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24 hours a day, 365 days a year*

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

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## **CONDOMINIUM PAC**

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**CONDO - 1-4 UNITS PER FIRE DIVISION**



**A Custom Insurance Policy Prepared for:**

**MLV ECO TOWNHOMES OWNERS  
ASSOCIATION, INC.  
PO BOX 3846  
PAGOSA SPRINGS CO 81147**

**Presented by: ASSOCIATED INSURANCE**



**COMMON POLICY DECLARATIONS**

CONDOMINIUM PAC  
BUSINESS: CONDO - 1-4 UNI

**POLICY NO.:** 680-3R756127-23-42

**ISSUE DATE:** 07/21/2023

**INSURING COMPANY:**

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

**1. NAMED INSURED AND MAILING ADDRESS:**

MLV ECO TOWNHOMES OWNERS  
ASSOCIATION, INC.  
PO BOX 3846  
PAGOSA SPRINGS CO 81147

**2. POLICY PERIOD:** From 09/16/2023 to 09/16/2024 12:01 A.M. Standard Time at your mailing address.

**3. DESCRIPTION OF PREMISES:**

PREM.			ADDRESS
LOC.	BLDG.		(same as Mailing Address unless specified otherwise)
NO.	NO.	OCCUPANCY	

SEE IL TO 20 02 05

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

COVERAGE PARTS and SUPPLEMENTS	INSURING COMPANY
Businessowners Coverage Part	ACJ

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

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

POLICY	POLICY NUMBER	INSURING COMPANY
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**DIRECT BILL**

**7. PREMIUM SUMMARY:**

Provisional Premium	\$	10,725.00
Due at Inception	\$	
Due at Each	\$	

NAME AND ADDRESS OF AGENT OR BROKER

COUNTERSIGNED BY:

ASSOCIATED INSURANCE XL985  
1429 CARLISLE BLVD NE

\_\_\_\_\_  
Authorized Representative

ALBUQUERQUE NM 87110

DATE: 07/21/2023

IL TO 19 02 05 (Page 1 of 01)

Office: PHOENIX AZ DOWN



**BUSINESSOWNERS COVERAGE PART DECLARATIONS**

CONDOMINIUM PAC

POLICY NO.: 680-3R756127-23-42

ISSUE DATE: 07/21/2023

INSURING COMPANY:  
TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:  
From 09-16-23 to 09-16-24 12:01 A.M. Standard Time at your mailing address

FORM OF BUSINESS: CORPORATION

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

**COMMERCIAL GENERAL LIABILITY COVERAGE**

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

**BUSINESSOWNERS PROPERTY COVERAGE**

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 1,000 per occurrence.  
Building Glass: \$ 1,000 per occurrence.

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

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

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

SPECIAL PROVISIONS:

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

**BUSINESSOWNERS PROPERTY COVERAGE**

<b>PREMISES LOCATION NO.:</b>	001	<b>BUILDING NO. :</b>	001			
				<b>LIMIT OF</b>		<b>INFLATION</b>
	<b>COVERAGE</b>		<b>INSURANCE</b>	<b>VALUATION</b>	<b>COINSURANCE</b>	<b>GUARD</b>
<b>BUILDING</b>	\$		471,827	RC*	N/A	0.0%
	*Replacement Cost					
<b>PREMISES LOCATION NO.:</b>	001	<b>BUILDING NO. :</b>	002			
				<b>LIMIT OF</b>		<b>INFLATION</b>
	<b>COVERAGE</b>		<b>INSURANCE</b>	<b>VALUATION</b>	<b>COINSURANCE</b>	<b>GUARD</b>
<b>BUILDING</b>	\$		471,827	RC*	N/A	0.0%
	*Replacement Cost					
<b>PREMISES LOCATION NO.:</b>	001	<b>BUILDING NO. :</b>	003			
				<b>LIMIT OF</b>		<b>INFLATION</b>
	<b>COVERAGE</b>		<b>INSURANCE</b>	<b>VALUATION</b>	<b>COINSURANCE</b>	<b>GUARD</b>
<b>BUILDING</b>	\$		471,827	RC*	N/A	0.0%
	*Replacement Cost					
<b>PREMISES LOCATION NO.:</b>	001	<b>BUILDING NO. :</b>	004			
				<b>LIMIT OF</b>		<b>INFLATION</b>
	<b>COVERAGE</b>		<b>INSURANCE</b>	<b>VALUATION</b>	<b>COINSURANCE</b>	<b>GUARD</b>
<b>BUILDING</b>	\$		1,016,500	RC*	N/A	0.0%
	*Replacement Cost					
<b>PREMISES LOCATION NO.:</b>	001	<b>BUILDING NO. :</b>	005			
				<b>LIMIT OF</b>		<b>INFLATION</b>
	<b>COVERAGE</b>		<b>INSURANCE</b>	<b>VALUATION</b>	<b>COINSURANCE</b>	<b>GUARD</b>
<b>BUILDING</b>	\$		535,000	RC*	N/A	0.0%
	*Replacement Cost					
<b>PREMISES LOCATION NO.:</b>	001	<b>BUILDING NO. :</b>	006			
				<b>LIMIT OF</b>		<b>INFLATION</b>
	<b>COVERAGE</b>		<b>INSURANCE</b>	<b>VALUATION</b>	<b>COINSURANCE</b>	<b>GUARD</b>
<b>BUILDING</b>	\$		781,100	RC*	N/A	0.0%
	*Replacement Cost					

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

POLICY NUMBER: 680-3R756127-23-42

EFFECTIVE DATE: 09/16/2023

ISSUE DATE: 07/21/2023

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

IL T0 19 02 05	COMMON POLICY DECLARATIONS
MP T0 01 02 05	BUSINESSOWNERS COVERAGE PART DECLARATIONS
IL T8 01 01 01	FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 15 09 07	COMMON POLICY CONDITIONS
IL T0 20 02 05	ADDITIONAL LOCATIONS

BUSINESSOWNERS

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

COMMERCIAL GENERAL LIABILITY

CG T0 34 02 19	TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG T1 00 02 19
CG T1 00 02 19	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG D2 37 02 19	EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES - COMPLETED OPERATIONS
CG D3 09 02 19	AMENDATORY ENDORSEMENT - PRODUCTS-COMPLETED OPERATIONS HAZARD
CG D9 10 09 21	AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION
CG D2 03 12 97	AMEND - NON CUMULATION OF EACH OCC
CG D2 43 01 02	FUNGI OR BACTERIA EXCLUSION
CG D4 21 07 08	AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11	EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS
CG D0 76 06 93	EXCLUSION - LEAD
CG D1 42 02 19	EXCLUSION - DISCRIMINATION

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03	LIMITATION WHEN TWO OR MORE POLICIES APPLY
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INTERLINE ENDORSEMENTS

IL T0 63 07 22	ACTUAL CASH VALUE
IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG

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POLICY NUMBER: 680-3R756127-23-42

EFFECTIVE DATE: 09/16/2023

ISSUE DATE: 07/21/2023

INTERLINE ENDORSEMENTS (CONTINUED)

IL T4 14 01 21	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 27 06 19	ADDITIONAL BENEFITS
IL T4 40 10 20	PROTECTION OF PROPERTY
IL T3 82 05 13	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
IL 00 21 09 08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
IL 01 25 11 13	COLORADO CHANGES - CIVIL UNION
IL 01 69 09 07	COLORADO CHANGES - CONCEALMENT, MISREPRESENTATION OR FRAUD
IL 02 28 09 07	COLORADO CHANGES - CANCELLATION AND NONRENEWAL

POLICY HOLDER NOTICES

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

# 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 or any Coverage Part 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. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part 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 as part of this policy.

## C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

## D. INSPECTIONS AND SURVEYS

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

## E. PREMIUMS

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.

2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules 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.

**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.

**G. BUSINESSOWNERS COVERAGE PART – REFERENCES TO FORMS AND ENDORSEMENTS**

In some instances, the Common Policy Declarations may list endorsements included in the Businessowners Coverage Part that reference:

1. The Commercial Property Coverage Part;
2. The Commercial General Liability or Liquor Liability Coverage Part; or

3. Standard Property forms including, but not limited to, the following:

- a. Building and Personal Property Coverage Form;
- b. Business Income Coverage Form;
- c. Commercial Property Conditions;
- d. Condominium Association Coverage Form;
- e. Condominium Commercial Unit-Owners Coverage Form;
- f. Causes of Loss Basic Form;
- g. Causes of Loss Special Form; and
- h. Causes of Loss Earthquake Form.

Endorsements referencing the Commercial Property Coverage Part or the Standard Property Forms referenced above apply to the Businessowners Property Coverage Special Form in the same manner as they apply to the forms they reference.

Endorsements referencing the Commercial General Liability Coverage Part apply to the Commercial General Liability Coverage Form (included in the Businessowners Coverage Part) in the same manner as they apply to the form they reference.

