limit of Insurance with a court of competent jurisdiction. We have no obligation or duty to defend any “claim” or pay any “claim expenses” for which coverage is excluded or not otherwise afforded by the endorsement.

SECTION II – DEFINITIONS

A. “Business income loss” means net profit the “named insured” would have earned before taxes during the “reconstruction period”, in excess of the Waiting Period Deductible indicated in the Schedule, had no “network disruption” taken place. “Business income loss” shall not include any contractual penalties.

B. “Claim” means:

- 1. A written demand or assertion of a legal right for money or services received by you for a “wrongful act”, including service upon you of a lawsuit or arbitration proceeding seeking injunctive relief for a “wrongful act”.
- 2. A “PCI fine assessment” against the “named insured”.

A “claim” does not include a “regulatory proceeding”.

C. “Claim expenses” means with respect to any “claim” or “regulatory proceeding”:

- 1-1. reasonable and necessary fees, costs and expenses charged by any lawyer or other vendor designated or approved in writing by us directly resulting from the investigation, adjustment, settlement and/or defense of such “claim” or “regulatory proceeding”;
- 1-2. reasonable and necessary expenses charged by a vendor designated or approved in writing by us to investigate an “unauthorized access or unauthorized use” of the “named insured’s” “computer system” to determine how “protected information” was accessed;
- 1-3. all interest on the full amount of any covered judgment that accrues after entry of the judgment and before we have paid, offered to pay, or have deposited into a court of competent jurisdiction that part of the judgment which is within the remaining applicable Limits of Insurance; and
- 1-4. the premiums for appeal, attachment or similar bonds, but only for bond amounts within the applicable Limits of Insurance. We do not have to furnish these bonds.

“Claim expenses” do not include:

- 2-1. Fees, costs or expenses in responding to a “PCI fine assessment”;
- 2-2. salaries, wages, fees, remuneration, overhead, benefits or expenses of our or your employees or officials;
- 2-3. fees, costs, or expenses incurred prior to the time that a “claim” or “regulatory proceeding” is reported to us or paid or incurred without our prior written consent, and such unilaterally incurred fees, costs or expenses shall not reduce any deductible under the endorsement;

- 2-4. costs to inspect, investigate, withdraw, alter, recall, reprocess, restore, replace, retract, amend, reprint, reproduce, remediate, correct, enhance, upgrade or modify “electronic media”;
 - 2-5. costs and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief, including specific performance, or any agreement to provide such relief;
 - 2-6. costs or expenses incurred to prevent future “unauthorized access or unauthorized use” of the “named insured’s” “computer system”; or
 - 2-7. any fines or penalties assessed as a result of any “regulatory proceeding”.
- D.** “Computer system” means any electronic device, electronic and paper storage media as well as any communications networks owned or operated exclusively for the benefit of a single owner. “computer system” includes outsourced Cloud based storage.
- E.** “Damages” means any monetary amount which you become legally obligated to pay as the result of a “claim”, including judgments, awards, damages, settlements to which we have consented in writing, prejudgment and post-judgment interest awarded which directly arise from and correspond to the portion of any judgment attributable to a covered “claim”. Provided, however, solely with respect to “regulatory proceedings”, “damages” means “regulatory fines”.
- “Damages” do not include:
- 1. any amount for which the “insured” is not liable or legally obligated to pay;
 - 2. punitive and exemplary damages, liquidated damages, taxes, fines or penalties, or any multiples thereof, other than “PCI fines”;
 - 3. matters uninsurable under the law applicable to this endorsement;
 - 4. past, present and future earned and unearned royalties, profits, fees, costs, expenses, commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;
 - 5. costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory or administrative relief, including specific performance, or any agreement to provide such relief; or
 - 6. discounts, prizes, awards, coupons or other incentives offered to the “named insured’s” clients or customers.
- F.** “Electronic media” means audio, digital, informational or visual material in electronic form transmitted over the Internet or other computer media; provided, however, “electronic media” does not include:
- 1. material in print or in any form other than that transmitted electronically over the Internet or other computer media; or
 - 2. scripts or films for theatrical release, radio or television programming, or books, manuals or other content on disk, e-reader, tablet or similar device.
- G.** “Endorsement period” means the period from the inception date stated in the Schedule to the expiration date stated in the Schedule, or its earlier termination date, if any.
- H.** “Extortion threat” means a credible threat or series of credible threats by a third party who is not an “Insured” to cause a “privacy breach event”, or to cause or perpetuate a “network disruption” such as through ransomware, unless a money demand is paid by the “insured”. An “extortion threat” is first discovered by an “insured” when it is first received by the “insured”.
- I.** “Extra expenses” means reasonable and necessary expenses the “named insured” incurs after a “network disruption” to reduce the “named insured’s” “business income loss” and to resume its normal operations.
- “Extra expenses” do not include:
- 1. any contractual penalties; or
 - 2. any costs to update or upgrade the “named insured’s” “computer system” to a level beyond that which existed prior to the “network disruption”.
- J.** “Insured” means:
- 1. all entities identified in the policy Declarations (all of which are referred to as the “named insured”);
 - 2. employees (not including volunteer workers or independent contractors), principals, partners, executive officers or directors of the “named insured”, but solely while acting within their capacity and the scope of their duties for or on behalf of the “named insured”; and
 - 3. in the event of death, incapacity, bankruptcy or insolvency of any person identified in sub-paragraph 2. above, such person’s heirs, estate, executors, administrators and legal representative in his or her capacity as such.
- K.** “Malicious code” means an unauthorized, unwanted or harmful program, code or script, including, but not limited to, any virus, trojan horse, worm, time or logic bomb, spyware, malware or spiderware.
- L.** “Media wrongful act” means any of the following actual or alleged unintentional and unknowing conduct by you directly relating to, in connection with or arising from the creation of “electronic media” which advertises or promotes the “named insured’s” products or services:
- 1. libel, slander or other defamation;
 - 2. invasion or infringement of an individual’s right to privacy or publicity;

