



The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company

Policy Number: SBB 003 76 05

Effective Date: 12/04/2025

Named Insured: ABINGDON VILLAGE HOMES ASSOCIATION

For professional advice and policy questions or changes, please contact your local independent agency:

BUNN INSURANCE AGENCY INC
1248 CULVER LN
VIRGINIA BEACH, VA 23454-5710

757-426-2664

Dear Policyholder:

Thank you

Thank you for trusting The Cincinnati Insurance Companies with your commercial insurance coverage. We recognize that locally based independent agents have the working knowledge to help you choose the right insurance company for your needs. Together with your local independent insurance agency, we are committed to providing you with the highest level of service.

Please review your enclosed policy information to verify your coverage details, as well as deductibles and coverage amounts. Should your needs change, your agent is available to review and update your policy.

Please promptly report claims

If you experience a policy-related loss, you may report it by contacting your local professional independent agency representing The Cincinnati Insurance Companies or by directly calling us toll-free at **877-242-2544** and providing your policy number and claim-related information.

Sincerely,

Chet Swisher
Senior Vice President - Commercial Lines

NOTICE TO POLICYHOLDERS

DIRECT BILL ACCOUNT CREDIT PROCEDURE

This is a notice of how an account credit will be applied to your policy or to all of the policies being billed as single account.

Account Credits

- A.** If your account is comprised of **a single policy** and an endorsement or premium audit results in a credit (return premium), the credit is applied to that policy. If your account does not have a future installment due at the time the endorsement or audit is processed, the credit is refunded to the payor listed for your account. If you do not wish for credits to be automatically applied to future unpaid installments, please contact us to request a refund. Please note that the amount of the refund may vary based upon the date you contact us and your billing schedule.
- B.** If your account is comprised of **more than one policy** and an endorsement or premium audit results in a credit (return premium), the credit is applied in the following manner:
- Payments previously applied to your account are deferred.
 - The credit that results from the endorsement or audit is applied to the policy generating the credit.
 - The payments that were deferred are then reapplied to the account in order to satisfy the amount due.
 - Any excess payment that results from the credit is applied proportionately to your policies with a future payment or installment due.
 - If you do not wish for credits to be automatically applied to future unpaid installments, please contact us to request a refund. Please note that the amount of the refund may vary based upon the date you contact us and your billing schedule.
 - If your account does not have a future installment or payment due at the time the endorsement or audit is processed, the credit is refunded to the payor listed for your account.

(Does not apply to audit return premium for payors located in New York; Does not apply to premiums due more than 30 days from the date of processing for payors located in New Hampshire. These credits are automatically refunded to the payor)

To request a refund, contact us at:

Mailing Address

The Cincinnati Insurance Company
PO Box 14529
Cincinnati, OH 45250-0529

Toll free phone number

877-942-2455

Electronic mail

CinciBill@cinfin.com

IMPORTANT INFORMATION TO POLICYHOLDERS VIRGINIA

In the event you need to contact someone about this insurance for any reason please contact your agent. If no agent was involved in the sale of this insurance, or if you have additional questions you may contact the insurance company issuing this insurance at the following address and telephone number:

The Cincinnati Insurance Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone: 513-870-2000

The Cincinnati Life Insurance Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone: 513-870-2000

The Cincinnati Casualty Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone: 513-870-2000

The Cincinnati Indemnity Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone: 513-870-2000

If you have been unable to contact or obtain satisfaction from the company or agent, you may contact the Virginia State Corporation Commissions Bureau of Insurance at:

Life and Health Division
Bureau of Insurance
1300 East Main St.
Richmond, VA 23219

or

P.O. Box 1157
Richmond, VA 23218
Telephone: 804-371-9691
Fax: 804-371-9944

OR

Property and Casualty Division
Bureau of Insurance
1300 East Main St.
Richmond, VA 23219

or

P.O. Box 1157
Richmond, VA 23218
Telephone: 804-371-9185
Fax: 804-371-9396

In state toll-free calls 1-800-552-7945

The telecommunication device for the deaf (TDD) phone number: 804-371-9206

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available.



Everything Insurance Should Be®

THE CINCINNATI INSURANCE COMPANY

A Stock Insurance Company

Headquarters: 6200 S Gilmore Road, Fairfield, OH 45014-5141

Mailing Address: P.O. Box 145496, Cincinnati, OH 45250-9496

Switchboard 513.870.2000

www.cinfin.com

MYSIGNATURE™ BUSINESSOWNERS PACKAGE POLICY DECLARATIONS

POLICY NUMBER SBB 003 76 05

POLICY PERIOD

FROM: 12/04/2025 **TO:** 12/04/2028 **12:01 A.M. Standard Time at the Mailing Address shown**

NAMED INSURED AND MAILING ADDRESS

ABINGDON VILLAGE HOMES ASSOCIATION
3061 BRICKHOUSE CT STE 109
VIRGINIA BEACH, VA 23452-6855

PREVIOUS POLICY NUMBER

NEW

LEGAL ENTITY/BUSINESS DESCRIPTION

ORGANIZATION (ANY OTHER)

BILLING METHOD

DIRECT

AGENCY

AGENCY CODE: 45-241

BUNN INSURANCE AGENCY INC
1248 CULVER LN
VIRGINIA BEACH, VA 23454-5710

Producer **ASHLEY JEANNE HATCHELL**

This document and your policy contract define our insuring agreement. In return for the payment of the premium, and subject to all other terms of this policy, we agree with you to provide the insurance as stated in this policy.

SUMMARY OF PREMIUMS CHARGED

Property Coverage	\$	835
Business Liability Coverage	\$	1,231
Terrorism Coverage	\$	7
Annual Total	\$	2,073

ANNUAL PAYMENT SCHEDULE

Due Date	Premium Due
12/04/2025	\$2,073

THIS IS NOT A BILL. You will receive a separate invoice if a premium charge or return is due.

SCHEDULE OF PREMISES

PROPERTY SCHEDULE

Key: ACV = Actual Cash Value FRC = Functional Replacement Cost RC = Replacement Cost

BUSINESS INCOME CHANGES - WAITING PERIOD - FB440

INCLUDE DESIGNATED AGENTS AS EMPLOYEES - FB 215

PROPERTY MANAGER	\$	50,000
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BUSINESSOWNERS PROPERTY COVERAGE AMENDMENTS

SIGNATURE PROPERTY PLUS ENDORSEMENT - FB239

COVERAGE PROVISIONS (Only those items marked by an X, where so indicated, are applicable):

- ☒ **A: Blanket Coverage Limit for Specified Additional Coverages and Coverage Extensions**
Limit of Insurance \$ 150,000
Coverages included in blanket are indicated by (A) below
Limit shown for each coverage below is in addition to the Blanket Limit shown here.
- ☒ **B: Increase in Limits or Coverage Periods for Specified Coverage Limitations, Additional Coverages and Coverage Extensions**
Coverages included are indicated by (B) below
- ☒ **C: Optional Additional Coverage and Coverage Extensions**
Coverages included are indicated by (C) below
- ☒ **D: Electronic Data Processing Equipment - Additional Coverages and Coverage Extensions**
Coverages included are indicated by (D) below

COVERAGE LIMITATIONS

Description	Limit of Insurance
Theft of furs, fur garments, and garments trimmed with fur (B)	\$ <u>10,000</u>
Theft of jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum, and other precious alloys or metals. The limit does not apply to jewelry and watches worth \$250 or less per item. (B)	\$ <u>10,000</u>
Theft of patterns, dies, molds, and forms	\$ <u>2,500</u>

ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS

Description	Limit of Insurance/ Period of Coverage
Accounts Receivable - Each Premises (A)	\$ <u>50,000</u>
Accounts Receivable - Away From Premises (A)	\$ <u>25,000</u>
Advertising Expense to Regain Customers (C)	\$ <u>2,500</u>
Alterations, New Buildings and Newly Purchased or Leased Locations (B)	<u>180 Days ALS</u>
Appurtenant Buildings and Structures	\$ <u>50,000</u>
Brands and Labels (C)	<u>Included in BPP Limit</u>
Business Income	<u>12 Months ALS</u>
Business Income Extension for Websites (C)	\$ <u>10,000</u> <u>for 7 Days</u>
Business Income From Dependent Properties (B)	\$ <u>25,000</u> <u>24 Hour Waiting Period</u>
Business Personal Property Temporarily in Portable Storage Units (B)	\$ <u>25,000</u>
Change in Temperature or Humidity	<u>Included in BPP Limit</u> <u>30 Days</u>
Civil Authority	<u>24 Hour Waiting Period</u>

Collapse		Included in Building and/or BPP Limit
Computer and Funds Transfer Fraud (B)	\$	10,000
Contingent Transit Business Income and Extra Expense (C)	\$	50,000
Contract Penalties (C)	\$	25,000
Debris Removal (A)	\$	25,000
Denial of Access to Premises (C)		30 Days 24 Hour Waiting Period
Duplicate and Back-Up Software (D)	\$	10,000
Electronic Data (D)	\$	15,000
Electronic Vandalism (D)	\$	15,000
Employee Dishonesty (B)	\$	50,000
Expediting Expenses (C)	\$	25,000
Extended Business Income (B)		90 Days
Extra Expense		12 Months ALS
Fences	\$	10,000
Fine Arts (B)	\$	50,000
Fire Department Service Charge	\$	25,000
Fire Protection Equipment Recharge (B)		Actual Expenses Incurred
Forgery or Alteration (B)	\$	50,000
"Fungi", Wet Rot, Dry Rot, and Bacteria - Limited Coverage (B)	\$	50,000
"Fungi", Wet Rot, Dry Rot, and Bacteria - Limited Coverage - Business Income and Extra Expense		30 Days ALS
Glass		Included in Building Limit
Hired Auto - Physical Damage (C)	\$	50,000
International Air Shipments (C)	\$	5,000
Interruption of Computer Operations (D)	\$	25,000
Inventory or Appraisal (B)	\$	25,000
Key and Lock Expense (B)	\$	2,500
Lease Assessment	\$	2,500
Leasehold Improvements	\$	25,000
Leasehold Interest (Tenants Only) (B)	\$	25,000
Lessor's Tenant Move Expenses (C)	\$	10,000 for 60 Days
Money and Securities - Inside the Premises (B)	\$	15,000
Money and Securities - Outside the Premises	\$	5,000
Money Orders and Counterfeit Paper Currency (B)	\$	25,000
Newly Purchased, Leased or Constructed Property - Buildings (B)	\$	1,000,000 for 180 Days
Newly Purchased, Leased or Constructed Property - Business Personal Property (B)	\$	500,000 for 180 Days