**H. INSURANCE UNDER TWO OR MORE COVERAGE PARTS**

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

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)  
The Phoenix Insurance Company (PHX)  
The Charter Oak Fire Insurance Company (COF)  
Travelers Property Casualty Company of America (TIL)  
The Travelers Indemnity Company of Connecticut (TCT)  
The Travelers Indemnity Company of America (TIA)  
Travelers Casualty Insurance Company of America (ACJ)

  
Secretary

  
President



ADDITIONAL LOCATIONS  
CONDOMINIUM PACPOLICY NO.: 680-3R756127-23-42  
ISSUE DATE: 07/21/2023**THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES  
TO THE COMMON DECLARATIONS FOR THE PERIOD**

09/16/2023 to 09/16/2024

<b>PREMISES LOCATION NUMBER</b>	<b>BUILDING NUMBER</b>	<b>OCCUPANCY</b>	<b>ADDRESS</b>
001	001	CONDO - 1-4 UNITS	3500 W HIGHWAY 160 UNIT 11A PAGOSA SPRINGS CO 81147
001	002	CONDO - 1-4 UNITS	3500 W HIGHWAY 160 UNIT 12A PAGOSA SPRINGS CO 81147
001	003	CONDO - 1-4 UNITS	3500 W HIGHWAY 160 UNIT 13A PAGOSA SPRINGS CO 81147
001	004	CONDO - 1-4 UNITS	3500 W HIGHWAY 160 UNITS 14A, B & C PAGOSA SPRINGS CO 81147
001	005	CONDO - 1-4 UNITS	3500 W HIGHWAY 160 UNITS 15A & B PAGOSA SPRINGS CO 81147
001	006	CONDO - 1-4 UNITS	3500 W HIGHWAY 160 # 16A PAGOSA SPRINGS CO 81147

**TABLE OF CONTENTS**  
**BUSINESSOWNERS COVERAGE PART**  
**DELUXE PLAN**

The following indicates the contents of the principal forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

**BUSINESSOWNERS PROPERTY COVERAGE**  
**SPECIAL FORM MP T1 02**

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# BUSINESSOWNERS PROPERTY COVERAGE SPECIAL 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 Paragraph G – PROPERTY 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 a Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Form, means the type of property described in this Paragraph **A.1.**, and limited in Paragraph **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) Fences;
- (3) Fixtures, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
  - (a) Machinery; and
  - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) 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;
  - (d) Lobby and hallway furnishings;
  - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(f) Lawn maintenance and snow removal equipment; and

(g) Alarm systems; and

(8) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Business Personal Property** located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) Property owned by you and used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
  - (b) You acquired or made at your expense but are not permitted to remove; and
- (4) "Money" and "Securities".

### 2. Property Not Covered

Unless the following is added by endorsement to this Coverage Form, Covered Property does not include:

## BUSINESSOWNERS

- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
  - (1) Licensed for use on public roads; or
  - (2) Operated principally away from the described premises;

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
  - (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
  - e. Contraband, or property in the course of illegal transportation or trade;
  - f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
  - g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
  - h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
  - i. The following property while outside of the buildings:
    - (1) Bridges, walks, roadways, patios or other paved surfaces; or
    - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers;except as provided in the Outdoor Property Coverage Extension;
  - j. Watercraft (including motors, equipment and accessories) while afloat;
  - k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

- l. "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- n. "Fine Arts" except as provided in the Fine Arts Additional Coverage;
- o. Bullion, gold, silver, platinum and other precious alloys or metals, except if they are used in your "operations" (theft limitation applies);
- p. "Electronic Data Processing Equipment" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension;
- q. "Electronic Data Processing Data and Media" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension or in the Accounts Receivable Coverage Extension; or
- r. Outdoor signs, except as provided in the Signs Coverage Extension.

### 3. Business Income and Extra Expense

Business Income and Extra Expense is provided at the premises described in the Declarations when the Declarations show that you have coverage for Business Income and Extra Expense.

#### a. Business Income

##### (1) Business Income means:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:

- (i) "Rental Value"; and
- (ii) "Maintenance Fees", if you are a condominium association; and

- (b) Continuing normal operating expenses incurred, including payroll.

- (2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be

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

- (3) With respect to the requirements set forth in Paragraph (2) above, if you rent, lease or occupy only part of the site at which the described premises are located, the described 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.

**b. Extra Expense**

- (1) Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.
- (2) We will pay Extra Expense (other than the expense to repair or replace property) to:
  - (a) 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 premises or temporary locations; or
  - (b) Minimize the "suspension" of business if you cannot continue "operations".
- (3) We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

to the extent it reduces the amount of loss that otherwise would have been payable under Paragraph a. Business Income, above.

**c. Extended Business Income**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under Paragraph a. Business Income above, we will also pay for the actual loss of Business Income you sustain during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
  - (a) 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 occurred; or
  - (b) Sixty consecutive days after the date determined in Paragraph (1) above.

However, this 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.

- d. If the Declarations show for Business Income and Extra Expense:
  - (1) Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
  - (2) Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

**4. Covered Causes of Loss**

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

## BUSINESSOWNERS

- a. Limited in Paragraph **A.5.**, Limitations; or
- b. Excluded in Paragraph **B.**, Exclusions.

### 5. Limitations

- a. We will not pay for loss of or damage to:

(1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(a) 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

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(2) 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.

(3) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.

- b. We will not pay for loss of or damage to the following types of property unless caused by any of the "specified causes of loss" or building glass breakage:

(1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

(a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

- c. For loss or damage by "theft", the most we will pay in any one occurrence for the following types of property is:

(1) \$2,500 for all furs, fur garments and garments trimmed with fur.

(2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

(3) \$2,500 for all patterns, dies, molds and forms.

- d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

(1) Vandalism;

(2) Sprinkler Leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Discharge or leakage of water;

(5) "Theft"; or

(6) Attempted "theft".

With respect to Covered Causes of Loss other than those listed in Paragraphs (1) through (6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

- e. Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "Electronic Data Processing Data and Media", except as provided in the Interruption of Computer Operations Coverage Extension.

### 6. Additional Coverages

Unless otherwise stated, payments made under the following Additional Coverages are in addition to the applicable Limits of Insurance.

**a. Arson and Theft Reward**

- (1) We will pay for reasonable expenses you incur for rewards that lead to:
  - (a) An arson conviction in connection with a covered fire or explosion loss, or
  - (b) A "theft" conviction in connection with a covered "theft" loss.
- (2) The most we will pay under this Additional Coverage in connection with a particular loss is \$5,000.

**b. Claim Data Expense**

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- (2) Under this Additional Coverage, we will not pay for:
  - (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
  - (b) Any costs in connection with Paragraph E.2., Appraisal; or
  - (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$5,000 regardless of the number of premises involved.

**c. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writ-

ing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
  - (b) The deductible in this Coverage Form applicable to that loss or damage.
- (4) When the debris removal expense exceeds the 25% limitation in Paragraph (3) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

**d. Employee Dishonesty**

- (1) We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".

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

- (2) Paragraphs B.2.h. and B.2.o. do not apply to this Additional Coverage.
- (3) We will not pay for loss resulting from the dishonest acts of any "employee" if coverage for that "employee" was either cancelled or excluded from any previous insurance policy of yours

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- providing "employee dishonesty" coverage.
- (4) This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee",
- of any fraudulent dishonest act committed by that "employee" before or after being employed by you.
- (5) We will pay for covered loss or damage only if discovered no later than one year from the end of the Policy Period.
- (6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000.
- (7) With respect to this Additional Coverage, occurrence means all loss or damage caused by or involving the same "employee(s)" whether the result of a single act or series of acts.
- (8) If, during the period of any prior "Employee Dishonesty" insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage, subject to the following:
- (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss or damage would have been covered by this insurance had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance provided under Paragraph (8) above is part of, not in addition to the Limit of Insurance described in Paragraph (6) above and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage, as of its effective date; or
- (b) The prior "Employee Dishonesty" insurance, had it remained in effect.
- e. Expediting Expenses**
- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) With respect to this Additional Coverage, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- f. Fine Arts**
- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts" which are owned by:
- (a) You; or
- (b) Others and in your care, custody, or control;
- caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.
- (2) The breakage limitation under Paragraph A.5.b.(2) does not apply to this Additional Coverage.



**(3)** The following exclusions apply to this Additional Coverage:

- (a)** We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b)** We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c)** We will not pay for loss or damage caused by or resulting from any repairing, restoration or re-touching process;
- (d)** We will not pay for loss or damage caused by or resulting from faulty packing;
- (e)** Paragraph **B.1.b.** Earth Movement;
- (f)** Paragraph **B.1.c.** Governmental Action;
- (g)** Paragraph **B.1.d.** Nuclear Hazard;
- (h)** Paragraph **B.1.f.** War and Military Action;
- (i)** Paragraph **B.1.g.** Water;
- (j)** Paragraph **B.1.h.** Neglect; and
- (k)** Paragraph **B.2.g.**

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

**(4)** The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, or the amount shown in the Declarations for "fine arts", whichever is greater. This limit applies regardless of the number of premises involved.

**g. 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 \$25,000 in any one occurrence for your

liability for fire department service charges:

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

**h. Fire Protective Equipment Discharge**

- (1)** If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:
  - (a)** Refill or recharge the system with the extinguishing agents that were discharged; and
  - (b)** Replace or repair faulty valves or controls which caused the discharge.
- (2)** The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

**i. Forgery or Alteration**

- (1)** 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 made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

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

- (2)** We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, "employees", "members", "managers", officers, directors or trustees whether acting alone or in collusion with other persons.