- 3. disparaging a person's or organization's goods, products or services;
 - 4. infringement of copyright, plagiarism or misappropriation of ideas; or
 - 5. infringement of trademark, title, slogan, trade name, trade dress, service mark or service name.
- M.** "Network disruption" means a measurable interruption, failure, suspension or delay in the performance of the "named insured's" "computer system" directly caused by your unintentional failure to prevent an "unauthorized access or unauthorized use" of, the introduction of "malicious code" into, or a denial of service attack upon, such "computer system".
- N.** "Network security wrongful act" means your unintentional and unknowing failure to prevent an "unauthorized access or unauthorized use" of the "named insured's" "computer system" that directly results in:
- 1. the inability of an "insured" or authorized third party user to access the "named insured's" "computer system";
 - 2. the inability of an authorized third party user to access its "computer system" or network;
 - 3. the failure or corruption of a third party's "computer system" or network;
 - 4. your transmittal or distribution of "malicious code" to a third party's "computer system" or network; or
 - 5. the perpetuation of a denial of service attack on a third party's "computer system" or network.
- O.** "PCI Fine Assessment" means the assessment of or threat to assess "PCI fines" by any bank or a payment card association due to the "named insured's" violation of any Payment Card Industry Data Security Standards. A "PCI fine assessment" is first discovered by the "named insured" when "you" first discovered the directly related "privacy breach event" out of which the "PCI fine assessment" arises.
- P.** "PCI Fines" means all fines the "named insured" is obligated under contract to pay to its acquiring bank or payment card association due to the "named insured's" violation of any Payment Card Industry Data Security Standards that were in effect when "you" first discovered the directly related "privacy breach event".
- Q.** "Privacy breach event" means the theft or unauthorized disclosure of "protected information" due to the "insured's" unintentional failure to safeguard such "protected information".
- R.** "Privacy breach expenses" mean the following amounts, if reasonable and necessary and directly incurred by or for the "named insured" in responding to a "privacy breach event", "system compromise" or, with respect to an "extortion threat" or a "network disruption":

1. Notification Expenses:

notification fees and expenses charged by a vendor designated or approved in writing by us to notify a "protected person" of an "unauthorized access or unauthorized use" of his or her "protected information", pursuant to applicable "privacy law" requirements or to minimize "damages" otherwise covered under this endorsement;

2. Monitoring Expenses:

fees and expenses charged by a vendor designated or approved in writing by us to provide monitoring, identity theft, or fraud resolution services to a "protected person" affected by a "privacy breach event", pursuant to applicable "privacy law" requirements or to minimize "damages" otherwise covered under this endorsement;

3. "Extortion Threat" Expenses:

Expenses, ransom money including interest on any loan necessary to pay a ransom or reward money paid to any informant, if approved in writing by "us" to prevent or mitigate an "extortion threat".

4. Data Replacement Expenses:

The reasonable and necessary fees, costs, and expenses charged by a vendor designated or approved in writing by "us" to research, recreate or replace, from written records or partially or fully matching electronic data, any electronic data on the "named insured's" "computer system".

5. System Restoration Expenses:

the reasonable and necessary fees and cost of a professional services firm we approve to restore the "named insured's" "computer system", if damage by a "system compromise", to its operation performance immediately before the "system compromise", including cost to reinstall or replace software and remove "malicious code".

6. Cyber Investigation Expenses:

fees and expenses charged by a vendor designated or approved in writing by us to investigate the "unauthorized access or unauthorized use" of the "named insured's" "computer system" from which "protected information" has been accessed in order to determine whether the "named insured" has an obligation to provide notice under "privacy law"; and

7. Crisis Management Expenses:

- a. fees and expenses charged by a public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the "named insured's" business from a "privacy breach event"; and

- b. fees and expenses charged by a call center designated or approved in writing by us to provide assistance managing incoming calls in high volume “privacy breach events”.

“Privacy breach expenses” shall not include:

- 1. salaries, wages, fees, remuneration, overhead, benefits or expenses of our or your employees or officials;
 - 2. fees, costs or expenses to restore, replace, remediate, repair, correct, enhance, upgrade or otherwise modify, improve or make changes to the “named insured’s” “computer system” following or as a result of an actual or attempted “unauthorized access or unauthorized use” or “privacy breach event”, including fees, costs or expenses to prevent a future “unauthorized access or unauthorized use” or “privacy breach event”.
- S.** “Privacy law” means any law or regulation applicable to persons and organizations who lawfully and permissibly obtain or possess a “protected person’s” “protected information” requiring the posting of privacy policies, the adoption of specific privacy or security controls, or the notification of “protected persons” in the event their “protected information” has potentially been accessed or disclosed without authorization.
- T.** “Privacy wrongful act” means the following unintentional conduct resulting from your unintentional failure to safeguard “protected information” in the “named insured’s” possession in the normal course of business:
- 1. your actual or alleged violation of a “privacy law”; or
 - 2. your actual or alleged invasion or infringement of an individual’s right to privacy or publicity.
- U.** “Protected information” is defined as any personal information of an individual as defined in “privacy law”.
- V.** “Protected person” means a person whose “protected information” is protected from unauthorized disclosure or access by a “privacy law”.
- W.** “Reconstruction period” means the period of time:
- 1. after the application of the waiting period deductible stated in the Schedule;
 - 2. immediately following a “network disruption”; and
 - 3. ending at the earlier of 120 days after the time that the “named insured’s” “computer system” was first interrupted by the “network disruption” or the resumption of the “named insured’s” operations to substantially the same level that existed had the “network disruption” never taken place provided, however, that the “named insured” must make every effort to resume all or part of its operations as quickly as possible.

X. “Regulatory fines” means any fines or penalties assessed against a “named insured” as a result of a “regulatory proceeding”, provided such fines or penalties are insurable under the applicable law most favoring coverage for such fines or penalties.

Y. “Regulatory proceeding” means a formal request to you for documentation made by, or an investigation or civil proceeding brought by, a regulatory body or regulator directly arising from your actual or alleged unintentional breach or violation of a “privacy law”.

Z. “Related claims” means “claims” based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar facts, circumstances, subjects, situations, decisions, cause, persons, transactions, events, class of persons or events, or continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.

AA. “Related events” means “privacy breach events” based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar facts, circumstances, subjects, situations, decisions, cause, persons, transactions, event, class of persons or events, or continuous, repeated, the same, related, or a substantially similar series of facts, circumstances, subjects, situations, decisions, persons, transactions, class of persons or events.

BB. “System Compromise” means any “unauthorized access or unauthorized use” of the “named insured’s” “computer system” that materially degraded or damaged the performance of the “named insured’s” “computer system” or corrupted or destroyed any electronic data in the “named insured’s” “computer system”.

CC. “Unauthorized access or unauthorized use” means access to or use of the “named insured’s” “computer system” by a person or organization not authorized to do so, or the access to or use of the “named insured’s” “computer system” by an authorized person in an unauthorized manner.

DD. “Wrongful act” means a “media wrongful act”, “network security wrongful act” or “privacy wrongful act”.

SECTION III – EXCLUSIONS

A. We shall not be liable to pay, indemnify or reimburse “damages” or “claim expenses” from any “claim” or “regulatory proceeding”, or any “privacy breach expenses”, “business income loss” or “extra expenses”, based on, resulting from or arising out of:

1. Any actual or alleged direct creation of "malicious code" by you.
2. Any "malicious code" or variant of such "malicious code", denial of service attack, unauthorized intrusion into the "named insured's" "computer system" to access "protected information" or any similar attack or event:
 - a. That, in addition to the "named insured's" "computer system", attacks, intrudes, disrupts, accesses, infects or similarly affects the "computer system" of another unless such attack is targeted directly-at-and specifically directed against:
 - (1) The "named insured" and;
 - (2) Any other attacked "computer system".