Nonowned Building Damage	Included in BPP Limit
Ordinance or Law - Demolition Costs & Increased Costs of Construction (A)	\$ 25,000
Ordinance or Law - Increased Period of Restoration (B)	\$ 50,000
Ordinance or Law - Loss of Use of Undamaged Parts of Building	Included in Building Limit
Outdoor Property - Per Premises (B)	\$ 25,000
Outdoor Property (Any one tree, shrub, or plant)	\$ 1,000
Personal Effects (B)	\$ 25,000
Personal Property of Others Replacement Cost Provision (C)	Included in BPP Limit
Pollutant Clean Up and Removal	\$ 25,000
Preservation of Property	Included in BPP Limit for 90 Days
Preservation of Property - Expense (C)	\$ 25,000
Property Off-Premises (B)	\$ 50,000
Rewards	\$ 10,000
Signs	\$ 10,000
Soft Costs (C)	\$ 10,000
Temporary Relocation of Property	\$ 50,000
Theft of Telephonic Services	\$ 25,000
Third Party Host (D)	\$ 10,000
Trailers (Nonowned Detached)	\$ 5,000
Transit Business Income and Extra Expense (C)	\$ 50,000
Unauthorized Business Credit Card Use (C)	\$ 5,000
Utility Services - Direct Damage (B)	\$ 30,000
Utility Services - Business Income and Extra Expense	12 Months ALS
Valuable Papers and Records - Each Premises (A)	\$ 25,000
Valuable Papers and Records - Away From Premises (A)	\$ 25,000
Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems	\$ 5,000
Water Damage, Other Liquids, Powder or Molten Material Damage	Included in Building Limit
Worldwide Laptop (D)	\$ 5,000
Worldwide Property Off Premises (C)	\$ 20,000

Key: ALS = Actual Loss Sustained BPP = Business Personal Property

SECTION II - LIABILITY

SCHEDULE OF PREMISES

Premises	Address
1	1020 AMHERST LN VIRGINIA BEACH, VA 23464-3705

LIMITS OF INSURANCE

Coverage	Limit of Insurance
Each Occurrence Limit	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000
Products-Completed Operations Aggregate Limit	\$ 2,000,000
Personal & Advertising Injury Limit (any one person or organization)	\$ 1,000,000
Damage to Premises Rented to You Limit (any one premises)	\$ 1,000,000
Medical Expense Limit (any one person)	\$ 5,000
Supplementary Payments	
Cost of Bail Bonds	\$ 2,500
Loss of Earnings (per day)	\$ 500

LIABILITY SCHEDULE

Prem. No.	Description	Class Code	Exposure	Net Rate	Advance Premium
1-1	HOMEOWNERS ASSOCIATIONS - ASSOCIATION RISK ONLY	10287 E	266	2.5	\$665
1-1	SWIMMING POOL (INCIDENTAL EXPOSURES ONLY)	10457	1	288.611	\$289
	HIRED AND NONOWNED AUTOMOBILE LIABILITY				\$45
	SIGNATURE LIABILITY PLUS ENDORSEMENT		^		\$35
	DAMAGE TO LEASED REAL PROPERTY				\$78
	CONTRACTORS ADDITIONAL INSURED - AUTOMATIC STATUS AND AUTOMATIC WAIVER OF SUBROGATION - WRITTEN AGREEMENT		^		
	ADDITIONAL INSURED - AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN CONTRACT OR AGREEMENT - EVENTS				\$19

Key: A = Area C = Acres E = Each L = Limit of Insurance P = Payroll S = Sales T = Total Cost

^ Indicates that this exposure is Subject to Audit

SIGNATURE LIABILITY PLUS ENDORSEMENT - GB 227

Employee Benefit Liability Coverage	
Each Employee Limit	\$ 1,000,000
Aggregate Limit	\$ 3,000,000
Deductible Amount	\$ 1,000
Property Damage to Borrowed Equipment	
Each Occurrence Limit	\$ 10,000
Deductible Amount	\$ 250
Supplementary Payments - See Limits of Insurance section	
Cost of Bail Bonds - Refer to Limits of Insurance section above	
Unintentional Failure to Disclose Hazards	
180 Day Coverage for Newly Formed or Acquired Organizations	
Waiver of Subrogation	
Automatic Additional Insured - Specified Relationships	
<ul style="list-style-type: none">Managers or Lessors of PremisesLessor of Leased EquipmentVendorsState or Governmental Agency or Subdivision or Political Subdivision - Permits or Authorizations Relating to PremisesMortgagee, Assignee or Receiver	
Employees as Insureds - Specified Health Care Services and Good Samaritan Services	
Broadened Notice of Occurrence	
Nonowned Aircraft	
Bodily Injury Redefined	
Expected or Intended Injury Redefined	
Former Employees as Insureds	

DAMAGE TO LEASED REAL PROPERTY COVERAGE - GB 215

Premises	Building	Per Occurrence Deductible	Limit of Insurance Per Occurrence
1	1	\$250	\$ 300,000

ADDITIONAL LIABILITY COVERAGES

EMPLOYMENT PRACTICES LIABILITY COVERAGE - GB103

NOTICE: THIS INSURANCE COVERAGE CONTAINS CLAIMS-MADE COVERAGE. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THIS INSURANCE IS LIMITED TO "WRONGFUL ACTS" FOR WHICH "CLAIMS" ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ AND REVIEW THIS INSURANCE CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR AGENT.

YOUR DEDUCTIBLE APPLIES TO AMOUNTS INCURRED FOR LEGAL DEFENSE AND THE LIMITS OF INSURANCE AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE.

Limits of Insurance

Per Wrongful Act Limit	\$ 10,000
Aggregate Limit	\$ 10,000
Deductible Amount	\$ 2,500
Retroactive Date	

LIABILITY ADDITIONAL INSURED SCHEDULE

FORMS LIST

AP403VA	10/14	IMPORTANT INFORMATION TO POLICYHOLDERS VIRGINIA
IB101	02/21	BUSINESSOWNERS COVERAGE FORM
IA325	01/23	WAR EXCLUSION
IA324VA	06/19	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT - VIRGINIA
IA4160VA	01/12	NOTICE: ADDITIONAL COVERAGE AVAILABLE
IA4236	06/20	POLICYHOLDER NOTICE TERRORISM INSURANCE COVERAGE
IA4338	05/24	SIGNATURE ENDORSEMENT
IA4414VA	01/13	VIRGINIA EARTHQUAKE EXCLUSION ADVISORY NOTICE TO POLICYHOLDERS
IA4427	02/13	NOTICE OF LOSS CONTROL SERVICES
IA4516VA	07/20	COMMON POLICY CONDITIONS - VIRGINIA
IA4521	03/20	NOTICE OF PRIVACY PRACTICES
IB326	01/24	EXCLUSION - PERFLUORINATED COMPOUNDS (PFC) AND PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)
IB459VA	06/19	VIRGINIA NOTICE TO POLICYHOLDERS FLOOD INSURANCE NOTICE
IB4118VA	06/19	VIRGINIA CHANGES
IB4132VA	06/19	VIRGINIA CHANGES - EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
IB4173VA	06/19	VIRGINIA - CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IB4174VA	06/19	NOTICE TO POLICYHOLDERS OF CLAIMS-MADE COVERAGE FORMS - VIRGINIA
IL0044	06/90	VIRGINIA CHANGES - POLICY PERIOD
IP446	08/01	NOTICE TO POLICYHOLDERS
FB215	06/19	INCLUDE DESIGNATED AGENTS AS EMPLOYEES
FB239	03/22	SIGNATURE PROPERTY PLUS ENDORSEMENT
FB311	08/23	NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS EXCLUSION
FB313	02/25	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
FB440	06/19	BUSINESS INCOME CHANGES - WAITING PERIOD
FB456	06/19	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
GB103	02/20	EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
GB211	06/19	HIRED AUTO AND NONOWNED AUTO LIABILITY
GB215	06/19	DAMAGE TO LEASED REAL PROPERTY COVERAGE
GB226	06/19	SIGNATURE LIABILITY ENDORSEMENT
GB227	06/23	SIGNATURE LIABILITY PLUS ENDORSEMENT
GB3019	06/19	WAR LIABILITY EXCLUSION
GB3028	06/23	BIOMETRIC INFORMATION PRIVACY EXCLUSION
GB3029	06/23	EXCLUSION - CYBER LIABILITY
GB314	06/19	EXCLUSION - COMMUNICABLE DISEASE
GB320	06/19	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION
GB367	06/19	EXCLUSION - LEGAL, ACCOUNTING OR ADVERTISING PROFESSIONAL SERVICES
GB4050	09/22	RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION
GB406	06/19	ADDITIONAL INSURED - ASSOCIATIONS

FORMS LIST

GB407	06/19	ADDITIONAL INSURED - AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN CONTRACT OR AGREEMENT WITH YOU OR WITH AN ASSOCIATION WITH WHICH YOU ARE A MEMBER - EVENTS
GB411	06/19	ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS
GB474	06/19	MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS
GB488	03/21	CONTRACTORS ADDITIONAL INSURED - AUTOMATIC STATUS AND AUTOMATIC WAIVER OF SUBROGATION WHEN REQUIRED IN WRITTEN CONTRACT, AGREEMENT, PERMIT OR AUTHORIZATION

BUSINESSOWNERS COVERAGE FORM

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BUSINESSOWNERS COVERAGE FORM

SECTION I - PROPERTY

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION I - PROPERTY, H. Property Definitions**.