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- (3) We will pay for covered loss discovered no later than one year from the end of the Policy Period.
  - (4) The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
  - (5) With respect to this Additional Coverage, occurrence means all loss caused by any person, or in which that person is concerned or implicated, either resulting from a single act or any number of such acts, whether the loss involves one or more instruments.
  - (6) If, during the period of any prior Forgery or Alteration insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:
    - (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
    - (b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
  - (7) The insurance provided under Paragraph (6) above is part of, and not in addition to the limit described in Paragraph (4) above and is limited to the lesser of the amount recoverable under:
    - (a) This Additional Coverage up to the applicable Limit of Insurance under this Coverage Form, as of its effective date; or
    - (b) The prior Forgery or Alteration insurance, had it remained in effect.
  - (8) If you are sued for refusing to pay any covered instrument described in Paragraph (1) above on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for these legal expenses will be part of and not in addition to the limit described in Paragraph (4) above.
- j. Newly Acquired or Constructed Property**
- (1) Buildings**
    - (a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
      - (i) Your:
        - a) New buildings while being built on a premises shown in the Declarations;
        - b) New buildings while being built on newly acquired premises; and
        - c) Materials, equipment, supplies and temporary structures used in connection with such buildings while they are being built; or
      - (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations.
    - (b) The most we will pay for loss of or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.
  - (2) Business Personal Property**
    - (a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
      - (i) Business Personal Property, including such property that you newly acquire, at a build-

ing you acquire by purchase or lease at any premises, including those premises shown in the Declarations; and

(ii) Business Personal Property that you newly acquire at a described premises.

(b) The most we will pay for loss of or damage to Business Personal Property under this Additional Coverage in any one occurrence is \$250,000 at each premises.

**(3) Period Of Coverage**

(a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:

- (i) This policy expires;
- (ii) 180 days expire after you acquire the property or begin to construct the property;
- (iii) You report values to us; or
- (iv) The property is more specifically insured.

(b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

**k. Ordinance or Law**

(1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:

- (a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;
- (b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
- (c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:

- (i) The building is insured for replacement cost;
- (ii) The building is repaired, rebuilt or reconstructed; and
- (iii) The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

(2) The ordinance or law referred to in this Additional Coverage is an ordinance or Law that:

- (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 the loss.

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

- (a) Loss due to any ordinance or law that:
  - (i) You were required to comply with before the loss, even if the building was undamaged; and
  - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that 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) Paragraph **B.1.a.** does not apply to this Additional Coverage.

(5) Subject to the limit described in Paragraph **(6)** below:

- (a) The insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:

- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
    - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
    - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
  - (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
  - (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
  - (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
    - (i) 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 is the increased cost of construction at the same premises; or
    - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.
  - (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.
- I. Outdoor Trees, Shrubs, Plants and Lawns**
- (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
  - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
  - (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.
- m. Pollutant Cleanup and Removal**
- (1) We will pay your necessary and reasonable 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 "specified cause of loss" which occurs:
    - (a) At the described premises;
    - (b) To Covered Property; and
    - (c) During the policy period.
  - (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
  - (3) 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.
  - (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. This amount applies regardless of the number of premises involved.

**n. Preservation of Property**

- (1) 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:
  - (a) Any direct physical loss of or damage to such property while:
    - (i) Being moved; or
    - (ii) Temporarily stored at another location only if the loss or damage occurs within 90 days after the property is first moved; and
  - (b) The costs incurred to:
    - (i) Remove such property from the described premises; and
    - (ii) Return such property to the described premises.
- (2) Coverage under this Additional Coverage will end when any of the following first occurs:
  - (a) When the policy is amended to provide insurance at the new location;
  - (b) The property is returned to the original described premises;
  - (c) 90 days expire after the property is first moved; or
  - (d) This policy expires.
- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

**o. Temporary Relocation of Property**

- (1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or re-modeled, we will pay for direct physical loss of or damage to that stored property:

- (a) Caused by or resulting from a Covered Cause of Loss;
- (b) Up to \$50,000 at each temporary location in any one occurrence; and
- (c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.

- (2) This Additional Coverage does not apply if the stored property is more specifically insured.

**p. Water Damage, Other Liquids, Powder or Molten Material Damage**

- (1) If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage 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.
- (2) We will not pay the cost to repair any defect to a system or appliance from which the 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.
- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

**7. Coverage Extensions**

Unless otherwise stated, payments made under the following Coverage Extensions are subject to and not in addition to the applicable Limits of Insurance.

**a. Accounts Receivable**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your

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- records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.
- (2)** We will pay for:
- (a)** All amounts due from your customers that you are unable to collect;
  - (b)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c)** Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
  - (d)** Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (3)** The following exclusions apply to this Coverage Extension:
- (a)** We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
  - (b)** We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
  - (c)** We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;
  - (d)** Paragraph **B.1.b.** Earth Movement;
  - (e)** Paragraph **B.1.c.** Governmental Action;
  - (f)** Paragraph **B.1.d.** Nuclear Hazard;
  - (g)** Paragraph **B.1.f.** War and Military Action;
  - (h)** Paragraph **B.1.g.** Water;
  - (i)** Paragraph **B.1.h.** Neglect; and
  - (j)** Paragraph **B.2.g.**
- No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.
- (4)** The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
  - (5)** The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.
  - (6)** Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- b. Appurtenant Buildings and Structures**
- (1)** When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
  - (2)** When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(3) Incidental appurtenant buildings or structures include:

- (a) Storage buildings;
- (b) Carports;
- (c) Garages;
- (d) Pump houses; or
- (e) Above ground tanks;

which have not been specifically described in the Declarations.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.

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

**c. Building Glass**

(1) If:

- (a) You are the building owner; and
- (b) A Limit of Insurance is shown in the Declarations for Building at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

(2) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
- (c) You are contractually obligated to repair or replace building glass at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass

by chemicals accidentally or maliciously applied to glass.

(3) We will also pay for necessary expenses in connection with loss or damage covered in Paragraphs (1) or (2) above, incurred by you to:

- (a) Put up temporary plates or board up openings;
- (b) Repair or replace encasing frames; and
- (c) Remove or replace obstructions.

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

- (a) We will not pay for loss or damage caused by or resulting from:
  - (i) Wear and tear;
  - (ii) Hidden or latent defect;
  - (iii) Corrosion; or
  - (iv) Rust;
- (b) Paragraph B.1.b. Earth Movement;
- (c) Paragraph B.1.c. Governmental Action;
- (d) Paragraph B.1.d. Nuclear Hazard;
- (e) Paragraph B.1.f. War and Military Action; and
- (f) Paragraph B.1.g. Water.

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

**d. Business Income and Extra Expense From Dependent Property**

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused

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- by or resulting from a Covered Cause of Loss.
- (2)** Dependent Property means property operated by others whom you depend on to:
    - (a)** Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
    - (b)** Accept your products or services (Recipient Locations);
    - (c)** Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
    - (d)** Attract customers to your business (Leader Locations).
  - (3)** With respect to this Coverage Extension, the "period of restoration":
    - (a)** Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
    - (b)** Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
    - (c)** Does not include any increased period required due to the enforcement of any ordinance or law that:
      - (i)** Regulates the construction, use or repair, or requires the tearing down of any property; or
      - (ii)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
  - (4)** This Coverage Extension:
    - (a)** Applies to Dependent Property premises located within the Coverage Territory; and
    - (b)** Does not apply when you have more specific insurance under any other policy.
  - (5)** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:
    - (a)** Source of materials; or
    - (b)** Outlet for your products.
  - (6)** The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved.
  - (7)** Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- e. Business Income and Extra Expense – Newly Acquired Premises**
- (1)** When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
  - (2)** The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
  - (3)** Insurance under this Coverage Extension for each newly acquired



premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire that premises;
- (c) You report that premises to us; or
- (d) The Business Income or Extra Expense is more specifically insured.

We will charge you additional premium for premises reported from the date you acquire that premises.

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

**f. Business Personal Property Off Premises**

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

- (a) In the course of transit to or from the described premises; or
- (b) Temporarily away from the described premises, and:
  - (i) At a premises you do not own, lease or operate; or
  - (ii) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.

- (2) This Coverage Extension does not apply to property:

- (a) While in the custody of the United States Postal Service;
- (b) Rented or leased to others;
- (c) After delivery to customers;
- (d) 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;
- (e) Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";

- (f) Otherwise covered under the Fine Arts Additional Coverage; or

- (g) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Electronic Data Processing;
- (iii) Personal Effects; or
- (iv) Valuable Papers and Records.

**g. Civil Authority**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.

- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

**h. Electronic Data Processing**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", caused by or resulting from a Covered Cause of Loss.

- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in

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- Paragraph **F.8.b.** does not apply to this Coverage Extension.
- (3) This Coverage Extension does not apply to:
- (a) "Stock"; or
  - (b) Property that is leased or rented to others.
- (4) The following exclusions as described in Paragraph **B.** Exclusions do not apply to this Coverage Extension:
- (a) Paragraph **1.e.** Utility Services;
  - (b) Paragraph **2.a.**; or
  - (c) Paragraph **2.d.(6)**.
- (5) The following additional exclusions apply to this Coverage Extension:
- (a) We will not pay for loss or damage caused by or resulting from any of the following:
    - (i) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
    - (ii) Unauthorized viewing, copying or use of "Electronic Data Processing Data and Media" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft";
    - (iii) Errors or deficiency in design, installation, maintenance, repair or modification of your computer systems or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system depends (including electronic data) results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";
    - (iv) Unexplained or indeterminate failure, malfunction or slowdown of a computer system, including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or
    - (v) "Electronic Vandalism" except as provided in Paragraph **(9)** below.
- (6) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.
- (7) The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.
- (8) The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

under this Coverage Extension on newly acquired "Electronic Data Processing Equipment", coverage will end when any of the following first occurs:

- (a) This policy expires;
  - (b) 180 days expire after you acquire the "Electronic Data Processing Equipment"; or
  - (c) You report values to us.
- (9) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism", in any one occurrence is \$25,000, regardless of the number of the number of premises involved. Such limit also applies to any otherwise covered loss of Business Income or Extra Expense.
- (10) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", at the described premises, in any one occurrence, is the Limit of Insurance shown in the Declarations for Business Personal Property at such premises or \$50,000, whichever is less.

#### i. Equipment Breakdown

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same

time and are the result of the same cause will also be considered one "breakdown".

- (2) Under this Coverage Extension, the following coverages also apply:

#### (a) Expediting Expenses

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
- (ii) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (iii) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

#### (b) "Pollutants"

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "pollutants" been involved.
- (ii) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising

out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

- (c) **Service Interruption**  
When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:
  - (i) "Water Supply Services";
  - (ii) "Communication Supply Services"; or
  - (iii) "Power Supply Services".
- (3) We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:
  - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
  - (b) An insulation breakdown test of any type of electrical equipment.
- (4) We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:
  - (a) Temperature; or
  - (b) Humidity;

as a consequence of "breakdown" to "covered equipment".
- (5) The following limitations in Paragraph **A.5.** do not apply to this Coverage Extension:
  - (a) Paragraph **a.(2)**; and
  - (b) Paragraph **a.(3)**.
- (6) The following exclusions in Paragraph **B.** Exclusions do not apply to this Coverage Extension:
  - (a) Paragraph **2.a.**;
  - (b) Paragraph **2.d.(6)**; and

(c) Paragraph **2.e.**

- (7) With respect to this Coverage Extension, the following condition is added to Paragraph **F.** Commercial Property Conditions:

**Suspension**

If any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this Coverage Form for loss or damage caused by or resulting from a "breakdown" to that "covered equipment". This can be done by delivering or mailing a notice of suspension to:

1. Your last known address; or
2. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

- (8) The most we will pay under this Coverage Extension for all direct physical loss of or damage to:
  - (a) "Diagnostic Equipment";
  - (b) "Power Generating Equipment"; or
  - (c) "Production Equipment";

caused by or resulting from a "breakdown" to "covered equipment" in any one occurrence is \$100,000.

**j. Interruption of Computer Operations**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to a "suspension" of "operations" caused by an interruption of computer operations due to direct physical loss of or damage to "Electronic Data Processing Data and Media" at the described premises caused by or resulting from a Covered Cause of Loss.

- (2) The most we will pay under this Coverage Extension is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.
- (3) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**k. Money Orders and Counterfeit Paper Currency**

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office or express money order, issued or purporting to have been issued by any post office or express company, if the money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

**l. Non-Owned Detached Trailers**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:
  - (a) The trailer or semi-trailer is used in your business;
  - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
  - (c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.
- (2) We will not pay for loss or damage that occurs:
  - (a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether

or not the motor vehicle or motorized conveyance is in motion; or

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

- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.

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

**m. Ordinance or Law – Increased Period of Restoration**

- (1) When:
  - (a) A Covered Cause of Loss occurs to property at the described premises; and
  - (b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (a) Regulates the construction, repair or replacement of any property;
- (b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.

- (2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.

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



**q. Spoilage – Consequential Loss**

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

- (a) Temperature; or
- (b) Humidity;

caused by or resulting from a Covered Cause of Loss to any of the following types of equipment situated within the building at the described premises:

- (a) Refrigerating;
- (b) Cooling;
- (c) Humidifying;
- (d) Air-conditioning;
- (e) Heating;
- (f) Generating or converting power; or
- (g) Connections, supply or transmission lines and pipes associated with the above equipment.

(2) With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.

(3) Paragraphs **B.2.d.(7)(a)** and **B.2.d.(7)(b)** do not apply to this Coverage Extension.

**r. Theft Damage to Rented Property**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":

- (a) That part of a building you occupy, but do not own, which contains Covered Property; and
- (b) Property within such non-owned building used for maintenance or

service of such non-owned building.

(2) We will not pay under this Coverage Extension for loss or damage:

- (a) Caused by or resulting from fire or explosion; or
- (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

(3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

**s. Valuable Papers and Records**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:

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

caused by or resulting from a Covered Cause of Loss.

(2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(3) The following exclusions apply to this Coverage Extension:

- (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;

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- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water;
- (g) Paragraph **B.1.h.** Neglect; and
- (h) Paragraph **B.2.g.**

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

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

### 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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

#### a. Ordinance or Law

- (1) The enforcement of any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or
  - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance or Law, applies whether the loss results from:

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

#### b. Earth Movement

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

all whether naturally occurring or due to man made or other artificial causes.

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

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

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

- (a) Airborne volcanic blast or airborne shock waves;



- (b) Ash, dust, or particulate matter;  
or
- (c) Lava flow.
- All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.
- Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.
- 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 done at the time of a fire to prevent its spread, if the fire would be covered under this policy.
- 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 or fluctuation of power or other utility service supplied to the described premises, however caused, if the cause of the failure or fluctuation occurs away from the described premises.
- But if the failure or fluctuation of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage resulting from that Covered Cause of Loss.
- f. War and Military Action**
- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
- g. Water**
- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings;
- all whether naturally occurring or due to man made or other artificial causes.
- But if Water, as described in Paragraphs (1) through (4) above results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.
- h. Neglect**
- Neglect of an insured to use reasonable means to save and preserve property from further damage at and after the time of loss.
- i. Collapse of Buildings**
- Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.
- (1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:
- (a) A "specified cause of loss" or breakage of building glass;
- (b) Decay, insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to an insured prior to collapse;

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- (c) Weight of people or personal property;
    - (d) Weight of rain that collects on a roof; or
    - (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
    - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.
  - In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.
  - (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
    - (a) Awnings, gutters and downspouts;
    - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
    - (c) Fences;
    - (d) Piers, wharves and docks;
    - (e) Beach or diving platforms or appurtenances;
    - (f) Retaining walls;
    - (g) Walks, roadway and other paved surfaces;
    - (h) Yard fixtures; or
    - (i) Outdoor swimming pools.
  - (3) A building or part of a building that:
    - (a) Is in imminent danger of abruptly falling down or caving in; or
    - (b) Suffers a substantial impairment of structural integrity;
- is not considered to have collapsed but is considered to be in a state of imminent collapse.
- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:
    - (a) A "specified cause of loss" or breakage of glass;
    - (b) Weight of people or personal property;
    - (c) Weight of rain that collects on a roof; or
    - (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.
2. We will not pay for loss or damage caused by or resulting from any of the following:
- a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".

But if artificially generated electrical current results in fire, 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, corrosion, fungus, decay, deterioration, wet or dry rot, mold, 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;
  - (c)** Marring or scratching;
  - (d)** Changes in flavor, color, texture or finish;
  - (e)** Evaporation or leakage; or
- (8)** Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs **(1)** through **(8)** above results in a "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if 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 protection sys-

tems) 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 water supply if the heat is not maintained.
- h.** Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
    - (1)** Acting alone or in collusion with others; or
    - (2)** Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees" (including leased employees), but "theft" by "employees" (including leased employees) is not covered.

- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j.** Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k.** 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, **k.** does not apply to damage to glass caused by chemicals applied to the glass.

- l.** Default on any credit sale, loan, or similar transaction.
- m.** 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. This exclusion does not apply to "money" and "securities".

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- n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:
    - (1) Any inventory computation; or
    - (2) A profit and loss computation.
  - o. The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.
  - q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, re-touched or otherwise being worked upon.
3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs **a.** through **c.** But if an excluded cause of loss that is listed in Paragraphs **a.** and **b.** below results in a Covered Cause of Loss, we will pay for the resulting 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 **B.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.
- If an excluded cause of loss that is listed in Paragraphs **(1)** through **(4)** above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

#### 4. Business Income and Extra Expense Exclusions

We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
  - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference by strikers or other persons at the location of the rebuilding, repair or replacement; or
  - (2) 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 the period of Extended Business Income; or
- b. Any other consequential loss.

#### C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.
- 2. Inflation Guard
  - a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
  - 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, multiplied by

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
- (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 Building limit is \$100,000  
 The annual percentage increase is 8%  
 The number of days since the beginning of the policy year (or last policy change) is 146  
 The amount of increase is  
 $\$100,000 \times .08 \times (146/365) = \$3,200$

**3. Business Personal Property Limit – Seasonal Increase**

- a. The Limit of Insurance for Business Personal Property shown in the Declarations will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. DEDUCTIBLES**

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible. But we will not pay more than the applicable Limit of Insurance.
- 2. Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension

in any one occurrence is the Building Glass Deductible shown in the Declarations.