Provided that any such attack shall be excluded in circumstances in which it would be reasonable to conclude that the "named insured" was targeted principally for reasons other than those relating to the "named insured's" identify or its particular business, "protected information", employees, customers, or business partners, or;
 - b. That is identified or assigned a name by any United States government entity or a recognized computer security or forensics entity, or anti-virus software vendor, including but not limited to McAfee, Symantec, Kaspersky, or Verizon.
3. The unsolicited dissemination of any communication to actual or prospective customers of the "insured" or any third party, or any actual or alleged violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law protecting a person's or entity's right of seclusion or privacy.
4. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any "protected information" or any "computer system" held or used by you by order of any governmental authority.
5. Any costs or expenses incurred by you or others to inspect, investigate, withdraw, alter, recall, reprocess, restore, replace, retract, amend, reprint, reproduce, remediate, correct, enhance, upgrade or otherwise modify any product, service or media of or for you, or any part of any such product, service or media. However, this exclusion shall not apply to any data replacement expenses or system restoration expenses that constitute "privacy breach expenses", if the data replacement expenses or system restoration expenses otherwise are covered.
6. Any actual or alleged unlawful or unauthorized obtaining, gathering, collecting, acquiring, using, distribution or sale by you of any information of any type, nature, or kind, including "protected information".
7. Any actual or alleged:
 - a. dishonest, fraudulent, criminal or malicious act, error or omission by you; or
 - b. your intentional or knowing "unauthorized access or unauthorized use", tampering with, denial of service attack, or otherwise limiting or preventing the use of the "named insured's" "computer system" or any third party's "computer system" or network;

provided, however, the above sub-parts shall not apply: (1) to any "insured" who did not intentionally and knowingly commit, acquiesce or participate in the conduct that gave rise to the "claim" or "privacy breach event"; or (2) in the absence of a final judgment, adjudication or binding arbitration ruling adverse to such "insured".

Upon such final adverse judgment, adjudication or final arbitration ruling, the "insured" shall reimburse us for all "damages", "privacy breach expenses" and "claim expenses" we have incurred or paid.
8. Any actual electrical or mechanical failures, including power interruption, surge, brownout or blackout, or defect of telephone, telecommunications, or data transmission lines, services, equipment or infrastructure.
9. Any actual or alleged patent infringement or theft, copying, misappropriation, display or publication of any patent, process, confidential or proprietary information or trade secret.
10. The outsourcing of data processing and other business functions to a location outside the United States, Canada or European Union when the outsourced activity involves "protected information" in your care, custody or control. However, this exclusion does not apply as respects Cloud based storage.
11. Any actual or alleged gaining in fact of any profit or advantage to which you are not legally entitled.
12. Any actual or alleged:
 - a. bodily injury, sickness, disease or death of any person; or
 - b. physical injury to, or loss or destruction of, tangible property, including the loss of use thereof, or loss of use of tangible property which has not been physically injured, lost, damaged or destroyed;

provided, however, this exclusion shall not apply to a "claim" for mental injury, mental anguish, or emotional distress directly resulting from a "privacy wrongful act" or a "media wrongful act".

13. Any actual or alleged breach of contract, agreement, understanding, warranty, including but not limited to product warranty or other guarantee or promise; provided, however;
 - a. with respect to breach of contract only, this exclusion shall not apply to any liability that would have attached to you in the absence of such contract; and
 - b. this exclusion shall not apply to fines or penalties the "named insured" is obligated to pay to its acquiring bank or a payment card association due to the "named insured's" violation of Payment Card Industry Data Security Standards (PCI-DSS).
14. Any liability or obligation assumed by you under any contract, agreement, understanding, warranty, including but not limited to product warranty or other guarantee or promise; provided, however, that this exclusion shall not apply to:
 - a. Liability that would have attached to you in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise; or
 - b. Fines or penalties the "named insured" is obligated under contract to pay to its acquiring bank or a payment card association due to the "named insured's" violation of Payment Card Industry Data Security Standards (PCI-DSS).
15. Any fact, circumstance, subject, decision, transaction, event or situation:
 - a. which was the subject of notice prior to the inception of this endorsement to any other insurance carrier under any other policy;
 - b. of which any principal, partner, or executive officer of the "named insured" was aware prior to the effective date of this endorsement or any other endorsement issued by us that such fact, circumstance, subject, decision, transaction, event or situation could reasonably have been expected to give rise to a "claim", "regulatory proceeding", "privacy breach event", "system compromise", "extortion threat" or "network disruption".
16. Any litigation, proceeding or investigation prior to or pending on the effective date of this endorsement, or any "claim", "regulatory proceeding", "privacy breach event", "related event", "related claim", fact, circumstance, subject, decision, transaction, event,

situation, cause, proceeding or investigation underlying or alleged therein.

17. Any actual or alleged:
 - a. discrimination of any kind; or
 - b. wrongful employment practice of any kind.
18. Any actual or alleged:
 - a. antitrust, restraint of trade, unfair, false or deceptive trade practice, or violation of any federal, state, local or foreign legislation, regulation or law prohibiting any antitrust activity, price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, conspiracy or unfair, false, misleading or deceptive trade or business practice, advertising or promotion; or
 - b. false, misleading, deceptive or fraudulent statement or representation advertising or promoting the products, services or business of the "insured".
19. Any actual or alleged violation of any federal, state, local or foreign securities-related legislation, regulation or law.
20. Any:
 - a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism.
 - b. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power.
 - c. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.
21. The violation of any United States economic or trade sanction.
22. Any actual or alleged:
 - a. failure to take reasonable and prudent steps to use, design, maintain and upgrade your security; or
 - b. inability to use, or lack of performance of, software: (a) due to expiration, cancellation, or withdrawal of such software; (b) that has not yet been released from its development stage; or (c) that has not passed all test runs or proven successful in applicable daily operations.
23. The presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants

or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment (any of which is deemed to be a hazardous substance) including:

- a. the cost of cleanup or removal of hazardous substances;
- b. the cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
- c. the cost of disposal of a hazardous substance or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or
- d. any cost, based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way any government direction or request that the "insured" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.

B. We shall not be liable to pay "damages" or "claim expenses" from:

- 1. Any "claim" against you that is brought by or on behalf of:
 - a. any other "insured", other than a "claim" by an employee of the "named insured" for a "privacy wrongful act";
 - b. any entity which is owned or controlled by, is under common ownership or control with, any "insured";
 - c. any person or entity which owns or controls any "named insured";
 - d. any entity of which any "insured" is a director, officer, partner or principal shareholder; or
 - e. any independent contractor of an "insured".
- 2. Any "claim" against you that is brought by or on behalf of any federal, state, local or foreign administrative, governmental, or regulatory agency, tribunal, body or similar or equivalent entity; however, this exclusion shall not apply if a "claim" is brought by any such entity as a client and the "claim" is for a "wrongful act" in connection with the client relationship between such entity and the "named insured"; or
- 3. Any "claim" based on, resulting from or arising out of any "media wrongful act" committed or which took place in whole or in part before the inception date of the earliest policy issued to the "named insured" that offered on a continuous basis the same or substantially equivalent coverage as the relevant coverage provided under this endorsement;

4. Any "claim" or "regulatory proceeding" based on, resulting from, arising out of or related to a "privacy breach event":

- a. that was not timely reported to us under **SECTION V – CONDITIONS**, Condition **B.**; or
- b. that was not first discovered by you during the "endorsement period" or, if this endorsement was not renewed, within thirty (30) days after the end of the "endorsement period"; or

5. Any "claim" against you or brought by any insurer who may be liable under, any workers' compensation, unemployment compensation, disability benefits law, the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state, local or foreign legislation, regulation or law.