A. Coverages

We will pay for direct "loss" to Covered Property at the "premises" caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property means Buildings as described under Paragraph **a.** below, Business Personal property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under **SECTION I - PROPERTY, A Coverages, 2. Property Not Covered**.

a. Buildings, meaning the buildings and structures at the "premises", including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery;
 - (b) Equipment;
 - (c) Signs;
 - (d) Awnings and canopies; and
 - (e) Building glass, including any lettering and ornamentation, as provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, p. Glass**;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the "premises", including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the "premises", used for making additions, alterations or repairs to the buildings or structures;

- b. Business Personal Property located in or on the buildings or structures at the "premises" or in the open (or in a vehicle) within 1,000 feet of the buildings or structures or 1,000 feet of the "premises", whichever distance is greater, including:
 - (1) Property you own that is used in your business;
 - (2) Personal Property of others that is in your care, custody or control or for which you are legally liable.
 - (a) This does not include personal effects owned by you, your officers, your partners, your "members", your "managers", or your employees, (including leased and temporary workers) except to the extent provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, k. Personal Effects;**
 - (b) This does not include personal property of others for which you are legally liable as:
 - 1) A carrier for hire; or
 - 2) An arranger of transportation, including car loaders, consolidators, brokers, freight forwarders, or shipping associations;
 - (3) The cost of labor, materials or services furnished or arranged by you on personal property of others;
 - (4) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
 - (5) Leased personal property used in your business for which you have a contractual responsibility to insure. Such leased property is not considered personal property of others in your care, custody or control; and
 - (6) Sales samples.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. Accounts, bills, currency, deeds, food stamps, other evidences of debt, "money", notes, "securities", or accounts receivable except as provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages or 6. Coverage Extensions;**
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants that are "stock" or part of a vegetated roof), all except as provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages or 6. Coverage Extensions;**
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. "Electronic data processing property" which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "electronic data processing property" while held as "stock".
- h. The cost to research, replace or restore the information on "valuable papers and records", including those which exist as "electronic data", except as provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, p. Valuable Papers and Records.** This does not apply to "valuable papers and records" held for sale by you;

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- i. Animals, unless:
 - (1) owned by others and boarded by you; or
 - (2) owned by you and covered as "stock" while inside of buildings;and then only as provided in **4. Limitations**.
- j. "Electronic data", except as provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, h. Electronic Data** and **i. Electronic Vandalism**. This Paragraph **j.** does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

3. Covered Causes of Loss

Direct "loss" unless the "loss" is excluded or limited under **SECTION I - PROPERTY**.

4. Limitations

- a. We will not pay for "loss" to property as described and limited in **(1)** through **(6)** below. In addition, we will not pay for any "loss" that is a consequence of "loss" as described and limited in **(1)** through **(6)** below:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for "loss" to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion;
 - (3) Property that is missing, where the only evidence of the "loss" is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, x. Money and Securities**;
 - (4) Property that has been transferred to a person or to a place outside the "premises" on the basis of unauthorized instructions;
 - (5) The interior of any building or structure or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (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" is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - (6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (a) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (b) Changes in or extremes of temperature;
 - (c) Disease;
 - (d) Frost or hail; or
 - (e) Rain, snow, ice or sleet.
- b. We will not pay for "loss" to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

Animals, and then only if they are killed or their destruction is deemed necessary.
- c. For each category described in Paragraph **c.(1)** through **c.(3)** below, the most we will pay for "loss" in any one occurrence of theft to all property in that category, regardless of the types or

number of articles for that category that are lost or damaged in that occurrence, are the following special limits, unless otherwise endorsed hereon:

- (1) The Limit of Insurance stated in the Declarations for furs, fur garments and garments trimmed with fur.
- (2) The Limit of Insurance stated in the Declarations for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. The limit does not apply to jewelry and watches worth \$250 or less per item.
- (3) The Limit of Insurance stated in the Declarations for patterns, dies, molds, and forms.

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

This limitation, **4.c.**, does not apply to Business Income coverage or to Extra Expense coverage.

5. Additional Coverages

a. Business Income

(1) Actual Loss Sustained Business Income

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (a) 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 "loss" to property at a "premises" caused by or resulting from any Covered Cause of Loss. With respect to "loss" to personal property in the open or personal property in a vehicle, the "premises" include the area within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within the time period stated in the Declarations after the date of direct "loss".
- (c) Business Income means the:
 - 1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no "loss" had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - 2) Continuing normal operating expenses incurred, including payroll; and
 - 3) Rental Value, meaning:
 - 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" as furnished and equipped by you, including fair rental value of any portion of the "premises" which is occupied by you; and
 - b) Amount of all charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

(2) Extended Business Income

- (a) If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you sustain during the period that:
 - 1) Begins on the date property, except finished "stock", 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 "loss" had occurred; or
- b)** The number of consecutive days stated in the Declarations after the date determined in **(a)1)** above.

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

- (b)** Loss of Business Income must be caused by direct "loss" at the "premises" caused by or resulting from any Covered Cause of Loss.

This Additional Coverage - Business Income, is not subject to the Limits of Insurance stated in the Declarations.

b. Business Income From Dependent Properties

- (1)** We will pay for the actual loss of Business Income you sustain due to "loss" at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only "loss" at the premises of a dependent property is "loss" to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains "loss" to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay in any one occurrence for each dependent property under this Additional Coverage is the Limit of Insurance stated in the Declarations.

- (2)** 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.

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

- (4)** Dependent property means property owned by others whom you depend on to:

- (a)** Deliver materials or services to you, or to others for your account. But, services does not mean water supply services, wastewater removal services, communication supply services or power supply services;
- (b)** Accept your products or services;
- (c)** Manufacture your products for delivery to your customers under contract for sale; or
- (d)** Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- (5)** The coverage period for Business Income under this Additional Coverage:

- (a)** Begins the number of hours stated in the Declarations after the time of direct "loss" caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- (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.

- (6)** The Business Income coverage period, as stated in Paragraph **(5)**, does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) 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 reduce the Business Income coverage period.

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

c. Change in Temperature or Humidity

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

We will pay for "loss" to your covered Business Personal Property caused by a change in temperature or humidity or contamination by refrigerant resulting from damage by a Covered Cause of Loss to equipment used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating, generating or converting power (including their connections and supply or transmissions lines and pipes) when located on the "premises". However, Change in Temperature or Humidity does not apply to "loss" caused by a Covered Cause of Loss under **SECTION I - PROPERTY, G. Optional Coverages, 1. Equipment Breakdown**.

This Additional Coverage - Change in Temperature or Humidity, will not increase the Limits of Insurance.

d. Civil Authority

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

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

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

This Civil Authority coverage for Business Income will begin the number of hours stated in the Declarations after the time of the first action of civil authority that prohibits access to the "premises" and will apply for a period of up to the number of days stated in the Declarations from the date on which coverage began.

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

- (1) The number of consecutive days stated in the Declarations after the time of that action; or
- (2) When your Civil Authority coverage for Business Income ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage.

This Additional Coverage - Civil Authority, is not subject to the Limits of Insurance.

e. Collapse

The coverage provided under this Additional Coverage applies only to an abrupt collapse as described and limited in Paragraphs **e.(1)** through **e.(7)** below.

- (1) For the purpose of this Additional Coverage only, abrupt collapse means an abrupt falling down or caving in of a building or structure or any part of a building or structure with the result that the building or structure or part of the building or structure cannot be occupied for its intended purpose.
- (2) We will pay for direct "loss" to Covered Property, caused by abrupt collapse of a building or structure or any part of a building or structure insured under this policy, or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
- (a) Building or structure decay that is hidden from view, unless the presence of such decay is known or should reasonably have been known to an insured prior to collapse;
 - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known or should reasonably have been known to an insured prior to collapse;
 - (c) Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs during the course of construction, remodeling, or renovation;
 - (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - 1) A cause of loss listed in Paragraph **e.(2)(a)** or **e.(2)(b)** of this Additional Coverage;
 - 2) One or more of the "specified causes of loss";
 - 3) Breakage of building glass;
 - 4) Weight of people or personal property; or
 - 5) Weight of rain that collects on a roof.
- (3) This Additional Coverage does not apply to:
- (a) A building or structure or any part of a building or structure that is in danger of falling down or caving in;
 - (b) A part of a building or structure that is standing, even if it has separated from another part of the building or structure; or
 - (c) A building or structure that is standing or any part of a building or structure that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
- (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Piers, wharves and docks;
 - (f) Beach or diving platforms, including their appurtenances;
 - (g) Retaining walls; and
 - (h) Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in Paragraphs **e.(2)(a)** through **e.(2)(d)**, we will pay for "loss" to that property only if:
- (a) Such "loss" is a direct result of the abrupt collapse of a building or structure insured under this policy; and
 - (b) The property is Covered Property under this policy.

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

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

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

f. Computer and Funds Transfer Fraud

- (1) We will pay for loss that you sustain resulting directly from an occurrence taking place during the policy period shown in the Declarations resulting directly from:
 - (a) A fraudulent:
 - 1) Entry of "electronic data" or "software" into; or
 - 2) Change of "electronic data" or "software";

within any "electronic data processing property" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs **f.(1)(a)1** and **f.(1)(a)2**:

 - 1) "Money", "securities" or "other property" to be transferred, paid or delivered; or
 - 2) Your account at a "financial institution" to be debited or deleted.
 - (b) A "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and transfer, pay or deliver "money" or "securities" from that account.
- (2) As used in Paragraph **f.(1)(a)**, fraudulent entry or fraudulent change of "electronic data" or "software" shall include such entry or change made by an employee acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "software" for a computer system covered under this Insuring Agreement.
- (3) The most we will pay for loss in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

This is an additional Limit of Insurance.

(4) Special Limit Of Insurance For Specified Property

Regardless of the limit of insurance applicable under Paragraph **f.(3)** above, we will only pay up to \$5,000 in any one occurrence of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

This limit of insurance is included within, and is not in addition to, the limit of insurance referenced under Paragraph **f.(3)** above.