- 3. The Businessowners Property Coverage Deductible does not apply to any of the following:
  - a. Fire Department Service Charge;
  - b. Business Income and Extra Expense;
  - c. Arson and Theft Reward; and
  - d. Accounts Receivable.
- 4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

**E. PROPERTY LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy 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, 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 value of the property, the amount of Net Income and operating expense or the 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. This duty does not ap-

- ply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.
- (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) For loss or damage from other than "employee dishonesty" or "forgery" or alteration 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) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that

may result in loss of or damage to Covered Property.

- (9) Cooperate with us in the investigation and settlement of the claim.
  - (10) 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.
- 4. Loss Payment – Building and Personal Property**
- 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 Paragraph **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 Paragraph **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 Paragraph **e.** below or any applicable provision which amends or supersedes these valuation conditions.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.
  - c. We will give notice of our intentions within 30 days after we receive the proof of loss.
  - d. We will not pay you more than your financial interest in the Covered Property.

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

(1) At replacement cost (without deduction for depreciation), except as provided in Paragraphs (2) through (18) below.

(a) 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 on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(b) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

a) If the conditions in Paragraphs (i) and (ii) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph e.(7) below; and

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

(c) We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs (i), (ii) or (iii) subject to Paragraph (d) below:

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

(ii) 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

(iii) 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 Paragraph (ii) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

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

(2) If the Declarations indicate that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph (1) above does not apply to the property for which Actual Cash Value is indicated.

(3) Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.

(4) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;

(b) Household furnishings; and

(c) Personal effects.

(5) "Fine Arts" as follows:

(a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that

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item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.

- (b)** For "fine arts" without a schedule on file as described in Paragraph **(a)** above, the value of "fine arts" will be the least of the following amounts:

  - (i)** Market value of the lost or damaged item at the time and place of loss;
  - (ii)** The cost of reasonably restoring the lost or damaged item; or
  - (iii)** The cost of replacing that lost or damaged item with property substantially the same.
- (6)** Glass at the cost of replacement with safety glazing material if required by law.
- (7)** Tenants' Improvements and Betterments at:

  - (a)** Replacement cost if you make repairs promptly.
  - (b)** A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

    - (i)** Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii)** Divide the amount determined in Paragraph **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c)** Nothing, if others pay for repairs or replacement.
- (8)** "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records" are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.
- (9)** "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10)** Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11)** "Money" at its face value.
- (12)** "Securities" at their value at the close of business on the day the loss is discovered.
- (13)** Accounts Receivable as follows:

  - (a)** If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:

    - (i)** Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
    - (ii)** Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
  - (b)** If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
  - (c)** The following will be deducted from the total amount of Accounts Receivable, however that amount is established:

    - (i)** The amount of the accounts for which there was no loss;



- (ii) The amount of the accounts that you are able to re-establish or collect;
  - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.
- (14)** "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
- "Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
- (15)** "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
- (a) The cost of blank media; and
  - (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.
- (16)** Duplicate "Electronic Data Processing Data and Media" at the cost of:
- (a) Blank media; and
  - (b) Labor to copy the electronic data, but only if the electronic data is actually copied.
- (17)** The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
- (a) Distilled spirits;
  - (b) Wines;
  - (c) Rectified products; or
  - (d) Beer.
- (18)** Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.
- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. 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.
  - g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.
  - h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and
    - (1) We have reached agreement with you on the amount of loss; or
    - (2) An appraisal award has been made.
  - i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.
- 5. Loss Payment – Business Income and Extra Expense**
- 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 occurred, but not including any likely increase in Net Income attributable to

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- an increase in the volume of business as a result of 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 reasonable and necessary 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)** All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c.** 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 "stock") at the described premises or elsewhere; or
  - (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.
  - e.** We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and
    - (1)** We have reached agreement with you on the amount of loss; or
    - (2)** An appraisal award has been made.
- 6. Recovered Property**
- If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay the recovery expenses and the expenses to repair the recovered property, subject to the applicable Limit of Insurance.
- 7. Noncumulative Limit**
- No Limit of Insurance cumulates from policy period to policy period.
- F. COMMERCIAL PROPERTY CONDITIONS**
- 1. Concealment, Misrepresentation or Fraud**
- This Coverage Form is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:
- a.** This Coverage Form;
  - b.** The Covered Property;
  - c.** Your interest in the Covered Property; or
  - d.** A claim under this Coverage Form.
- 2. 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 Form at any one or more premises will not affect coverage at any premises where, at the time of loss or damage, the breach of condition does not exist.

**3. Insurance Under Two or More Coverages**

If two or more coverages under this Coverage Form apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**4. Legal Action Against Us**

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

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

**5. Liberalization**

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

**6. No Benefit to Bailee**

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

**7. Other Insurance**

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. 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 Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph **a.** 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.

**8. Policy Period, Coverage Territory**

Under this Coverage Form:

- a. We cover loss or damage you sustain through acts committed or events occurring:
  - (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory; and

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

**9. 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 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:

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

This will not restrict your insurance.

**10. 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 multiplied by 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 the covered loss, before the application of

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- 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 No. 1 (Under insurance):

When:

The value of the property is	\$250,000
The Coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000

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

Step (2):  $\$112,500 / \$225,000 = .50$

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 No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for it is	\$225,000
The Deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 ( $\$250,000 \times 90\%$ ).

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. Coinsurance does not apply to:
- (1) "Money" and "securities";

- (2) Additional Coverages;
- (3) Coverage Extensions; or
- (4) Loss or damage in any one occurrence totaling less than \$2,500.

### 11. 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 Form, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
- (1) Pays any premium due under this Coverage Form 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 or occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Form 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 Form:
- (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 rights 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 in-

terest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

#### G. PROPERTY DEFINITIONS

1. **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.
2. **"Breakdown"**
  - a. Means:
    - (1) Failure of pressure or vacuum equipment;
    - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
    - (3) Electrical failure including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement; and
  - b. Does not mean:
    - (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
    - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
    - (3) Damage to any vacuum tube, gas tube, or brush;
    - (4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
    - (5) The functioning of any safety or protective device; or

- (6) The cracking of any part on any internal combustion gas turbine exposed to the products of combustion.

#### 3. "Communication Supply Services"

- a. Means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
  - (1) Communication transmission lines, including fiber optic transmission lines;
  - (2) Coaxial cables; and
  - (3) Microwave radio relays, except satellites; and
- b. Does not mean overhead transmission lines.

#### 4. "Covered Equipment"

- a. Means the following types of equipment:
  - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
  - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
  - (3) Fiber optic cable; and
  - (4) Hoists and cranes;
- b. Does not mean any:
  - (1) "Electronic Data Processing Equipment";
  - (2) "Electronic Data Processing Data and Media";
  - (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
  - (4) Insulating or refractory material;
  - (5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
  - (7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any

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- equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;
- (8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or
  - (9) Equipment or any part of such equipment manufactured by you for sale.
5. **"Diagnostic Equipment"** means any:
- a. Equipment; or
  - b. Apparatus;  
used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.
6. **"Electronic Data Processing Data and Media"**
- a. Means any of the following used in your computer operations:
    - (1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as 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;
    - (2) The electronic media on which the data is stored; and
    - (3) Programming records and instructions used for "Electronic Data Processing Equipment"; and
  - b. Does not mean "Valuable Papers and Records".
7. **"Electronic Data Processing Equipment"**
- a. Means any of the following equipment used in your operations:
    - (1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
    - (2) Any component parts and peripherals of such equipment, including related surge protection devices; and
  - b. Does not mean equipment used to operate production type of:
    - (1) Machinery; or
    - (2) Equipment.
8. **"Electronic Vandalism"** means any acts by persons, other than "employees", involving any of the following:
- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or
  - b. Unauthorized computer code or programming that:
    - (1) Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;
    - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
    - (3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.
9. **"Employee(s)"**
- a. Means:
    - (1) Any natural person:
      - (a) While in your service (and for 30 days after termination of service);
      - (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 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; or

- (3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and
  - b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.
10. **"Employee Dishonesty"** means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member", or a "manager" with the manifest intent to:
- a. Cause you to sustain loss; and also
  - b. 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:
    - (1) The "employee"; or
    - (2) Any person or organization intended by the "employee" to receive that benefit.
11. **"Fine Arts"**
- a. Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and
  - b. Does not mean any glass that is part of a building or structure.
12. **"Forgery"** means the signing of the name of another person or organization with intent to deceive. "Forgery" 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.
13. **"Interior of any building or structure"** means all portions of the building or structure that are within the exterior facing surface material of the building or structure.
14. **"Maintenance Fees"** means the regular payment made to you by unit-owners and used to service the common property.
15. **"Manager"** means a person serving in a directorial capacity for a limited liability company.
16. **"Member"** means an owner of a limited liability company represented by its membership interest, who also may service as a "manager".
17. **"Money"** means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.
18. **"Operations"** means your business activities occurring at the described premises and the tenantability of the described premises.
19. **"Period of Restoration"**
- a. Means the period of time that:
    - (1) Begins:
      - (i) For Business Income coverage:
        - a) With the date of direct physical loss or damage, if the Declarations show Immediately for Period of Restoration – Time Period; or
        - b) 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period; or
      - (ii) For Extra Expense coverage with the date of direct physical loss or damage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
    - (2) Ends on the earlier of:
      - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (ii) The date when business is resumed at a new permanent location; and
  - b. Does not mean any increased period required due to the enforcement of any law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

## BUSINESSOWNERS

- (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".