SECTION IV – LIMITS OF INSURANCE AND DEDUCTIBLE

- A.** The Third Party Cyber Liability Coverage Limit of Insurance specified in A. of the Schedule and the rules detailed below fix the maximum amount we are obligated to pay for all "damages" and "claim expenses" from each "claim" or "related claims" and all "claims" or "related claims" under this endorsement, as detailed in Insuring Agreement A.1. This Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.
- B.** The "Regulatory Proceeding" Coverage Limit of Insurance specified in B. of the Schedule and the rules detailed below fix the maximum amount we are obligated to pay for all "claim expenses" and "regulatory fines" from each "regulatory proceeding" and all "regulatory proceedings" under this endorsement, as detailed in Insuring Agreement A.2. The "Regulatory Proceeding" "Claim Expense" Coverage Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.
- C.** The First Party "Privacy Breach Expense" Coverage Limit of Insurance specified in C. of the Schedule and the rules detailed below fix the maximum amount we are obligated to pay for all "privacy breach expenses" from each "privacy breach event", "system compromise, "extortion threat" or "related events" under this endorsement, as detailed in Insuring Agreement A.3. The First Party "Privacy Breach Expense" Coverage Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.
- D.** First Party Business Interruption Coverage Aggregate Limit of Insurance specified in D. of the Schedule and

the rules detailed below fix the maximum amount we are to pay for all “business income loss” and “extra expenses” from all “network disruptions” under this endorsement, as detailed in Insuring Agreement A.4. The First Party Business Interruption Aggregate Limit of Insurance shall be part of, and not in addition to, the Cyber Coverage Aggregate Limit of Insurance specified in the Schedule.

E. The Cyber Coverage Aggregate Limit of Insurance specified in E. of the Schedule shall fix the maximum amount we shall pay for all “damages” and “claim expenses” from all “claims”, all “claim expenses” and “regulatory fines” from all “regulatory proceedings”, all “privacy breach expenses” from all “privacy breach events”, all “system compromises”, and all “extortion threats”, all “business income loss” and “extra expenses” from all “network disruptions” and all “related claims” and “related events” covered under this endorsement.

F. Applicable rules to the LIMITS OF INSURANCE:

1. The applicable Limit of Insurance stated in the Schedule is the maximum we will pay regardless of the number of “insureds”, individuals or organizations that make a “claim”, the number of “claims”, “regulatory proceedings” or “privacy breach events”, “system compromise”, “extortion threat” or “network disruptions”.
2. If any Limit of Insurance is exhausted, the premium for this endorsement shall be deemed fully earned.

G. DEDUCTIBLE

For any “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, or “extortion threat” we shall be liable for only the amount of the “claim expenses”, “damages”, and “privacy breach expenses” from such “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, or “extortion threat” exceeding the Deductible amount specified in the Schedule. We have no obligation, either to you or to any person or entity, to pay all or any portion of any Deductible amount for or on your behalf. Solely for the purpose of applying the Deductible, a single Deductible amount applies to all “regulatory proceedings”, “related claims”, “related events” based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar thefts or unauthorized disclosures of “protected information”.

SECTION V – CONDITIONS

A. RELATED CLAIMS, RELATED EVENTS AND REGULATORY PROCEEDINGS

1. All “related claims”, whenever discovered, shall be deemed to be a single “claim”, regardless of

- a. the number of “related claims”;
- b. the number or identity of claimants;
- c. the number or identity of “insureds” involved;
- d. whether the “related claims” are asserted in a class action or otherwise; or
- e. the number and timing of the “related claims”, even if the “related claims” comprising such single “claim” were received or discovered in more than one “endorsement period”.

All “related claims” shall be treated as a single “claim” discovered when the earliest of such “related claims” was first discovered, or when the earliest of such “related claims” is treated as having been first discovered under **SECTION V – CONDITIONS, Condition B.** below, whichever is the earliest date.

2. All “related events”, whenever occurring, shall be deemed to be a single “privacy breach event”, regardless of:
 - a. the number of “related events”;
 - b. the number or identity of “insureds” involved; or
 - c. the number and timing of the “related events”, even if the “related events” comprising such single “privacy breach event” occurred in more than one “endorsement period”.

All “related events” shall be treated as a single “privacy breach event”, “system compromise” or “extortion threat” first discovered when the earliest of such “related events” was first discovered.

3. All “regulatory proceedings” and “related claims” based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related, or substantially similar thefts or unauthorized disclosures of “protected information” shall be deemed first discovered when the earliest of such “related claims” or “regulatory proceedings” was first discovered, or when the earliest of such “related claims” or “regulatory proceedings” is treated as having been first discovered under **SECTION V – CONDITIONS, Condition B.** below, whichever is the earliest date.

B. NOTICE OF PRIVACY BREACH EVENTS, NETWORK DISRUPTIONS, SYSTEM COMPROMISES, EXTORTION THREATS, REGULATORY PROCEEDINGS AND CLAIMS

1. You shall report to us a “privacy breach event”, “system compromise”, “extortion threat” or “network disruption” for which coverage is being sought under this endorsement immediately, but in no event later than thirty (30) days after you first discovered such “privacy breach event”, “system compromise”, “extortion threat” or “network disruption”. Such

reporting must include full particulars. Any subsequent “PCI fine assessment” or “claim” for a “privacy wrongful act” or “regulatory proceeding” directly related to such “privacy breach event” shall be treated as a “claim” or “regulatory proceeding” first discovered at the time you first discovered such “privacy breach event”.

2. The “named insured” must give us written notice of any “claim” or “regulatory proceeding” as soon as practicable, but in no event later than thirty (30) days after you first receive such “claim” or “regulatory proceeding”. If the “claim” is for a “media wrongful act” or “network security wrongful act”, the date you first received such “claim” shall be deemed the date you first discovered such “claim”.
3. If, during the “endorsement period”, you become aware of any “wrongful act” or circumstance which could reasonably be expected to give rise to a “claim”, “regulatory proceeding” or “privacy breach event”, the “named insured” must provide written notice thereof to us as soon as practicable, but in no event later than the end of the “endorsement period”. The notice shall contain full particulars, including but not limited to:
 - a. the names of the potential claimant and the “insureds” involved and a time, date, location and description of the specific “wrongful act” which forms the basis of the potential “claim” or “regulatory proceeding”;
 - b. the nature of the potential “damages” arising from such specific “wrongful act”;
 - c. a description of the circumstance or “wrongful act” and how you first became aware of the “wrongful act” or potential “privacy breach event”; and
 - d. the reason you reasonably believe such “wrongful act” or circumstance is likely to result in a “claim”, “regulatory proceeding” or “privacy breach event”.