- (5) The following definition applies to this Additional Coverage, **f. Computer and Funds Transfer Fraud**:

Occurrence means an act or series of related acts involving one or more persons, or an act or a series of related acts or events not involving any person.

(6) **Territory**

We will cover loss that you sustain resulting directly from an occurrence taking place anywhere in the world. Territory Condition **F.4.b.** does not apply to this Additional Coverage.

(7) **Employee**

The term employee when used under this Additional Coverage has the same meaning as defined under Additional Coverage **j. Employee Dishonesty**.

g. Debris Removal

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (1) Subject to Paragraphs (2), (3) and (4) of this Additional Coverage, we will pay your expense to remove debris of Covered Property and other debris that is on the "premises", when such debris is caused by or results from a Covered Cause of Loss that occurs during the "coverage term". The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct "loss".
- (2) Debris Removal does not apply to costs to:
- (a) Extract "pollutants" from land or water;
 - (b) Remove, restore or replace polluted land or water;
 - (c) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (d) Remove debris of property owned by or leased to the landlord of the building where your "premises" are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (e) Remove any property that is Property Not Covered, including property addressed under **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, j. Outdoor Property**;
 - (f) Remove property of others of a type that would not be Covered Property under this policy; or
 - (g) Remove deposits of mud or earth from the grounds of the "premises".
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct "loss" plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained "loss";
 - (b) Subject to Paragraph (3)(a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct "loss" to the Covered Property that has sustained "loss". However, if no Covered Property has sustained direct "loss", the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each "premises".
- (4) We will pay up to the additional Limit of Insurance stated in the Declarations for debris removal expense for each "premises", in any one occurrence of direct "loss" to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct "loss" exceeds the Limit of Insurance on the Covered Property that has sustained "loss".
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct "loss" to the Covered Property that has sustained "loss".

Therefore, if Paragraph **(4)(a)** and/or **(4)(b)** apply, our total payment for direct "loss" and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained "loss", plus the additional Limit of Insurance states in the Declarations.

(5) Examples

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500

($\$50,000$
- $\$500$)

Debris Removal Expense	\$10,000
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Debris Removal Expense Payable	\$10,000
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($\$10,000$ is 20% of $\$50,000$)

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

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500

($\$80,000$
- $\$500$)

Debris Removal Expense	\$40,000
------------------------	----------

Debris Removal Expense Payable	
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Basic Amount	\$10,500
Additional Amount	\$25,000

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

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

h. Electronic Data

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

The most we will pay in any one occurrence under this Additional Coverage for all "loss" sustained in any one "coverage term", regardless of the number of occurrences of "loss" or the number of "premises", locations or computer systems involved, is the Limit of Insurance stated in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent "loss" sustained in, but not after, that "coverage term". With respect to an occurrence which begins in one "coverage term" and continues or results in additional "loss" in a subsequent "coverage term(s)", all "loss" is deemed to be sustained in the "coverage term" in which the occurrence began.

This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

i. Electronic Vandalism

- (1) We will pay for "loss" to covered "electronic data processing property" at the "premises" caused by "electronic vandalism".
- (2) The most we will pay in any one occurrence under this Additional Coverage, including loss of Business Income and Extra Expense, is the Limit of Insurance stated in the Declarations. The most we will pay for all covered "losses" under this Additional Coverage, including loss of Business Income and Extra Expense, during each "coverage term", is the Limit of Insurance stated in the Declarations.

This is an additional limit of insurance.

- (3) Special Electronic Vandalism Exclusions:

We do not cover:

- (a) Loss of proprietary use of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered;
 - (b) Loss of or reduction in economic or market value of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered; and
 - (c) Theft from your "electronic data" or "proprietary programs" of confidential information through the observation of the "electronic data" or "proprietary programs" by accessing covered "electronic data processing property" without any alteration or other physical loss of or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.
- (4) The definition of "loss" in **SECTION I - PROPERTY, H. Property Definitions** is deleted and replaced by the following with respect only to the Electronic Vandalism Additional Coverage:
"Loss" means:
 - (a) Accidental physical loss or accidental physical damage; and
 - (b) With respect only to "electronic vandalism", also includes accidental damage, loss of use, loss of access or loss of functionality.

j. Employee Dishonesty

- (1) We will pay for direct loss of or damage to Business Personal Property, including "money" and "securities", resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (a) Cause you to sustain loss or damage; 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) Any employee; or
 - 2) Any other person or organization intended by the employee to receive that benefit.

(2) Exclusions:

The following Exclusions apply to this Additional Coverage and are in addition to those set out in **SECTION I - PROPERTY, B. Exclusions** of this policy. We will not pay for:

- (a) Loss resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (b) Loss resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1) above), "managers" or directors;
 - 1) Whether acting alone or in collusion with other persons; or
 - 2) While performing services for you or otherwise.
 - (c) Loss if the only proof of its existence or amount is:
 - 1) An inventory computation; or
 - 2) A profit and loss computation.
 - (d) Loss caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
 - (e) Loss that is an indirect result of any act or occurrence covered by this insurance including, but not limited to, loss resulting from:
 - 1) Your inability to realize income that you would have realized had there been no loss of or damage to Covered Property, including "money" and "securities".
 - 2) Payment of damages of any type for which you are legally liable. However, we will pay compensatory damages arising directly from loss covered by this insurance.
 - 3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss except as provided by **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, r. Inventory or Appraisal** of this policy.
 - (f) Fees, costs or expenses related to any legal action.
- (3) The most we will pay for loss or damage in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.
- This is an additional Limit of Insurance.

(4) Definitions:

The following definitions apply to this Additional Coverage, **j. Employee Dishonesty**:

- (a) Employee means:
 - 1) Any natural person:
 - a) While in your service and for 30 days after termination of service; and
 - 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; or
 - 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".
 - 3) However, employee does not mean any:
 - a) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

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Note: The definition of employee is modified in Paragraph **(10)** of this Additional Coverage, as it applies to the Employee Retirement Income Security Act (ERISA).

- (b)** Occurrence means all loss caused by or involving one or more employees, whether the result of a single act or a series of acts.

- (5)** If any loss is covered:

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

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

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

- (6)** This Additional Coverage does not apply or is cancelled as to any employee:

- (a)** Immediately upon discovery by:

- 1) You; or
- 2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee whether before or after becoming employed by you; or

- (b)** On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at your last known address will be sufficient proof of notice. Delivery of notice is the same as mailing.

- (7) We will only pay for an insured loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

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

- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and

- (b)** The loss or damage would have been insured by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

- (9)** The insurance under Paragraph **(8)** above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

- (a)** This Additional Coverage as of its effective date; or

- (b)** The prior insurance had it remained in effect.

- (10) If you have a welfare and pension plan which is subject to the Employee Retirement Income Security Act (ERISA), the following additional provisions apply:**

- (a)** In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

- 1) If any plan is insured jointly with any other entity under this insurance, you or the plan administrator must select a Limit of Insurance for the Employee Dishonesty coverage that is sufficient to provide an amount of insurance for each plan that is at least equal to that required if each plan were separately insured. Your failure to comply with this provision will cause the Limit of Insurance specified in Paragraph **j.(3)** of this Additional Coverage to apply to claims under this Paragraph **(10)**.
- 2) If the insured first named in the Declarations is an entity other than a plan, any payment we make to that insured for loss sustained by any plan covered under this Paragraph **(10)**, will be held by that insured for the use and benefit of the plan(s) sustaining the loss.
- 3) If two or more plans are insured under this insurance, any payment we make for loss:
 - a) Sustained by two or more plans; or
 - b) Of commingled funds or other property of two or more plans that arise out of one occurrence;

is to be shared by each plan sustaining loss in the proportion that the amount of insurance required for each such plan under ERISA provisions bears to the total of those amounts as purchased under the provisions of Paragraph **(10)(a)1** above.
- 4) **SECTION I - PROPERTY, D. Deductibles** does not apply to loss sustained by any plan subject to ERISA which is insured under this policy.
- 5) The word employee, as used in regard to any claim presented under this Paragraph **(10)** shall also include any natural person who is a fiduciary of any Employee Welfare or Pension Benefit Plan covered under this policy and every natural person or plan official who handles funds or other property of such plan, including a director or trustee or person in a similar capacity of the insured while such director or trustee or person in a similar capacity is engaged in handling funds or other property of any Employee Welfare or Pension Benefit Plan owned, controlled or operated by the insured or any natural person who is trustee, manager, officer or employee of such plan.

(11) SECTION I - PROPERTY, E. Property Loss Conditions is amended as follows as it relates to this Additional Coverage:

- (a) Paragraph **3.a.(1)** does not apply to this Additional Coverage.
- (b) Paragraph **3.a.(7)** is deleted and replaced with the following:
 - (7) Give us a detailed, sworn Proof of Loss within sixty (60) days of your discovery of loss. We will provide you with the necessary blank Proof of Loss once you give us notice of a loss as required by Paragraph **3.a.(2)**.
- (c) Paragraph **4.** is deleted and replaced with the following:

You may not bring any legal action against us involving loss:

 - 1) Unless you have complied with all the terms of this insurance; and
 - 2) Until 90 days after you have filed Proof of Loss with us; and
 - 3) Unless brought within 2 years from the date you discover the loss.
- (d) Paragraph **5.b.** does not apply to this Additional Coverage.
- (e) Paragraph **5.e.** does not apply to this Additional Coverage.
- (f) Paragraph **5.f.** does not apply to this Additional Coverage.
- (g) Paragraph **5.g.** does not apply to this Additional Coverage.

(12) Recoveries:

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

k. Extra Expense

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (1)** We will pay Extra Expense you incur during the "period of restoration". Extra Expense means necessary expenses you incur (as described in Paragraph **k.(2)**) during the "period of restoration" that you would not have incurred if there had been no direct "loss" to property caused by or resulting from a Covered Cause of Loss. With respect to "loss" to personal property in the open or personal property in a vehicle, the "premises" include the area within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.