**20. "Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

**21. "Power Generating Equipment"**

- a. Means the following types of equipment or apparatus:
  - (1) Pressure;
  - (2) Mechanical; or
  - (3) Electrical;used in or associated with the generation of electric power; and
- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

**22. "Power Supply Services"**

- a. Means the following types of property supplying electricity, steam or gas to the described premises:
  - (1) Utility generating plants;
  - (2) Switching stations;
  - (3) Substations;
  - (4) Transformers; and
  - (5) Transmission lines; and
- b. Does not mean overhead transmission lines.

**23. "Production Equipment"**

- a. Means any:
  - (1) Production machinery; or
  - (2) Process machinery;that processes, shapes, forms or grinds:
  - (1) Raw materials;
  - (2) Materials in process; or
  - (3) Finished products; and

- b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
- (2) Process; or
- (3) Apparatus.

**24. "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 the 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.

**25. "Securities"** means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.

**26. "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 underground man-made cavities.



- b. Falling objects does not include loss of 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) that is located on the described premises and contains water or steam.
27. **"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.
28. **"Suspension"** means:
- a. The partial or complete cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable.
29. **"Theft"** means any act of stealing.
30. **"Vacant"** means the following:
- (1) 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.
  - (2) 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:
    - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
    - (b) Used by the building owner to conduct customary operations.
31. **"Valuable Papers and Records"**
- a. Means inscribed, printed or written:
    - (1) Documents;
    - (2) Manuscripts; or
    - (3) Records;
 including abstracts, books, deeds, drawings, films, maps or mortgages; and
  - b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".
32. **"Water Supply Services"** means the following types of property supplying water to the described premises:
- a. Pumping stations; and
  - b. Water mains.

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

## **AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE**

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE PART

**A.** The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. Paragraph **A.1.a.** is replaced by the following:

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

- (1) Completed additions;
- (2) Fences;
- (3) Fixtures, outside of individual units, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
  - (a) Machinery; and
  - (b) Equipment;
- (6) 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) Lobby and hallway furnishings;
  - (d) Floor, wall and ceiling coverings;
  - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering, that are not contained within individual units;
  - (f) Lawn maintenance or snow removal equipment;
  - (g) Personal property used for maintaining and servicing of pools and other recreational facilities on the premises; and
  - (h) Alarm systems;
- (7) Outdoor swimming pools, associated structures and appurtenant structures and equipment, including pumps;

(8) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the building or structure; and
- (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

(9) 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 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 (9) above.

2. Paragraph **A.1.b.** is replaced by the following:

**b. Business Personal Property** located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) 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;
- (3) Property of others that is in your care, custody or control; and
- (4) "Money" and "securities".

## BUSINESSOWNERS

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered in Paragraph **(3)** above.

**3.** The following is added to Paragraph **E.**:

**a. 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.

**b. Insurance Trustee**

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.

**4.** The following is added to Paragraph **F.9.**:

**a. 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, except for losses that are payable under the Employee Dishonesty or Forgery or Alteration Additional Coverages.

**B.** The COMMERCIAL GENERAL LIABILITY COVERAGE FORM is changed as follows:

**1.** The following is added to **SECTION II – WHO IS AN INSURED:**

**a.** Each individual unit-owner of the insured condominium, but only for 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.**

## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE PART**

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be 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.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 4% of your total Businessowners Coverage Part premium if your primary location is in a Designated City (as listed below).
- 2% of your total Businessowners Coverage Part premium if your primary location is not in a Designated City (as listed below).

<b>Designated Cities are</b>			
Albuquerque, NM	El Paso, TX	Miami, FL	San Antonio, TX
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Diego, CA
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

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

## **EQUIPMENT BREAKDOWN – SERVICE INTERRUPTION LIMITATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A.** The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:
- 1.** The following is added to Paragraph **A.7. Coverage Extensions i. Equipment Breakdown:**
    - (9)** With respect to Service Interruption coverage, we will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:
      - (a)** Fire;
      - (b)** Lightning;
      - (c)** Windstorm or hail;
      - (d)** Explosion (except for steam or centrifugal explosion);
      - (e)** Smoke;
      - (f)** Aircraft or vehicles;
      - (g)** Riot or civil commotion;
      - (h)** Vandalism;
      - (i)** Sprinkler Leakage;
      - (j)** Falling objects;
      - (k)** Weight of snow, ice or sleet;
      - (l)** Freezing; or
      - (m)** Collapse

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

## **AMENDATORY PROVISIONS – GREEN BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE ENHANCEMENTS**

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

### **A. DEFINITIONS**

As used in this endorsement:

1. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
2. **"Green Authority"** means a recognized authority on green building or green products, materials or processes.

### **B. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:**

1. The following **Additional Coverages** are added:

#### **a. Green Building Alternatives – Increased Cost**

- (1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is covered property, we will pay for:

- (a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the building using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property;

and

- (b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".

- (2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.

- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

- (4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by:

- (a) Multiplying 5%; times

- (b) The amount we would otherwise pay for the direct physical loss of or damage to the building, prior to application of any applicable deductible.

- (5) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of buildings involved, is \$25,000.

**b. Green Building Reengineering and Recertification Expense**

(1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "Green Authority":

(a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

(i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or

(ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

(b) The reasonable registration and recertification fees charged by the "Green Authority".

(2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

(3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

(4) The most we will pay in any one occurrence under this Additional Coverage for:

(a) All expenses incurred with respect to each building is 5% of the sum of:

(i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and

(ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

(b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

2. The following **Coverage Extensions** are added:

**a. Green Building and Business Personal Property Alternatives – Increased Period of Restoration**

(1) If:

(a) Direct physical loss or damage by a Covered Cause of Loss occurs to a building at the described premises or Business Personal Property at the described premises to which the Green Business Personal Property Alternatives – Increased Cost Coverage Extension applies; and

(b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to include the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increase in the "period of restoration" that is reasonably necessary to:

(i) Repair or replace the lost or damaged portions of the building or Business Personal Property (as described in Green Business Personal

Property Alternatives – Increased Cost Coverage Extension) using products or materials that:

- a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- b) Are otherwise of comparable quality and function to the damaged property;

and

- (ii) Employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension), in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days from the date the "period of restoration" would otherwise have ended.

- (2) This Coverage Extension is included in, and does not increase, the amount of coverage available based on the applicable Business Income and Extra Expense provision shown in the Declarations.

**b. Green Business Personal Property Alternatives – Increased Cost**

(1) If:

- (a) The Declarations show that you have coverage for Business Personal Property; and
- (b) Direct physical loss or damage by a Covered Cause of Loss occurs to covered Business Personal Property at the described premises; and

- (c) Such loss or damage requires replacement of such property, or with respect to improvements and betterments, requires repair or replacement;

you may extend that insurance to apply to the reasonable additional cost you incur to replace the lost or damaged Business Personal Property, or with respect to improvements and betterments, to repair or replace the lost or damaged portions of such improvements and betterments, using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property.

- (2) With respect to improvements and betterments you may also extend that insurance to apply to the reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".

- (3) The insurance provided under this Coverage Extension applies only if replacement cost valuation applies to the lost or damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.

- (4) This Coverage Extension does not apply to "stock" or property of others that is in your care, custody or control.

- (5) The insurance provided under this Coverage Extension does not apply to Business Personal Property at any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.



## BUSINESSOWNERS

- (6) The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:
- (a) Multiplying 5%; times
  - (b) The amount we would otherwise pay for the direct physical loss of or damage to the business personal property, prior to application of any applicable deductible.
- (7) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of described premises involved, is \$25,000.
3. The following provision is added to the Loss Payment Loss Condition in Section E.4. :
- Except as specifically provided under the:
- a. Green Building Alternatives – Increased Cost Additional Coverage; and
  - b. Green Building Reengineering and Recertification Expense Additional Coverage; and
  - c. Green Business Personal Property Alternatives – Increased Cost Coverage Extension;
- the cost to repair, rebuild or replace does not include any increased cost incurred to re-
- attain a pre-loss level of "green" building certification from a "Green Authority".
4. This endorsement does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.
5. With respect to the Additional Coverages and Coverage Extensions of this endorsement we will not pay for any Business Income or Extra Expense loss caused by or resulting from obtaining "green" building certification from a "Green Authority". However, this does not apply to any increase in the "period of restoration" required to re-attain a pre-loss level of "green" building certification from a "Green Authority" as otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.
6. Under the **DEFINITIONS** in **Section G.** the following is added to the definition of "period of restoration":
- "Period of restoration" does not include any increased period required to re-attain a pre-loss level of "green" building certification from a "Green Authority". But this does not apply to any increase in the "period of restoration" otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.