Any “claim” for a “media wrongful act” or “network security wrongful act” arising out of such reported “wrongful act” shall be treated as a “claim” or “regulatory proceeding” first discovered when such written notice was delivered to us.

Any “claim” for a “privacy wrongful act” or “regulatory proceeding” arising out of such reported “wrongful act” shall be treated as a “claim” or “regulatory proceeding” first discovered at the earlier of: (1) the date when such written notice was delivered to us; or (2) the date you first discovered a “privacy breach event” as to which such “claim” or “regulatory proceeding” is directly related, provided you reported such “privacy breach event” to us in accordance with **SECTION V – CONDITIONS**, Condition **B.1.** above.

4. Insured’s Duties in the Event of a “claim”, “regulatory proceeding”, “privacy breach event”, “system

compromise”, “extortion threat” or “network disruption”.

- a. If there is a “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, “extortion threat” or “network disruption”, you must also do the following:

- (1) Fully assist and cooperate with us in the conduct, defense, investigation, negotiation and settlement of any “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, “extortion threat” or “network disruption”. At our request, you must: submit to an examination under oath; provide us with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents and other materials which we deem relevant to the “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, “extortion threat” or “network disruption” or coverage therefor; attend hearings, depositions, proceedings, trials and appeals; assist us in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to you.

- (2) You must do whatever is necessary to secure and affect any rights of indemnity, contribution or apportionment that you may have.

- (3) You shall accept our assignment of counsel and shall refrain from discussing any “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, “extortion threat” or “network disruption” with anyone other than counsel retained to represent the “insured” or our representatives.

- (4) With respect to a “privacy breach event”, “system compromise”, “extortion threat” or “network disruption”, you must take all reasonable steps to protect “computer systems” and “protected information” from further loss or damage, and keep a record of the expenses necessary to protect such “computer systems” and “protected information”.

- (5) With respect to a “network disruption”, you must take all reasonable steps and measures to limit or mitigate the “business income loss” and the incurrence of “extra expenses”.

- b. Within six (6) months after the discovery of any “network disruption”, the “named insured” must furnish us with a written proof of the “named insured’s” claimed loss, duly sworn to, with full particulars.

- c. No “insured” will, except at its own cost, voluntarily make a payment, admit liability, retain attorneys, consultants, or vendors, assume any other obligation, or accept or reject arbitration without our prior written consent. Any payments, settlements or admissions you make without our prior written consent will be made at your own expense.

C. VALUATION OF BUSINESS INCOME LOSS

“Business income loss” will be calculated on an hourly basis based on the actual “business income loss” the “named insured” sustains during the time period in which the “named insured’s” “computer system” is affected by the “network disruption”. In determining the amount of net profit or loss and expenses covered for the purpose of ascertaining the amount of “business income loss”, we will give due consideration to the net profit or loss of the “named insured” before the “network disruption” occurred and the probable net profit or loss of the “named insured” if no “network disruption” had occurred. However, such net profit or loss calculations shall not include, and no coverage shall be provided for, net income that would likely have been earned as a result of an increase in the volume of the “named insured’s” business due to favorable business conditions caused by the impact of any internet, computer or network disruption suffered by other businesses.

D. BANKRUPTCY

Bankruptcy or insolvency of the “insured” or of the “insured’s” estate will not relieve us of any of our obligations under this endorsement.

E. ACTION AGAINST US

No action shall be brought against us by any “insured”, unless, as a condition precedent thereto:

1. all “insureds” have fully complied with all the terms and conditions of this endorsement; and
2. with respect to a “claim”, the amount of “damages” has been fixed or rendered certain:
 - a. by final judgment against the “insured” after trial of the issues; and
 - b. the time to appeal such judgment has expired without an appeal being taken; and
 - c. if appeal is taken, after the appeal has been determined; and
 - d. the “claim” is settled in accordance with the terms and conditions of this endorsement.

No individual or entity shall have any right under this endorsement to join us as a party to any “claim” to determine the liability of any “insured”; nor shall we be impleaded by you or your legal representative in any such “claim”.

In no event shall any action brought by anyone be maintained against us unless such action is brought within twenty-four (24) months from the time the right to bring action first became available. With respect to a “network disruption”, no legal proceedings for the recovery of any “business income loss” or “extra expenses” may be brought prior to the expiration of sixty (60) days after the “named insured’s” original proof of loss is submitted to us.

F. OTHER INSURANCE

This insurance shall be excess of and not contribute with all other insurance, whether collectible or not, that affords coverage for a “wrongful act”, a “privacy breach event”, “system compromise”, “extortion threat” or a “network disruption”.

This condition does not apply to other insurance that is specifically and intentionally written to apply in excess of the limits provided by this endorsement.

G. ASSIGNMENT OF THE INSURED’S INTEREST

The interest of the “insured” under this endorsement is not assignable to any other person or organization, except with our prior written consent.

H. TRANSFER OF RIGHTS OF RECOVERY /SUBROGATION

If there is a payment made by us, we shall be subrogated to all of your rights of recovery against any person or organization. You will cooperate with us and do whatever is necessary to secure and recover upon these rights, including but not limited to executing any documents necessary to enable us to effectively bring suit in your name. You shall do nothing that may prejudice our position or potential or actual rights of recovery. Your rights and obligations hereunder shall survive the expiration, cancellation, or termination of this endorsement.

With respect to a “claim”, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to “damages” or “claim expenses” paid by the “named insured” in excess of the Limits of Insurance; third, to “damages” or “claim expenses” paid by us; and finally, to “damages” or “claim expenses” paid by the “named insured” toward the Deductible.

With respect to any “privacy breach event”, system compromise”, “extortion threat” or “network disruption”, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to amounts paid by the “named insured” in excess of the Limits of Insurance; third, to amounts paid by us; and finally, to amounts paid by the “named insured” toward the Deductible.

Notwithstanding the foregoing, we agree to waive any right of subrogation hereunder against a client of the “named insured”, with respect to any payment made in connection with a “claim” if, and to the extent that, prior to the occurrence of any “wrongful act” or “privacy breach event” giving rise to such “claim”, the “named insured” had agreed to waive its rights of subrogation against such client pursuant to a prior written contract or agreement.

I. CANCELLATION

This endorsement may be canceled or nonrenewed as provided in the terms and conditions that apply to the policy or Coverage Part to which it is attached. The “endorsement period” will end at the same time and date that any cancellation or nonrenewal of the policy or Coverage Part to which it is attached takes effect.

J. CHANGES MADE TO THIS ENDORSEMENT

The terms and conditions of this endorsement cannot be waived or changed except by specific written endorsement issued by us and made part of the endorsement.