- (2)** Extra Expense means expense you incur:

- (a)** To avoid or minimize the "suspension" of business and to continue "operations":
 - 1)** At the "premises"; or
 - 2)** At a replacement "premises" or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b)** To minimize the "suspension" of business if you cannot continue "operations";
- (c)** To:
 - 1)** Repair or replace any property; or
 - 2)** Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, a. Business Income**.

If any property obtained for temporary use during the "period of restoration" remains after the resumption of normal "operations", the amount we will pay under this Coverage will be reduced by the salvage value of that property.

- (3)** We will only pay for Extra Expense that you sustain during the "period of restoration" and that occurs within the time period stated in the Declarations after the date of direct "loss".

This Additional Coverage - Extra Expense, is not subject to the Limits of Insurance stated in the Declarations.

I. Fire Department Service Charge

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the Limit of Insurance stated in the Declarations in any one occurrence

for each "premises" for your liability, which is determined prior to the direct "loss", for fire department service charges:

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

Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This is an additional Limit of Insurance.

m. Fire Protection Equipment Recharge

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (1) We will pay for the expenses you incur to recharge your automatic fire suppression system or portable fire extinguishers when the equipment is discharged:
 - (a) To combat a covered fire to which this insurance applies;
 - (b) As a result of another covered Cause of Loss other than fire; or
 - (c) As a result of an accidental discharge.
- (2) We will not pay your expenses to recharge fire protection equipment as a result of a discharge during testing or installation.
- (3) If it is less expensive to do so, we will pay your costs to replace your automatic fire suppression system or portable fire extinguishers rather than recharge that equipment.

The most that we will pay in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

This is an additional limit of insurance.

n. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.
- (4) The most we will pay for loss in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

This is an additional Limit of Insurance.

- (5) The following definition applies only to this Additional Coverage, **n. Forgery or Alteration**:

Occurrence means all loss caused by any person or in which that person is involved, whether loss involves one or more of the instruments described in (1) above.

o. "Fungi", Wet Rot, Dry Rot, and Bacteria - Limited Coverage

- (1) The coverage described in Paragraphs **o.(2)** and **o.(6)** of this Additional Coverage only applies when the "fungi", wet or dry rot or bacteria is the result of a Covered Cause of Loss that occurs during the "coverage term" and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for "loss" by "fungi", wet or dry rot or bacteria. As used in this Additional Coverage, the term "loss" means:

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- (a) Direct "loss" to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or bacteria is present.
- (3) For the coverage described under Paragraph **o.(2)** of this Additional Coverage, the most we will pay for loss, regardless of the number of claims, is the Limit of Insurance stated in the Declarations. This limit is the most we will pay for the total of all loss arising out of all occurrences that take place in the "coverage term". With respect to a particular occurrence of "loss" which results in "fungi", wet or dry rot or bacteria, we will not pay more than a total of the Limit of Insurance stated in the Declarations even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a subsequent "coverage term".
- (4) The coverage provided under this Additional Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in "loss" by "fungi", wet or dry rot or bacteria, and other "loss", we will not pay more, for the total of all "loss", than the applicable Limit of Insurance on the affected Covered Property.
- If there is covered "loss" to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the "loss". Any such increase in the "loss" will be subject to the terms of this Additional Coverage.
- (5) The terms of this Additional Coverage do not increase or reduce the coverage provided under:
- (a) **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, e. Collapse;**
 - (b) **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, ee. Water Damage, Other Liquids, Powder or Molten Material Damage.**
 - (c) **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems.**
- (6) The following, **(6)(a)** and **(6)(b)**, apply only if Business Income or Extra Expense Coverage applies to the "premises" and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income or Extra Expense Coverage.
- (a) If the "loss" which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to "loss" to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than the number of days stated in the Declarations. The days need not be consecutive.
 - (b) If a covered "suspension" of "operations" was caused by "loss" other than "fungi", wet or dry rot or bacteria but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to the number of days stated in the Declarations. The days need not be consecutive.
- (7) This Additional Coverage does not apply to lawns, trees, shrubs or plants that are a part of any vegetated roof.

p. Glass

- (1) You may extend the insurance provided by this policy to apply to direct "loss" to glass, including lettering and ornamentation, that is part of a Covered Building located at the "premises", that is:
- (a) Owned by you, or

- (b) Occupied by you and owned by others, but for which you are liable.
- (2) If a Covered Cause of Loss occurs to building glass, as provided for under this Additional Coverage, we will also pay necessary expenses you incur to:
 - (a) Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
 - (b) Repair or replace encasing frames;
 - (c) Remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include expenses to remove or replace window displays; and
 - (d) Repair or replace alarm tapes.
- (3) For this Additional Coverage, **SECTION I - PROPERTY, B. Exclusions** does not apply to this Additional Coverage, except for:
 - (a) **Exclusion 1.b. Earth Movement;**
 - (b) **Exclusion 1.c. Governmental Action;**
 - (c) **Exclusion 1.d. Nuclear Hazard;**
 - (d) **Exclusion 1.f. War and Military Action;**
 - (e) **Exclusion 2.m.(1)** Wear and tear; and
 - (f) As listed in **Exclusion 2.m. (2)**:
 Rust or other corrosion, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- (4) This Additional Coverage - Glass, will not increase the Limits of Insurance.

This Additional Coverage, **p. Glass**, is subject to a \$500 deductible as described in **SECTION I - PROPERTY, D. Deductibles**.

q. Interruption of Computer Operations

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of loss are subject to the following:
 - (a) Coverage under this Additional Coverage is limited to the "specified causes of loss", Collapse and "electronic vandalism".
 - (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
 - (c) There is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage for all loss sustained and expense incurred in the "coverage term", regardless of the number of interruptions or the number of "premises" or computer systems involved, is the Limit of Insurance stated in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that "coverage term". A balance remaining at the end of a "coverage term" does not increase the amount of insurance in the next "coverage term". With respect to any interruption which begins in one "coverage term" and continues or results in additional loss or expense in a subsequent "coverage term", all loss and expense

is deemed to be sustained or incurred in the "coverage term" in which the interruption began.

- (4) This Additional Coverage does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of "electronic data", or any "loss" to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of "electronic data", or any "loss" to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (7) This Additional Coverage does not apply when "loss" to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

This is an additional Limit of Insurance.

r. Inventory or Appraisal

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (1) We will pay the necessary expenses you incur to prepare claim information, as required by this policy. Expenses must result from:
 - (a) Taking inventories;
 - (b) Making appraisals; and
 - (c) Preparing a Proof of Loss and other supporting exhibits.
- (2) We will not pay for any expenses:
 - (a) Incurred to prove that "loss" is covered;
 - (b) Incurred under **SECTION I - PROPERTY, E. Property Loss Conditions, 2. Appraisal**;
 - (c) Incurred for examinations under oath;
 - (d) Billed by and payable to independent or public adjusters; or
 - (e) To prepare claims not covered by this policy.

The most we will pay for any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

This is an additional Limit of Insurance.

s. Key and Lock Expense

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (1) If a key or master key is lost, stolen, or damaged, we will pay for:
 - (a) The actual expense of the new keys; and
 - (b) The adjustment of locks to accept new keys; or
 - (c) If required, new locks, including the expense of their installation;but only for locks at buildings or structures covered by this policy.
- (2) This Coverage does not apply to keys that were given to former employees.

The most we will pay in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

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t. Lease Assessment

Your Business Personal Property is extended to apply to your share of any assessment charged to all tenants by the building owner as a result of direct physical damage by or resulting from a Covered Cause of Loss to building property you occupy as agreed to in your written lease agreement.

The most we will pay for "loss" in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

u. Leasehold Improvements

If your lease is cancelled in accordance with a valid or legally binding lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant and you cannot legally remove your Tenant Improvements and Betterments, as described in **SECTION I - PROPERTY, A. Coverages, 1. Covered Property, b. Business Personal Property, Subparagraph (4)**, we will extend Business Personal Property coverage to apply to the unamortized value of Tenant Improvement and Betterment that remain and that you were forced to abandon.

The most we will pay for "loss" in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

v. Leasehold Interest (Tenants Only)

(1) If your lease is cancelled due to direct physical damage to property at the "premises" caused by or resulting from a Covered Cause of Loss, we will pay the net loss of leasehold interest you sustain due to increased rent under a replacement lease.

(2) The most we will pay for loss of leasehold interest because of the cancellation of any lease or leases due to the same covered cause of loss is the lesser of:

(a) If your lease is cancelled and either:

1) Your landlord allows you to continue to use your "premises" under a new lease not to exceed the prevailing lease rate, or

2) You relocate to other permanent premises and enter into a new lease.

For the duration of the lease in effect at the time of the "loss", we will pay the increase in rent between what you were paying at the time of "loss" and the rent you will be required to pay for equivalent premises under the replacement lease;

(b) The Limit of Insurance stated in the Declarations; or

(c) Nothing if there is not a written or legally binding lease.

(3) The following applies to Paragraph (2), Subparagraphs (a)1 and (a)2 above:

(a) If the lease in effect at the time of the "loss" contains a renewal option, the expiration date of the renewal option period will replace the expiration of the current lease.

(b) If the lease has no end date (open-ended), we will pay the difference in rent for a period of no more than 24 months after the date of "loss" to the property at the "premises".

(4) The following applies to Paragraph (2), Subparagraphs (a) and (b) above:

(a) The Limit of Insurance stated in the Declarations will be the maximum amount payable regardless of the number of leases affected by the same Covered Cause of Loss.

(b) Existence of a renewal option will not increase, or have any other effect on this Limit of Insurance.

(5) Special Leasehold Interest Exclusion

We will not pay for any loss of leasehold interest:

(a) If the unit or suite rented or leased to you where direct damage occurs has been vacant more than 60 consecutive days before the "loss" occurs, and you have not entered into an agreement to sublease the unit or suite. The unit or suite rented or leased to you is

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vacant when it does not contain enough business personal property to conduct customary operations.