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

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE PART

### **A. SCHEDULE**

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

**Direct Damage Limit of Insurance**

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

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

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

**"Fungus", Wet Rot or Dry Rot**

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

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

This exclusion does not apply:

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

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

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

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

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

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

**1.** The following Additional Coverage is added:

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

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

## BUSINESSOWNERS

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

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

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

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

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

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

- d.** The terms of this Limited Coverage do not increase or reduce the coverage under the Water Damage, Other Liquids, Powder or Molten Damage Additional Coverage Extension or the coverage provided for collapse of buildings or structures under the Collapse of Buildings exclusion.
- D.** The DEFINITIONS contained in Section **G.** are amended as follows:
1. The definition of "Specified Causes of Loss" is deleted and replaced by the following:  
"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil

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

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

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

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

- 2. The following definition is added:
 

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

**E. Ordinance or Law Coverage Change**

Under:

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

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
- b. Costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot.

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CG T1 00 02 19**

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# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

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

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

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend 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.

- 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.

## COMMERCIAL GENERAL LIABILITY

- 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" or "property damage" 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 that 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 will be deemed to be damages because of "bodily injury" or "property damage", provided that:
  - (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 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 produced by or originating from 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) If such "pollutants" 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;
- (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"; or
- (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 or were at any time performing operations 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 any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**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) 50 feet long or less; and
    - (b) Not being used to carry any person 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;
  - (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 as "mobile equipment" under the definition of "mobile equipment" if such land vehicle 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"; or
- (6) An aircraft that is:**
- (a) Chartered with a pilot to any insured;
  - (b) Not owned by any insured; and
  - (c) Not being used to carry any person or property for a charge.
- 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" arising 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 "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of 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".

**q. Unsolicited Communication**

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

**r. Access Or Disclosure Of Confidential Or Personal Information**

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**s. Asbestos**

- (1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

(2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

(3) 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, asbestos, asbestos fibers or products containing asbestos; or

(b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

**t. Employment-Related Practices**

"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 practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; 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 Paragraph (a), (b), or (c) above is directed.

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 "bodily injury".

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of 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.

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".

This exclusion does not apply to "personal injury" caused by malicious prosecution.

**b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

**c. Material Published Or Used Prior To Policy Period**

- (1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed 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:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you 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.

**f. Breach Of Contract**

"Advertising injury" arising out of a breach of contract.

**g. Quality Or Performance Of Goods - Failure To Conform To Statements**

"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**

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Intellectual Property**

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

- (1) Advertising, "broadcasting" or publishing;

(2) Designing or determining content of websites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

(1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and

(2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or 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 any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury" arising 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. Unsolicited Communication**

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

**q. 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.

**r. Asbestos**

(1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.

(2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.

(3) 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, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

**s. Employment-Related Practices**

"Personal 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 practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

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 "personal injury".

**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**

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 \$2,500 for the 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 \$500 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" or offense 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 – Coverages – Coverage A – Bodily Injury And Property Damage Liability** or Paragraph **2.e.** of Section **I – Coverages – Coverage B – Personal And Advertising Injury Liability**, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", 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:

- a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- b. 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 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.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- (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.



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- 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.
  - e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
    - (1) 50 feet long or less; and
    - (2) Not being used to carry any person or property for a charge.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:
- a. An organization, other than a partnership, joint venture or limited liability company; or
  - b. A trust;
- as indicated in its name or the documents that govern its structure.
4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.
- The insurance provided to such premises owner, manager or lessor is subject to the following provisions:
- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
  - b. The insurance provided to such premises owner, manager or lessor does not apply to:
    - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
    - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
  - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.
- The insurance provided to such equipment lessor is subject to the following provisions:
- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
  - b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.
- 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. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

**SECTION III – LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "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 injury" 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".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be 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 "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

- a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or
  - b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.
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";

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- (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.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
  - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
    - (a) Any individual who is:
      - (i) A partner or member of any partnership or joint venture;
      - (ii) A manager of any limited liability company;
    - (iii) An executive officer or director of any other organization; or
    - (iv) A trustee of any trust;that is your partner, joint venture member, manager or trustee; or
  - (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.
- However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.
- ### 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 valid and collectible other 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 described in Paragraphs **a.** and **b.** below.

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

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph **5.** of Section **III** – Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph **4.** of Section **III** – Limits of Insurance applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

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

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

##### a. Primary Insurance

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

##### 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 insurance for "premises damage";

(iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

(iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph **4.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies; or

(v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph **5.** of Section **II** – Who Is An Insured, except when Paragraph **d.** below applies.

- (b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.
- (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.

**d. Primary And Non-Contributory Insurance If Required By Written Contract**

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

**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.

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

**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 websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":
- a. Means injury caused by one or more of the following offenses:
    - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
    - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
      - (a) Appropriates a person's name, voice, photograph or likeness; or
      - (b) Unreasonably places a person in a false light; or
    - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
  - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "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".
4. "Bodily injury" means:
- a. Physical harm, including sickness or disease, sustained by a person; or
  - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
- a. By radio or television; or
  - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
    - (1) Radio or television programming being transmitted;
    - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
    - (3) Advertising transmitted with any of such programming.
6. "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.
7. "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.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

## COMMERCIAL GENERAL LIABILITY

- 10.** "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
- 11.** "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.
- 12.** "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - 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.
- 13.** "Insured contract" means:
- 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 "premises damage" is not an "insured contract";
  - A sidetrack agreement;
  - Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - An elevator maintenance agreement;
  - 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", "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph **f.** does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - 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 Paragraph (2) above and supervisory, inspection, architectural or engineering activities.
- 14.** "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".
- 15.** "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - While it is in or on an aircraft, watercraft or "auto"; or
  - 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".
- 16.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - Vehicles maintained for use solely on or next to premises you own or rent;
  - 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 vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

**17.** "Occurrence" means:

**a.** An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

**b.** An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

**18.** "Personal and advertising injury" means "personal injury" or "advertising injury".

**19.** "Personal injury":

**a.** Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
  - (a) Appropriates a person's name, voice, photograph or likeness; or
  - (b) Unreasonably places a person in a false light.

**b.** Includes "bodily injury" caused by one or more of the offenses described in Paragraph **a.** above.

**20.** "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.



**21. "Premises damage" means:**

- a.** With respect to the first paragraph of the exceptions in Exclusion **j.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b.** With respect to the exception to Exclusions **c.** through **n.** in the last paragraph of Paragraph **2.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:
  - (1)** Fire;
  - (2)** Explosion;
  - (3)** Lightning;
  - (4)** Smoke resulting from fire, explosion or lightning; or
  - (5)** Water.

But "premises damage" under this Paragraph **b.** does not include "property damage" to any premises caused by:

- (1)** Rupture, bursting, or operation of pressure relief devices;
- (2)** Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3)** Explosion of steam boilers, steam pipes, steam engines or steam turbines.

**22. "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.

**23. "Property damage" means:**

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will 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.

**24. "Slogan":**

- a.** Means a phrase that others use for the purpose of attracting attention in their advertising.
- b.** Does not include a phrase used as, or in, the name of:
  - (1)** Any person or organization, other than you; or
  - (2)** Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

- 25.** "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.
- 26.** "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.
- 27.** "Title" means a name of a literary or artistic work.
- 28.** "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
- 29.** "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.
- 30.** "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.
- 31.** "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.**

## **AMENDATORY ENDORSEMENT – PRODUCTS- COMPLETED OPERATIONS HAZARD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Paragraph **b.(3)** of the definition of "products-completed operations hazard" in the **DEFINITIONS** Section:

**(3)** Products or operations for which the classification, listed in the Declarations, in a policy Schedule or in our manual of rules, states that the products-completed operations are subject to the General Aggregate Limit.

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

## **AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion **i.**, **Intellectual Property**, in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

**i. Intellectual Property**

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or suit that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion applies regardless of whether the allegation of infringement or violation of any of these rights or laws is made by any person or organization making the claim or bringing the suit, by any insured or by any other party to the claim or suit.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

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

**AMENDMENT – NON CUMULATION OF EACH  
OCCURRENCE LIMIT OF LIABILITY and  
NON CUMULATION OF PERSONAL and ADVERTISING  
INJURY LIMIT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- 1. Paragraph 5 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**

Non cumulation of Each Occurrence Limit - If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".
- 2. Paragraph 4 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:**

Non cumulation of Personal and Advertising Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal Injury and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".

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

## **EXCLUSION – REAL ESTATE DEVELOPMENT ACTIVITIES – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Real Estate Development Activities**

"Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any "real estate development activities" by or on behalf of any insured.

2. The following is added to Paragraph **b.(3)** of the definition of "products-completed operations hazard" in the **DEFINITIONS** Section:

However, this Paragraph **(3)** does not apply to

any "real estate development activities" by or on behalf of any insured.

3. The following is added to the **DEFINITIONS** Section:

"Real estate development activities":

- a. Means the design, site preparation, construction, marketing or sales of residential, commercial or industrial buildings.
- b. Does not include repair, maintenance, renovation, alteration or addition to an existing building owned by the Named Insured.