K. AUDIT

We may examine and audit your books and records at any time during the “endorsement period” and within three (3) years after the expiration or termination date of this endorsement as far as they relate to this endorsement.

L. FALSE OR FRAUDULENT CLAIMS

If an “insured” reports any matter knowing it to be false or fraudulent, we will not be liable to make any payments related to that matter.

M. TERMS AND CONDITIONS OF ENDORSEMENT CONFORMED TO STATUTE

Where necessary, the terms and conditions of this endorsement will be amended to conform to applicable law.

N. PREMIUM

The premium amount for this endorsement is stated in the Schedule and is for coverage for the “endorsement period”. If during the “endorsement period” there is a change in coverage afforded, we have the right to adjust the premium as of the date of the change. Any premium adjustment shall be made in accordance with our prevailing rules and rates.

Premium shown as advance premium is a minimum and deposit premium. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable by notice to the first “named insured”.

If the premium for this endorsement is a flat premium, it is not subject to adjustment.

O. TERRITORY

This endorsement applies to “wrongful acts”, “privacy breach events” and “network disruptions” taking place anywhere in the world except Countries or States against which the United States has implemented trade or diplomatic sanctions. However, any “claim” or “regulatory proceeding” must be brought in the United States.

P. CHANGE IN RISK

1. If, during the “endorsement period”, the “named insured” acquires or creates another entity (other than a joint venture or partnership, which is addressed below) whose annual revenues are more than ten percent (10%) of the “named insured’s” total annual revenues as set forth in the most recent Application for insurance, or if the “named insured” merges or consolidates with another entity such that the “named insured” is the surviving entity (any such acquired, created, merged or consolidated entity, including a new subsidiary, will be identified as the “Acquired Company”), then for a period of sixty (60) days after the effective date of the transaction, such Acquired Company shall be included as an “named insured” but only with respect to “network security wrongful acts” and “privacy wrongful acts” first committed or allegedly committed after the effective date of such transaction, or “privacy breach events”, “system compromise”, “extortion threats”, or “network disruptions” that first occur after the effective date of such transaction. Upon the expiration of the sixty (60) day period, there will be no coverage available under this endorsement for any “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, “extortion threat” or “network disruption” based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, the Acquired Company unless within such sixty (60) day period:

- a. the “named insured” gives us such information regarding such transaction as we request;
 - b. We have specifically agreed by written endorsement to this endorsement to provide coverage with respect to such Acquired Company and the “named insured” accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as we, in our sole discretion, impose in connection with the transaction; and
 - c. the “named insured” has paid the additional premium, if any, we charge and has agreed to any modifications to this endorsement.
2. If, during the “endorsement period”, the “insured” becomes a member of a new joint venture or partner in a new partnership, there will be no coverage

available under this endorsement for any “claim”, “damages”, “claim expenses”, “privacy breach event”, “system compromise”, “extortion threat”, “network disruption” or “wrongful act” based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly, such joint venture or partnership, unless:

- a. the “named insured” gives us such information regarding the new joint venture or partnership as we request; and
 - b. We specifically agree by written endorsement to this endorsement to provide coverage with respect to such new joint venture or partnership, and the “named insured” accepts any terms, conditions, exclusions or limitations, including payment of additional premium, as we, in our sole discretion, impose in connection with such transaction.
3. If, during the “endorsement period”, any of the following events occur:
- a. the “named insured” first identified in the policy Declarations is dissolved, sold, acquired by, merged into, or consolidated with another entity such that such “named insured” is not the surviving entity; or
 - b. a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the “named insured” first identified in the policy Declarations;

coverage under this endorsement shall continue in full force and effect until the Expiration Date or any earlier cancellation or termination date, but this endorsement shall only apply to “wrongful acts” first committed or allegedly committed before the effective date of such event or a “privacy breach event”, “system compromise”, “extortion threat” or “network disruption” that first occurs before the effective date of such event. There will be no coverage available under this endorsement based on, resulting from, arising out of, in consequence of, or in any way in connection with or involving, directly or indirectly any “wrongful act” committed or allegedly committed on or after the effective date of such event or any “privacy breach event”, “system compromise”, “extortion threat” or “network disruption” that occurs after the effective date of such event.

Q. ENTIRE AGREEMENT

The “insureds” agree that this endorsement, including the application, Schedule and any endorsements, constitutes the entire agreement between them and the Company or any of its agents relating to this insurance.

R. ECONOMIC AND TRADE SANCTIONS OR VIOLATIONS OF LAW

Any “claim”, “regulatory proceeding”, “privacy breach event”, “system compromise”, “extortion threat”, “network disruption” or matter uninsurable under any act, statute, rule, regulation, ordinance, common law, or other law of the United States of America concerning trade or economic sanctions or export control laws is not covered under this endorsement.

COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

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

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

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

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit Of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.k. or E.1.l., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., 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 that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises – Theft Of Money And Securities

We will pay for:

a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or

(2) Resulting directly from disappearance or destruction.

b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

4. Inside The Premises – Robbery Or Safe Burglary Of Other Property

We will pay for:

a. Loss of or damage to "other property":

(1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

(2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside The Premises

We will pay for:

- a. Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. Loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer And Funds Transfer Fraud

a. We will pay for:

- (1) Loss resulting directly from a fraudulent:
 - (a) Entry of "electronic data" or "computer program" into; or
 - (b) Change of "electronic data" or "computer program" within; any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs **6.a.(1)(a)** and **6.a.(1)(b)**:
 - (i) "Money", "securities" or "other property" to be transferred, paid or delivered; or
 - (ii) Your account at a "financial institution" to be debited or deleted.
- (2) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b. As used in Paragraph **6.a.(1)**, fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

7. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having, in good faith, accepted in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit Of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This insurance does not cover:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members"; whether acting alone or in collusion with other persons.

b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.**

d. Confidential Or Personal Information

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information; or
- (2) The disclosure of your confidential or personal information. However, this Paragraph **1.d.(2)** does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

e. Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

f. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

g. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (2) 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; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

h. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.2.**

i. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

j. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of 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.

k. Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

l. War And Military Action

Loss or damage resulting from:

- (1) War, including undeclared or civil war;

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

2. Insuring Agreement **A.1.** does not cover:

a. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

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

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements **A.3.**, **A.4.** and **A.5.** do not cover:

a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.

f. Transfer Or Surrender Of Property

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":

- (a) On the basis of unauthorized instructions; or

- (b) As a result of a threat including, but not limited to:

- (i) A threat to do bodily harm to any person;

- (ii) A threat to do damage to any property;

- (iii) A threat to introduce a denial of service attack into any "computer system";

- (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system";

- (v) A threat to contaminate, pollute or render substandard your products or goods; or

- (vi) A threat to disseminate, divulge or utilize:

- i. Your confidential information;
- ii. Confidential or personal information of another person or organization; or

- iii. Weaknesses in the source code within any "computer system".