- (b) Caused by your cancelling the lease, or
- (c) Caused by lessors' lease cancellation at the normal expiration date.

w. Money Orders and Counterfeit Paper Currency

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
 - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
 - (b) "Counterfeit" paper currency that is acquired during the regular course of business.
- (2) The most we will pay for loss in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

This is an additional Limit of Insurance.

- (3) The following definition applies to this Additional Coverage, **w. Money Orders and Counterfeit Paper Currency**:

Occurrence means an act or series of related acts involving one or more persons, or an act or a series of related acts or events not involving any person.

x. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at your "premises", or in transit between any of these places, resulting directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to **SECTION I - PROPERTY, A. Coverages, 4. Limitations** and **SECTION I - PROPERTY, B. Exclusions**, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Resulting from dishonest or criminal acts by you, anyone else with an interest in the property, any of your or their partners, employees (including leased and temporary workers), directors, authorized representatives, your "members" or "managers", or anyone to whom you entrust the property for any purpose:
 - 1) Acting alone or in collusion with other persons; or
 - 2) While performing services for you or otherwise;
 - (c) Due to the giving or surrendering of property in any exchange or purchase; or
 - (d) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence for each "premises", unless otherwise endorsed hereon is:
 - (a) Inside Your Covered Building - the Limit of Insurance stated in the Declarations for "money" and "securities" while:
 - 1) Inside a Covered Building at your "premises"; or
 - 2) Within a bank or savings institution; and

- (b) Outside Your Covered Building - the Limit of Insurance stated in the Declarations for "money" and "securities" while anywhere else.

These are additional Limits of Insurance.

- (4) The following definition applies only to this Additional Coverage, **x. Money and Securities**:

Employee means:

- (a) Any natural person:

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

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

- (c) However, employee does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of any employee.

- (5) All loss:

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

is considered one occurrence.

- (6) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

y. Ordinance or Law

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- (1) If a covered building or structure sustains direct "loss" from a Covered Cause of Loss, resulting in the enforcement of or compliance with an ordinance or law that is in force at the time of "loss" and regulates the demolition, construction or repair of buildings or structures, or establishes zoning or land use requirements at the "premises", then subject to **SECTION I - PROPERTY, E. Property Loss Conditions, 5. Loss Payment**, we will pay:

- (a) **Loss to the Undamaged Portion of the Building**

The loss in value of the undamaged portion of the building or structure caused by enforcement of or compliance with an ordinance or law requiring demolition of undamaged parts of the same building or structure.

- (b) **Demolition Costs**

The costs you incur to demolish and clear the site of undamaged parts of the same building or structure as a result of Paragraph **y.(1)(a)** above.

- (c) **Increased Costs of Construction**

- 1) For buildings or structures to which replacement cost applies, the increased costs to comply with the minimum standards of an ordinance or law to:
 - a) Repair or reconstruct damaged portions of that building or structure; and
 - b) Reconstruct or remodel undamaged portions of that building or structure whether or not demolition is required.

However, this increased cost of construction applies only if the building or structure is repaired, reconstructed or remodeled and is intended for occupancy similar to the building or structure it replaces, unless such occupancy is not permitted by zoning or land use ordinance or law.

- 2) For this Paragraph **y.(1)(c)** only, the increased costs to repair or reconstruct the following:
 - a) The cost of excavations, grading, backfilling and filling;
 - b) Foundation of the building;
 - c) Pilings;
 - d) Underground pipes, flues and drains.
- 3) If a Limit of Insurance is shown in the Declarations for Business Personal Property and replacement cost applies, coverage provided under Increased Cost of Construction also applies to tenant's improvements and betterments.

However, this increased cost of construction applies only if the building, structure or tenant's improvements and betterments is repaired, reconstructed or remodeled and is intended for occupancy similar to the building or structure it replaces, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (2) We will not pay for:
 - (a) Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or
 - (b) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (3) We will not pay for "loss" due to any ordinance or law that:
 - (a) You were required to comply with before the "loss", even if the building or structure was undamaged; and
 - (b) With which you failed to comply.
- (4) The terms of this Additional Coverage apply separately to each building or structure covered by this policy.

The most we will pay for "loss" in any one occurrence under Paragraph **y.(1)(a) Loss to the Undamaged Portion of the Building** is the Limit of Insurance stated in the Declarations as applicable to the covered building or structure incurring "loss". This Coverage is included within, and not in addition to, the applicable Limit of Insurance.

The most we will pay for "loss" in any one occurrence under Paragraphs **y.(1)(b) Demolition Costs** and **y.(1)(c) Increased Costs of Construction** is the Limit of Insurance stated in the Declarations per building or structure suffering "loss".

z. Pollutant Clean Up and Removal

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

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

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

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The most we will pay under this Additional Coverage for each "premises" is the Limit of Insurance stated in the Declarations for the sum of all covered expenses arising out of Covered Causes of Loss during each "coverage term".

This is an additional Limit of Insurance.

aa. Preservation of Property

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the "loss" occurs within the number of days stated in the Declarations after the property is first moved.

This Additional Coverage - Preservation of Property, will not increase the Limits of Insurance.

bb. Rewards

SECTION I - PROPERTY, D. Deductibles does not apply to this Additional Coverage.

We will pay to provide a reward for information that leads to a conviction for arson, theft, vandalism, or burglary. The conviction must involve a covered "loss" caused by arson, theft, vandalism, or burglary.

The most we will pay for loss in any one occurrence under this Additional Coverage is the Limit of Insurance stated in the Declarations.

This is an additional limit of insurance.

cc. Temporary Relocation of Property

- (1) If Covered Property is removed from the "premises" and stored temporarily at a location you own, lease or operate while the "premises" is being renovated or remodeled, we will pay for direct "loss" of that stored property:
 - (a) Caused by or resulting from a Covered Cause of Loss; and
 - (b) During the storage period of up to 90 consecutive days but not beyond the expiration of this policy.
- (2) The most we will pay for loss at each temporary location in any one occurrence is the Limit of Insurance stated in the Declarations.

This Additional Coverage does not apply if the stored property is more specifically insured.

dd. Theft of Telephonic Services

- (1) We will pay amounts you are obligated to pay that result from the theft of your "telephonic services" when someone who is not an employee gains unauthorized access to your "telephonic services" used in your business operations.
- (2) The most we will pay under this Additional Coverage for acts of theft of "telephonic services", regardless of the number of thefts of "telephonic services" that you sustain in one "coverage term" is the Limit of Insurance stated in the Declarations.

(3) Employee

The term employee when used under this Additional Coverage has the same meaning as defined under Additional Coverage **j. Employee Dishonesty**.

ee. Water Damage, Other Liquids, Powder or Molten Material Damage

- (1) If a covered direct "loss" to which this insurance applies was caused by or resulted from water or other liquid, powder or molten material damage, we will also pay the cost to tear out and replace any otherwise undamaged 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 water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (a) Results in discharge of any substance from an automatic fire protection system; or
- (b) Is directly caused by freezing.

However, this Paragraph **ee.(2)** does not apply to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, a. Business Income** and **k. Extra Expense**.

This Additional Coverage - Water, Other Liquids, Powder or Molten Material Damage, will not increase the Limits of Insurance.

6. Coverage Extensions

Unless otherwise specified, the limits applicable to the Coverage Extensions are in addition to the Limits of Insurance shown in the Declarations.

Unless amended within a particular Coverage Extension, each Coverage Extension applies to property located in or on the building or structure at the "premises" or in the open (or in a vehicle) within 1,000 feet of the "premises".

a. Accounts Receivable

SECTION I - PROPERTY, D. Deductibles does not apply to this Coverage Extension.

(1) When you sustain direct "loss" to your accounts receivable records caused by a Covered Cause of Loss, we will pay:

- (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"; and
- (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations for each "premises".

(2) Coverage does not apply to:

- (a) Records of accounts receivable in storage away from your "premises", except as provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, a. Accounts Receivable, (3)**; or
- (b) Contraband, or property in the course of illegal transportation or trade.

(3) We will extend coverage to include:

(a) Removal:

If you give us written notice within 30 days of removal of your records of accounts receivable because of imminent danger of direct "loss" from a Covered Cause of Loss, we will pay for "loss" while they are:

- 1) At a safe place away from your "premises"; or
- 2) Being taken to and returned from that place.

This Removal coverage is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

(b) Away From Your Premises:

The most that we will pay in any one occurrence is the Limit of Insurance stated in the Declarations, regardless of the number of locations, for "loss" caused by a Covered Cause of Loss to Accounts Receivable while they are away from your "premises".

This Away From Premises Limit is an additional Limit of Insurance applicable to this Coverage Extension.

(4) SECTION I - PROPERTY, B. Exclusions does not apply to this Coverage Extension, except as follows:

- (a) Paragraph B.1.c., Governmental Action;**
- (b) Paragraph B.1.d., Nuclear Hazard;**
- (c) Paragraph B.1.f., War and Military Action; and**
- (d) Paragraph B.2.h., False Pretense.**

(5) In addition to the Exclusions in Paragraph (4) of this Coverage Extension, we will not pay for "loss" resulting from any of the following:

(a) Dishonest or criminal acts by:

- 1) You, your partners, employees, directors, trustees or authorized representatives;**
- 2) A manager or a member if you are a limited liability company;**
- 3) Anyone else with an interest in the records of accounts receivable, or their employees or authorized representatives; or**
- 4) Anyone else entrusted with the records of accounts receivable for any purpose.**

This Paragraph **a.(5)(a)** applies whether or not such persons are acting alone or in collusion with other persons or such act occurs during the hours of employment.

However, this Paragraph **a.(5)(a)** does not apply to dishonest acts of a carrier for hire or to acts of destruction by your employees. However, theft by employees is still not covered.

(b) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

(c) Bookkeeping, accounting or billing errors or omissions.

(d) Electrical or magnetic injury, disturbance or erasure of "electronic data" that is caused by or results from:

- 1) Programming errors or faulty machine instructions;**
- 2) Faulty installation or maintenance of data processing equipment or component parts;**
- 3) An occurrence that took place more than 100 feet from your "premises"; or**
- 4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".**

But we will pay for direct "loss" caused by lightning.