**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:**
- 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 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 injury" or "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 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.
- 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.**

## **AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION – EXCEPTION FOR DAMAGES ASSUMED IN AN INSURED CONTRACT APPLIES ONLY TO NAMED INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following replaces Paragraph (2) of Exclusion **b., Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:
  - (2) Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
    - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
    - (b) Such attorney 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.
2. The following replaces the beginning of Paragraph 2., and Paragraphs 2.a., b., c., d. and e., of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:
  2. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will have the right and duty to defend that indemnitee if all of the following conditions are met:
    - a. The "suit" against the indemnitee seeks damages for which you have 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 you;
    - c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by you in the same "insured contract";
    - d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that we determine that no conflict exists between your interests and the interests of the indemnitee;
    - e. You and the indemnitee 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 you and the indemnitee; and
3. The following replaces the last sentence of Paragraph 2. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:

Our obligation to defend your indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

  - a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
  - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.



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

## **EXCLUSION – VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Violation Of Consumer Financial Protection Laws**

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Violation Of Consumer Financial Protection Laws**

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment, or for the purpose of conducting a business transaction:

- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account.
- b. Information bearing on a person's credit worthiness, credit standing or credit capacity.
- c. Social security number.
- d. Drivers license number.
- e. Birth date.

"Consumer financial protection law" means:

- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
- b. California's Song-Beverly Credit Card Act and any of its amendments; or
- c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".

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

## **EXCLUSION – LEAD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
CATASTROPHE UMBRELLA POLICY

### **PROVISIONS**

This insurance does not apply to any injury, damage, loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead compounds or lead which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

1. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
2. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such injury or damage, loss, cost, payment or expense; or
3. Any request, order or requirement to abate, mitigate, remediate, contain, remove or dispose of lead, lead compounds or materials or substances containing lead.

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

## **EXCLUSION – DISCRIMINATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **PROVISIONS**

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

#### **Discrimination**

"Bodily injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

#### **Discrimination**

"Personal injury" arising out of discrimination based upon a person's sex, sexual orientation, marital status, pregnancy, race, color, creed, religion, national origin, citizenship, veteran status, age, genetic information or physical or mental disability, or any other characteristic, attribute, trait, condition or status that qualifies a person for protection against discrimination under federal, state or local law.

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

## **LIMITATION WHEN TWO OR MORE POLICIES APPLY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **Provisions**

1. Injury, damage or loss might be covered by this policy and also by other policies issued to you by us or any Travelers affiliate. When these other policies contain a provision similar to this one, the amount we will pay is limited. The maximum that we will pay under all such policies combined is the highest limit that applies in any one of these policies.
2. This does not apply to any personal liability policy or to any Umbrella, Excess or Protective Liability Policy.

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

## **ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

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

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

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

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

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

The deduction for depreciation may include such considerations as:

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

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

**AR CA CT LA ME MT NY PR WA WV VT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

### **Prohibited Coverage – Unlicensed Insurance**

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
  - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

### **Prohibited Coverage – Trade Or Economic Sanctions**

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

**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 GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM  
CYBERFIRST GENERAL PROVISIONS FORM  
DELUXE PROPERTY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY<sup>+</sup> WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT  
COVERAGE PART  
ENVIRONMENTAL HAZARD POLICY  
EQUIPMENT BREAKDOWN COVERAGE PART  
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE  
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE  
LAW ENFORCEMENT LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND  
INFORMATION SECURITY LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF  
TRANSPORTATION  
TRAVELERS PROPERTY COVERAGE PART  
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART  
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism  
Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will 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 "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" 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 "TRIA"; 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.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

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

## **ADDITIONAL BENEFITS**

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following Condition is added to each Common Policy Conditions included in this policy:

### **Additional Benefits**

1. We may offer or provide, or allow others to provide, you or another insured under this policy with goods and services, access to discounted goods and services, other program benefits or other items of value that could assist your business with managing your risk, with servicing your policy or with staying informed about loss control and mitigation of risk.
2. These Additional Benefits may be provided in any form. You or another insured under this policy may be eligible to receive additional benefits. You
3. While we may arrange for these Additional Benefits, the other provider is liable to you or the other insured for the provision of the goods and services. We do not warrant the merchantability, fitness or quality of any goods or services provided or assume any additional obligation related to any Additional Benefits provided.
4. We have the right to modify or discontinue any Additional Benefits provided by us, or others authorized by us, without notice to you or any other insured.



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

## **PROTECTION OF PROPERTY**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
DELUXE PROPERTY COVERAGE PART

The insurance provided under this Coverage Part for direct physical loss of or damage to Covered Property at the described premises is extended to include the following Additional Coverage:

### **Protection of Property**

We will pay the necessary and reasonable expenses actually incurred by you to temporarily safeguard Covered Property at the described premises against the threat of imminent covered direct physical loss or damage by a "specified cause of loss", subject to the following:

1. This Additional Coverage only applies to expenses incurred within 72 hours before the time the imminent "specified cause of loss" is reasonably likely to begin to cause direct physical loss or damage to the Covered Property.
2. This Additional Coverage does not apply to any expenses:
  - (a) To which any Preservation of Property coverage in this Coverage Part may apply; or
  - (b) For maintenance that reasonably should have been performed in the absence of any threat of imminent covered direct physical loss or damage by a "specified cause of loss".
3. The most we will pay under this Additional Coverage for all expenses arising out of all threats of imminent direct physical loss or damage by a "specified cause of loss" occurring during each separate 12-month period of this policy beginning with the effective date of this policy is:

(a) \$5,000 at each of the described premises;  
and

(b) \$10,000 for all described premises.

This is additional insurance.

If the "specified cause of loss" from which the property is being safeguarded is subject to an aggregate limit of insurance (meaning the limit of insurance is the most we will pay for all loss or damage arising out of all occurrences of such "specified cause of loss" in any one annual period of this policy), the Limit of Insurance that applies to this Additional Coverage is not included in, and does not reduce, the aggregate Limit of Insurance that applies to such "specified cause of loss".

4. This Additional Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the "specified cause of loss" from which the property is being safeguarded.

In the event the "specified cause of loss" from which the property is being safeguarded actually causes covered direct physical loss or damage to the Covered Property, the total of the deductible amounts applied under this Additional Coverage and under the coverage provided for such loss or damage to the Covered Property will not exceed the deductible that applies to the covered loss or damage to the Covered Property by the "specified cause of loss".

**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  
COMMERCIAL INLAND MARINE COVERAGE PART  
FARM COVERAGE PART

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

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

## **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.**

## **COLORADO CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
ELECTRONIC DATA LIABILITY COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A.** The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Colorado law.

**B.** Under the Commercial Automobile Coverage Part, the term "family member" is replaced by the following and supersedes any other provisions to the contrary:

"Family member" means a person related to:

1. The individual Named Insured by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of such Named Insured's household, including a ward or foster child;
2. The individual named in the Schedule by blood, adoption, marriage or civil union rec-

ognized under Colorado law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individuals endorsement is attached.

**C.** With respect to coverage for the ownership, maintenance or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of your household, including a ward or foster child.

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

## **COLORADO CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL  
COVERAGES, CONDITIONS, DEFINITIONS  
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM  
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND  
EQUIPMENT COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

**CONCEALMENT, MISREPRESENTATION OR FRAUD**

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
2. Fraud;  
committed by you or any other insured ("insured") at any time and relating to coverage under this policy.

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

## **COLORADO 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 LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

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

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

**7. Cancellation Of Policies In Effect For 60 Days Or More**

- a.** If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy by mailing through first-class mail to the first Named Insured written notice of cancellation:
  - (1)** Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
  - (2)** At least 45 days before the effective date of cancellation if we cancel for any other reason.

We may only cancel this policy based on one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** A false statement knowingly made by the insured on the application for insurance; or
- (3)** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

**C.** The following is added and supersedes any other provision to the contrary:

**NONRENEWAL**

If we decide not to renew this policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

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

**D.** The following condition is added:

**INCREASE IN PREMIUM OR DECREASE IN COVERAGE**

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

1. Nonpayment of premium;

2. A false statement knowingly made by the insured on the application for insurance; or
3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

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



## **IMPORTANT NOTICE – PRODUCT AVAILABILITY**

**PLEASE READ THIS NOTICE CAREFULLY.**

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

## **IMPORTANT NOTICE – LEAD EXCLUSION**

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

Your policy contains a Lead exclusion.

## **IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION**

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

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

## **IMPORTANT NOTICE – JURISDICTIONAL INSPECTIONS**

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

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We Insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

### **REMINDER**

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

# REQUEST FOR JURISDICTIONAL INSPECTION

Name of Business: \_\_\_\_\_  
(As Shown on Policy)

Policy Number: \_\_\_\_\_

Location of Equipment:

City State ZipCode

Person to Contact for Scheduling Inspection: \_\_\_\_\_

Telephone Number of Person to Contact: \_\_\_\_\_

Equipment Type	Certificate Number	Certificate Expiration Date

Fax Form to 1-877-764-9535

Completed by: \_\_\_\_\_ Phone Number: \_\_\_\_\_

**To Our Valued Customer,**

**Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.**

**Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.**

**Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.**

**For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.**