(2) However, this exclusion does not apply under Insuring Agreement **A.5.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.6. does not cover:

a. Authorized Access

Loss resulting from a fraudulent:

- (1) Entry of "electronic data" or "computer program" into; or
- (2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement **A.6.b.**

b. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

c. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

d. Fraudulent Instructions

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (1) Transfer, pay or deliver "money", "securities" or "other property"; or

(2) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement **A.6.a.(2)** or **A.6.b.**

e. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

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

E. Conditions

The following conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

b. 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 conceals or misrepresents a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation – Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.** or **A.2.**) involves a violation of law, you must also notify the local law enforcement authorities;
- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and

- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

f. Employee Benefit Plans

The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.**, subject to the following:

- (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator is responsible for selecting a Limit of Insurance for Insuring Agreement **A.1.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required under ERISA as if each Plan were separately insured.

- (2) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement **A.1.** is replaced by the following:

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (3) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan 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 "money", "securities" or "other property" of two or more Plans;

resulting directly from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required under ERISA for each Plan bears to the total of those limits.

- (5) The Deductible Amount applicable to Insuring Agreement **A.1.** does not apply to loss sustained by any Plan.

g. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

h. Joint Insured

- (1) 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.
- (2) If any Insured, or partner, "member", "manager", officer, director or trustee of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - (a) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
 - (b) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any "employee benefit plan" for loss sustained by that Plan, shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. 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 shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

(3) In settling loss under Paragraphs k.(1) and k.(2):

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

(4) The following examples demonstrate how we will settle losses subject to this condition:

Example Number 1

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B**.

Policy A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$2,500 and under Policy **B**, \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy **A**. The Policy **A** Deductible Amount of \$5,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).
- (b) The remaining amount of loss sustained under Policy **B** (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy **A** of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

Example Number 2

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B**.

Policy A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$175,000 and under Policy **B**, \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy **B**. The Policy **A** Deductible Amount of \$10,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$175,000) is settled first. The amount we will pay is the Policy **A** Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000, which is greater than the \$125,000 policy limit.
- (b) The remaining amount of loss sustained under Policy **B** (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy **B** limit - \$125,000 paid under Policy **A** = \$25,000).

The most we will pay for this loss is \$150,000.

Example Number 3

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies **A**, **B**, **C** and **D**.

Policy A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

Policy B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

Policy C

Issued prior to Policy **B**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Policy D

Issued prior to Policy **C**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Settlement Of Loss

The amount of loss sustained under Policy **A** is \$350,000; under Policy **B**, \$250,000; under Policy **C**, \$600,000; and under Policy **D**, \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy **A**. The Policy **A** Deductible Amount of \$100,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy **A** (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
- (b) The amount of loss sustained under Policy **B** (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
- (c) The amount of loss sustained under Policy **C** (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
- (d) We will not make any further payment under Policy **D**, as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy **A** has been satisfied.

The most we will pay for this loss is \$1,000,000.

I. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
 - (a) This insurance became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

(2) In settling loss subject to this condition:

- (a)** The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
- (b)** We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

(3) The insurance provided under this condition is subject to the following:

- (a)** If loss covered under this condition is also partially covered under Condition **E.1.k.**, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Condition **E.1.k.**
- (b)** For loss covered under this condition that is not subject to Paragraph **I.(3)(a)**, the amount recoverable under this condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i)** This insurance as of its effective date; or
 - (ii)** The prior cancelled insurance had it remained in effect.

m. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a)** You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

- (b)** You have other insurance covering the same loss other than that described in Paragraph **m.(1)(a)**, we will only pay for the amount of loss that exceeds:

- (i)** The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
- (ii)** The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a)** When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b)** However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

n. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1)** That you own or lease;
- (2)** That is held by you in any capacity; or
- (3)** For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

o. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

p. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
 - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
 - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original "securities" after duplicates of them have been issued.

q. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

r. 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.

s. Valuation – Settlement

The value of any loss for purposes of coverage under this insurance shall be determined as follows:

(1) Money

Loss of "money" but only up to and including its face value. We will, at your 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 published in The Wall Street Journal on the day the loss was "discovered".

(2) Securities

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

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (ii) Limit of Insurance applicable to the "securities".

(3) Property Other Than Money And Securities

- (a) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The Limit of Insurance applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph **s.(3)(a)**:

(i) Until the lost or damaged property is actually repaired or replaced; and

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

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(c) We will, at your option, pay for loss or damage to such property:

(i) In the "money" of the country in which the loss or damage was sustained; or

(ii) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage was sustained, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

(d) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreement A.1.

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

(1) As soon as:

(a) You; or

(b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition **E.1.q.** for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.2.**

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. 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.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.q.** does not apply to Insuring Agreement **A.2.**

4. Conditions Applicable To Insuring Agreements A.4. And A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.5.**, we will only pay for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

(1) Precious metals, precious or semiprecious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.6.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.q.** does not apply to Insuring Agreement **A.6.**

F. Definitions

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
 2. "Computer system" means:
 - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
 - b. Systems and applications software; and
 - c. Related communications networks;by which "electronic data" is collected, transmitted, processed, stored or retrieved.
 3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
 4. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
 5. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.
- "Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
 7. "Employee":
 - a. Means:
 - (1) Any natural person:
 - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent "employee", as defined in Paragraph **7.a.(1)**, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;while that person is subject to your direction and control and performing services for you;
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph **7.a.(2)**;
 - (4) Any natural person who is:
 - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or

- (b) Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";
 - (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;
 - (6) Any natural person who is a guest student or intern pursuing studies or duties;
 - (7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this insurance; and
 - (8) Any natural person who is your "manager", director or trustee while:
 - (a) Performing acts within the scope of the usual duties of an "employee"; or
 - (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. Does not mean:**
Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 7.a.
- 8. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.**
- 9. "Financial institution" means:**
- a. With regard to Insuring Agreement A.3.:**
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
 - (2) An insurance company.
 - b. With regard to Insuring Agreement A.6.:**
 - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
 - (2) An insurance company; or
 - (3) A stock brokerage firm or investment company.
- c. Other than Insuring Agreements A.3. and A.6., any financial institution.**
- 10. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph F.9.a.**
- 11. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.**
- 12. "Fraudulent instruction" means:**
- a. With regard to Insuring Agreement A.6.a.(2):**
 - (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
 - (2) A written instruction (other than those covered under Insuring Agreement A.2.) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
 - b. With regard to Insuring Agreement A.6.b.:**
A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.
- 13. "Manager" means a natural person serving in a directorial capacity for a limited liability company.**
- 14. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".**