(e) A "loss" that requires any audit of records or any inventory computation to prove its factual existence.

(6) Determination of Receivables:

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of "loss", the following method will be used:

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- 1) 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
 - 2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the direct "loss" occurred or for any demonstrated variance from the average for that month.
- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
- 1) The amount of the accounts for which there is no direct "loss"; and
 - 2) The amount of the accounts that you are able to reestablish or collect; and
 - 3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - 4) All unearned interest and service charges.

b. Alterations, New Buildings and Newly Purchased or Leased Locations

SECTION I - PROPERTY, D. Deductibles does not apply to this Coverage Extension.

You may extend the insurance provided by this policy to pay for the actual loss of Business Income you sustain and Extra Expense you incur due to direct "loss":

- (1) At the "premises" caused by or resulting from any Covered Cause of Loss to:
- (a) New buildings or structures, whether complete or under construction;
 - (b) Alterations or additions to existing buildings or structures; and
 - (c) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the "premises" and:
 - 1) Used in the construction, alterations or additions; or
 - 2) Incidental to the occupancy of new buildings.
- If such direct "loss" delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct "loss" had not occurred.
- (2) To Covered Property at any location you purchase or lease caused by or resulting from a Covered Cause of Loss. This coverage for the Newly Purchased or Leased Locations will end when any of the following first occurs:
- (a) This policy expires;
 - (b) You report values to us;
 - (c) The number of days stated in the Declarations after purchase or lease.

c. Appurtenant Buildings and Structures

- (1) When a Limit of Insurance is shown in the Declarations for Building at the "premises", you may extend that insurance to apply to direct "loss" to appurtenant buildings or structures, within 1,000 feet of that "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 "premises", you may extend that insurance to apply to direct "loss" of Business Personal Property within appurtenant buildings or structures within 1,000 feet of that "premises", caused by or resulting from a Covered Cause of Loss.
- (3) Appurtenant buildings or structures include, but are not limited to:
 - (a) Storage buildings;
 - (b) Carports;
 - (c) Garages;

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- (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" in any one occurrence under this Coverage Extension for any combination of "loss" to Building and Business Personal Property is the Limit of Insurance stated in the Declarations, regardless of the number of "premises" involved.

d. Business Personal Property Temporarily in Portable Storage Units

- (1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 1,000 feet of the buildings or structures or 1,000 feet of the "premises", whichever distance is greater.
- (2) The limitation under **SECTION I - PROPERTY, A. Coverages, 4. Limitations, (5)** also applies to property in a portable storage unit.
- (3) Coverage under this Coverage Extension:
 - (a) Will end 90 days after the Business Personal Property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the "premises" for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of "loss".
- (4) Under this Coverage Extension, the most we will pay for the total of all "loss" in any one occurrence to Business Personal Property is the Limit of Insurance stated in the Declarations regardless of the number of storage units.
- (5) This Coverage Extension does not apply to "loss" otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to "loss" to the storage unit itself.

e. Fences

We will pay for direct "loss" caused by a Covered Cause of Loss to your outdoor fences that are located within 1,000 feet of the "premises" and not otherwise insured as Covered Property in this policy.

The most we will pay for loss in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations.

f. Fine Arts

- (1) You may extend the insurance provided by this policy to apply to paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art of rarity, historical value, or artistic merit. The direct "loss" must be caused or result from a Covered Cause of Loss.
- (2) The following exclusions in **SECTION I - PROPERTY, B. Exclusions**, do not apply to this Additional Coverage:
 - (a) Paragraph **B.1.b. Earth Movement**; and
 - (b) Paragraph **B.1.g. Water**.
- (3) The following exclusion applies only to this Coverage Extension:

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

 - (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property unless the "loss" is caused directly by a "specified cause of loss", earthquake or flood; or
 - (b) Any repairing, restoration or retouching of "fine arts".

- (4) For the purposes of this Coverage Extension only, we will determine the value of Covered Property in the event of "loss" at the market value at the time of direct "loss".

Pair or Set

In case of "loss" to any part of a pair or set we may:

- (a) Repair or replace any part to restore the pair or set to its value before the "loss"; or
 - (b) Pay the difference between the value of the pair or set before and after the "loss".
- (5) The most we will pay for "loss" in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations.

g. Newly Purchased, Leased or Constructed Property

(1) Buildings

If this policy provides coverage under **SECTION I - PROPERTY, A. Coverages, 1. Covered Property, a.** Buildings, we will pay for direct "loss" caused by a Covered Cause of Loss to:

- (a) Your new buildings or additions while being built on the "premises";
- (b) Buildings you newly purchase or become newly required to insure by written contract that are:
 - 1) Intended for use by you as a warehouse; or
 - 2) Similarly used by you as buildings insured under this policy.

The most we will pay for "loss" in any one occurrence to a building under this Coverage Extension is the Limit of Insurance stated in the Declarations for each building.

(2) Business Personal Property

- (a) If this policy provides coverage under **SECTION I - PROPERTY, A. Coverages, 1. Covered Property, b.** Business Personal Property, we will pay for direct "loss" caused by a Covered Cause of Loss to business personal property you newly purchase or are required to insure by written contract:

- 1) While located at buildings described in Paragraph **g.(1)** of this Coverage Extension; or
- 2) While located in a leased building or space therein that you are not required to insure. Such lease must be for a period of 12 consecutive months or longer.

- (b) Paragraph **g.(2)(a)** of this Coverage Extension does not apply to:

- 1) Any business personal property covered under **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, I. Property Off-Premises** or is otherwise considered to be in-transit to or from a "premises"; or
- 2) Business personal property of others that is temporarily in your possession in the course of installing or performing work on such property, or temporarily in your possession in the course of your manufacturing or wholesaling activities.

The most we will pay for "loss" in any one occurrence to your Business Personal Property under this Coverage Extension is the Limit of Insurance stated in the Declarations at each building.

- (3) Coverage provided under this Coverage Extension will end when any of the following first occurs:

- (a) This policy expires;
- (b) For buildings described in Paragraph **g.(1)(a)** of this Coverage Extension, the number of days stated in the Declarations pass from the date you begin construction on that part of the building that would qualify as Covered Property;

- (c) For business property described in Paragraph **g.(1)(b)** and Paragraph **g.(2)(a)1)**, the number of days stated in the Declarations after your purchase or lease;
- (d) For business personal property described in Paragraph **g.(2)(a)2)**, the number of days stated in the Declarations from the effective date of the lease of the building space in the building; or
- (e) You report values to us.

We will charge you additional premium for values reported from the date you lease or purchase the property, or begin construction on that part of the building that would qualify as Covered Property.

h. Nonowned Building Damage

If you are a tenant at a covered "premises", and:

- (1) The building you occupy is not Covered Property; and
- (2) You are legally liable for direct "loss" to that building;

we will pay for direct "loss" to that building caused by burglary, robbery, theft or attempted theft.

This Coverage Extension does not apply to:

- (1) Glass, including lettering and ornamentation; and also necessary:
 - (a) Repair or replacement of encasing frames or alarm tapes; and
 - (b) Expenses incurred to board up openings, or remove or replace obstruction.
- (2) Building materials and equipment removed from the "premises".

This Coverage Extension does not apply if you have purchased other insurance in your name on the building you occupy as required by the lease.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is your Business Personal Property Limit of Insurance for the "premises" where the "loss" occurs.

i. Ordinance or Law - Increased Period of Restoration

- (1) When:

- (a) A Covered Cause of Loss occurs to property at the "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 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 requirement of the ordinance or law.
 - (3) This Coverage Extension does not apply to:
 - (a) Loss due to an ordinance or law that:
 - 1) You were required to comply with before the "loss", even if the property was undamaged; and

2) 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) The most we will pay for "loss" in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations at each "premises".

j. Outdoor Property

We will pay for direct "loss" caused by a Covered Cause of Loss to the following types of your Covered Property:

(1) Radio antennas, television antennas or satellite dishes (including their lead-in wiring, masts and towers);

(2) Trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or part of a vegetated roof), including debris removal; and

(3) If you are a tenant, to your awnings that are attached to a building you occupy;

but only if caused by or resulting from any of the following causes of loss if they are included as Covered Causes of Loss under this policy:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion;

(5) Aircraft;

(6) Falling objects;

(7) Theft; or

(8) Vehicle.

We will pay for the debris removal expenses of the above type property that are not your Covered Property if such debris is on your "premises" due to the Covered Causes of Loss described in this Coverage Extension. If you are a tenant, we do not pay debris removal expenses for trees, shrubs or plants owned by the landlord or owner of the building you occupy.

No other coverage for debris removal expenses provided in this policy applies to this Outdoor Property Coverage Extension.

The most we will pay for "loss" in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations for each "premises", but not more than the Limit of Insurance stated in the Declarations for any one tree, shrub or plant.

k. Personal Effects

If business personal property is Covered Property in this policy, we will pay for direct "loss" caused by a Covered Cause of Loss to personal effects owned by:

(1) You, your officers, your partners, your "members" or "managers"; or

(2) Your employees (including leased and temporary workers), including tools owned by your employees that are used in your business. However, employee tools are not covered for theft.

This Coverage Extension does not apply to "money" and "securities".

If theft is included as a Covered Cause of Loss under this policy, then this Coverage Extension has a \$500 per occurrence limitation for direct "loss" by theft.

The most we will pay for loss in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations.

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I. Property Off-Premises

We will pay for direct "loss" caused by a Covered Cause of Loss to your Covered Property, including covered personal property of others, while it is away from the "premises", if it is:

- (1) In or on a vehicle, including loading and unloading of the property;
- (2) Temporarily at a location you do not own, lease or operate, including at exhibitions, fairs, or trade shows; or
- (3) In storage at a location you lease, provided the lease was executed for the first time after the beginning of the current "coverage term".

The most we will pay for "loss" in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations.