15. "Messenger" means you, or your relative, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
16. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value;
 - b. Traveler's checks and money orders held for sale to the public; and
 - c. In addition, includes:
 - (1) Under Insuring Agreements **A.1.** and **A.2.**, deposits in your account at any "financial institution"; and
 - (2) Under Insuring Agreement **A.6.**, deposits in your account at a "financial institution" as defined in Paragraph **F.9.b.**
17. "Occurrence" means:
 - a. Under Insuring Agreement **A.1.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
 - b. Under Insuring Agreement **A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
 - c. Under all other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**
18. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
19. "Premises" means the interior of that portion of any building you occupy in conducting your business.
20. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
21. "Safe burglary" means the unlawful taking of:
 - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
22. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
23. "Theft" means the unlawful taking of property to the deprivation of the Insured.
24. "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
 - a. By means of computer, telefacsimile, telephone or other electronic instructions; or
 - b. By means of written instructions (other than those covered under Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
25. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
**CONDITIONAL EXCLUSION OF TERRORISM (RELATING
TO DISPOSITION OF FEDERAL TERRORISM
RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
GOVERNMENT CRIME COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM

A. Applicability Of The Provisions Of This Endorsement

1. When the federal Terrorism Risk Insurance Program ("Program") established by the Terrorism Risk Insurance Act terminates with respect to the other Coverage Forms and Coverage Parts contained in this policy, then the provisions of this endorsement apply with respect to the Commercial Crime Coverage Form, Government Crime Coverage Form and Kidnap/Ransom And Extortion Coverage Form. Such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and**
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.**

2. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

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

- 1. That involve the following or preparation for the following:**
 - a. Use or threat of force or violence; or**

b. Commission or threat of a dangerous act; or

c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

D. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.
2. 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 or damage which would otherwise be excluded under this Coverage Form, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

BUSINESS AUTO 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 V – Definitions.

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II – COVERED AUTOS LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **a.** above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph **a.** above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, 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.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) 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.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a.** That are, or that are contained in any property that is:
 - (1)** Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2)** Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3)** Being stored, disposed of, treated or processed in or upon the covered "auto";
- b.** Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c.** After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1)** The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2)** The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a)** The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b)** The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

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

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from 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. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or 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.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limits Of Insurance

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
 - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV – BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value 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 we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

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

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

(1) Excess while it is connected to a motor vehicle you do not own; or

(2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:
 - 1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

- 2. 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".

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.

- D. "Covered pollution cost or expense" means any cost or expense arising out of:

- 1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- 2. Any 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".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. 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 to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "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".
- J.** "Loss" means direct and accidental loss or damage.
- K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include 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".

- L. "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.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 1. Damages because of "bodily injury" or "property damage"; or
 2. A "covered pollution cost or expense";
 to which this insurance applies, are alleged.
 "Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" 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 or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "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.
- P. "Trailer" includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Idaho, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes in Physical Damage Coverage

When this **Physical Damage Coverage** applies to a "loaned vehicle" that you do not own, the following applies with respect to such "loaned vehicle":

1. The **Limits Of Insurance** Provision in Paragraph **C.1.** of the Business Auto and Motor Carrier Coverage Forms and in Paragraph **4.a.** of the Auto Dealers Coverage Form is replaced by the following:

a. The most we will pay for:

- (1) "Loss" to a covered "loaned vehicle" is the lesser of:
 - (a) The reasonable cost of repairing the "loaned vehicle" with other property of like kind and quality; or
 - (b) The owner's actual cost to replace the "loaned vehicle" with other property of like kind and quality.

2. The **Limits Of Insurance** Provision in Paragraph **C.2.** of the Business Auto and Motor Carrier Coverage Forms and in Paragraph **4.b.** of the Auto Dealers Coverage Form does not apply to a "loaned vehicle".

B. Changes In Conditions

The **Other Insurance** Condition in the Auto Dealers and Business Auto Coverage Forms and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are revised by the addition of the following:

When this Coverage Form and any other Coverage Form or policy providing liability and/or physical damage insurance apply with respect to an "accident" or "loss" involving a "loaned vehicle" and:

1. One provides coverage to a licensed seller or dealer that owns the "loaned vehicle"; and
2. The other provides coverage to the operator of the "loaned vehicle"; and
3. At the time of such "accident" or "loss", the operator's liability and/or physical damage insurance as described in Paragraph **2.** is primary and the licensed seller or dealer's liability and/or physical damage insurance described in Paragraph **1.** is excess over any insurance available to that operator.

C. Additional Definitions

As used in this endorsement:

"Loaned vehicle" means a motor vehicle which is provided for temporary use without charge to the operator by a licensed seller or dealer for the purpose of demonstrating the vehicle to the operator as a prospective purchaser, or as a convenience to the operator during the repairing or servicing of a motor vehicle for the operator, regardless of whether such repair or service is performed by the owner of the loaned vehicles or by some other person or business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION FOR COVERED AUTOS EXPOSURE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following exclusion is added to Covered Autos Liability Coverage:

Silica Or Silica-related Dust Exclusion For Covered Autos Exposure

This insurance does not apply to:

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any "insured" or by any other person or entity.

B. Additional Definitions

As used in this endorsement:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

INTERCOMPANY DEDUCTIBLE WAIVER

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section III – PHYSICAL DAMAGE COVERAGE; Paragraph **D., DEDUCTIBLE;** is amended to include the following provision;

No deductible will apply if a loss covered under **Section III – PHYSICAL DAMAGE COVERAGE;** Paragraph **A.1.c.** "Collision Coverage" is in a collision with another auto insured by a member company of the Enumclaw Insurance Group. This would include both Mutual of Enumclaw Insurance Company and/or Enumclaw Property and Casualty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL VEHICLE SHARING EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

PERSONAL VEHICLE SHARING EXCLUSION

We will not pay:

1. for loss under any coverage afforded under this policy arising out of the lease, ownership, maintenance, use, loading or unloading of a covered "auto" when the covered "auto" is used in a "personal vehicle sharing program";
2. to defend or indemnify you for any loss or injury that occurs during any time period while your covered "auto" is under the operation and/or control of any person or organization using your covered "auto" in a "personal vehicle sharing program".

In the event of any loss or injury that occurs at any time when the covered "auto" is under the operation or control of a person, other than the vehicle's registered owner, pursuant to a "personal vehicle sharing program", or is otherwise under the control of a "personal vehicle sharing program", the program shall assume all liability of the vehicle owner and shall be considered the vehicle owner for all purposes.

A "personal vehicle sharing program" continues to be liable until:

1. The covered "auto" is returned to a location designated by the "personal vehicle sharing program"; and
2. One of the following conditions occurs:
 - a. The expiration of the time period established for the covered "auto" occurs;
 - b. The intent to terminate the covered "auto's" "personal vehicle sharing" use is verifiably communicated to the "personal vehicle sharing program"; or
 - c. The vehicle's registered owner takes possession and control of the covered "auto".

"Personal vehicle sharing" means the use of private passenger "autos" by persons other than the vehicles' registered owner in connection with a "personal vehicle sharing program".

"Personal vehicle sharing program" means a legal entity qualified to do business in the state where the covered "auto" is registered and which is engaged in the business of facilitating the sharing of private passenger "autos" for noncommercial use by individuals within this state.