The Limit of Insurance provided by this Coverage Extension does not apply per location.

m. Signs

We will pay for direct "loss" caused by a Covered Cause of Loss, including debris removal expense, to signs not otherwise insured by this policy.

The most we will pay for loss in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations. The Limit of Insurance provided by this Coverage Extension does not apply per location.

n. Trailers (Nonowned Detached)

- (1) If business personal property is Covered Property, we will pay the direct "loss" caused by a Covered Cause of Loss to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is temporarily in your care, custody or control at the "premises"; and
 - (c) You have a contractual responsibility to pay for "loss" to the trailer.
- (2) We will not pay for any direct "loss" that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) This insurance is excess over the amount due, whether you can collect on it or not, from any other insurance covering such property.
- (4) The Coverage Extension does not apply to any property inside or on the trailer.

The most we will pay for loss in any one occurrence under this Coverage Extension is the Limit of Insurance stated in the Declarations.

o. Utility Services

We will pay for:

- (1) Direct "loss" to Covered Property at your "premises" except for direct "loss" resulting from the partial or complete failure of Wastewater Removal Services; and
- (2) Loss of Business Income you sustain and Extra Expenses you incur as provided in **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages, a. Business Income and k. Extra Expense**;

caused by or resulting from the partial or complete failure of utility services to the "premises".

The partial or complete failure of the utility services listed below must be caused by direct "loss" caused by a Covered Cause of Loss to the following property:

- (1) Power Supply Property, meaning the following types of property supplying electricity, steam or natural gas to the "premises":
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission, distribution, service, or similar lines, excluding all such overhead lines of any type.
- (2) Water Supply Property, meaning the following types of property supplying water to the "premises":
 - (a) Pumping stations; and
 - (b) Water mains.
- (3) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the "premises", other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage under this Coverage Extension does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.
- (4) Communications Supply Property, meaning property supplying communication services, including service relating to Internet access or access to any electronic, cellular or satellite network; telephone, radio, microwave or television services to the "premises", such as:
 - (a) Communication transmission, distribution, service or similar lines, including fiber optic lines, excluding all such overhead lines of any type;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays, excluding satellites.

This Coverage Extension does not apply to "loss" to "electronic data", including destruction or corruption of "electronic data".

The most we will pay under this Coverage Extension for "loss", other than Business Income and Extra Expense, is the Limit of Insurance stated in the Declarations in any one occurrence.

p. Valuable Papers and Records

SECTION I - PROPERTY, D. Deductibles does not apply to this Coverage Extension.

- (1) Subject to Paragraph **p.(3)** of this Coverage Extension, we will pay necessary costs you incur to research, replace or restore lost or damaged information on "valuable papers and records" that are your property or the property of others in your care, custody or control, resulting from "loss" caused by a Covered Cause of Loss.

The most we will pay in any one occurrence for "loss" under this Coverage Extension is the Limit of Insurance stated in the Declarations for each "premises".

- (2) Coverage does not apply to:
 - (a) Property that cannot be replaced with other property of like kind and quality;
 - (b) Property held as samples or for delivery after sale;
 - (c) Property in storage away from your "premises", except as provided in Paragraph **p.(4)(b)** of this Coverage Extension;
 - (d) Contraband, or property in the course of illegal transportation or trade; or
 - (e) "Valuable papers and records" in the form of "electronic data", including the materials on which the "electronic data" is recorded.

(3) The most we will pay for "loss" is the least of the following amounts:

- (a) The cost of reasonably restoring the damaged property to its condition immediately before the "loss";
- (b) The cost of replacing the damaged property with substantially identical property; or
- (c) The "actual cash value" of the damaged property at the time of "loss".

However, we will not pay for "loss" unless or until the damaged property is actually replaced or restored; and then only if such replacement or restoration occurs within 36 months from the date of "loss".

(4) We will extend coverage to include:

(a) Removal:

If you give us written notice within 30 days of removal of your "valuable papers and records" because of imminent danger of direct "loss" from a Covered Cause of Loss, we will pay for direct "loss" while they are:

- 1) At a safe place away from your "premises"; or
- 2) Being taken to and returned from that place.

This Removal coverage is included within the Limit of Insurance applicable to the "premises" from which the "valuable papers and records" are removed.

(b) Away From Your Premises:

We will pay up to the Limit of Insurance stated in the Declarations in any one occurrence, regardless of the number of locations, for direct "loss" caused by a Covered Cause of Loss to "valuable papers and records" while they are away from your "premises".

This Away From Your Premises Limit is in addition to the occurrence limit shown at the end of paragraph (1) of this Coverage Extension.

(5) **SECTION I - PROPERTY, B. Exclusions** does not apply to this Coverage Extension, except for:

- (a) Paragraph **B.1.c., Governmental Action**;
- (b) Paragraph **B.1.d., Nuclear Hazard**; and
- (c) Paragraph **B.1.f., War and Military Action**.

(6) In addition to the Exclusions in Paragraph (5) of this Coverage Extension, we will not pay for direct "loss" resulting from any of the following:

(a) Dishonest or criminal acts by:

- 1) You, your partners, employees, directors, trustees or authorized representatives;
- 2) A "manager" or a "member" if you are a limited liability company;
- 3) Anyone else with an interest in the valuable papers and records, or their employees or authorized representative; or
- 4) Anyone else entrusted with the valuable papers and records for any purpose.

This Paragraph **p.(6)(a)** applies whether or not such persons are acting alone or in collusion with other persons or such act occurs during the hours of employment.

However, this Paragraph **p.(6)(a)** does not apply to dishonest acts of a carrier for hire or to acts of destruction by your employees. However, theft by employees is still not covered.

(b) Errors or omissions in processing or copying. However, we will pay for that portion of direct "loss" caused by resulting fire or explosion if these causes of loss would be covered by this policy.

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- (c) Electrical or magnetic injury, disturbance or erasure of electronic records, unless caused by lightning.
- (d) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems

- (1) We will pay for "loss" caused by or resulting from water or waterborne material that has entered and then backs up through and is discharged from a sewer, drain (including roof drains and related fixtures), septic system, sump pump system or related equipment.
- (2) The most we will pay for "loss" in any one occurrence, including any Business Income and Extra Expense, under this Coverage Extension is the Limit of Insurance stated in the Declarations.

This Coverage Extension is subject to the greater of \$1,000 or the Deductible shown in the Declarations as described in **SECTION I - PROPERTY, D. Deductibles**.

B. Exclusions

- 1. We will not pay for "loss" caused directly or indirectly by any of the following, unless otherwise provided. Such "loss" 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

Except as provided in **SECTION I - PROPERTY, 5. Additional Coverages, y. Ordinance or Law**, the enforcement of or compliance with any ordinance or law:

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

This exclusion applies whether the "loss" results from:

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

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than "sinkhole collapse"), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

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

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct "loss" to Covered Property.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

e. Utility Services

(1) Except as provided in **SECTION I - PROPERTY, 6. Coverage Extensions, o. Utility Services**, the failure of power, communication, water or other utility services supplied to the "premises", however caused, if the failure:

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

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

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

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

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

f. War and Military Action

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

g. Water

(1) Flood, meaning the partial or complete inundation of normally dry land areas due to:

- (a) The unusual or rapid accumulation or runoff of rain or surface waters from any source; or
- (b) Waves, tidal waters, tidal waves (including tsunami); or

- (c) Water from rivers, ponds, lakes, streams, or any other body of water that rises above, overflows from, or is not contained within its natural or man-made boundary;
and all whether driven by wind or not, including storm surge.
- (2) Mudslide or mudflows, which are caused by flooding as defined above in Paragraph **g.(1)** above. Mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current;
- (3) Water that has entered and then backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment, except as provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**; 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.
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **g.(1), (3) or (4)**, or material carried or otherwise moved by mudslide or mudflow as described in Paragraph **g.(2)**, except as provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**.

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

However, if any of the above, as described in Paragraphs **g.(1)** through **g.(5)**, results in fire, explosion or sprinkler leakage, we will pay for that portion of "loss" caused by that fire, explosion or sprinkler leakage.

h. "Fungi", Wet Rot, Dry Rot, and Bacteria

- (1) Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria. But if "fungi", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".
- (2) This exclusion does not apply:
 - (a) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
 - (b) To the extent that coverage is provided in **SECTION I - PROPERTY, 5. Additional Coverage, o. Fungi, Wet Rot, Dry Rot, and Bacteria - Limited Coverage** with respect to "loss" from a cause of loss other than fire or lightning.

i. Cyber Incident

(1) Exclusion

- (a) Unauthorized access to or use of any computer system (including "electronic data").
- (b) Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.
- (c) "Denial of service attack" which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

(2) Exceptions and Limitations

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(a) Fire or Explosion

If a cyber incident as described in Paragraphs **i.(1)(a)** through **i.(1)(c)** of this exclusion results in direct "loss" from fire or explosion, we will pay for the resulting "loss" caused by that fire or explosion.

(b) Additional Coverage

The exclusion in Paragraph **i.(1)** does not apply to the extent that coverage is provided in the following:

- 1) Additional Coverage, f. Computer and Funds Transfer Fraud;**
- 2) Additional Coverage, h. Electronic Data;**
- 3) Additional Coverage, i. Electronic Vandalism; or**
- 4) Additional Coverage, q. Interruption of Computer Operations.**

(3) Vandalism

If vandalism coverage is not otherwise excluded under this Coverage Form, vandalism does not include a cyber incident as described in Paragraph **i.(1)**.

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

a. Electrical Current

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

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

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

- (1) Electrical current, including arcing;**
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;**
- (3) Pulse of electromagnetic energy; or**
- (4) Electromagnetic waves or microwaves.**

However, if fire results, we will pay for "loss" caused by that fire.

This exclusion does not apply to "loss" covered under:

- (1) SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, h. Electronic Data or i. Electronic Vandalism; or**
- (2) SECTION I - PROPERTY, G. Optional Coverages, 1. Equipment Breakdown.**

b. "Electronic Data Processing Property" Related Exclusion

Any defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality, or other condition within or involving "electronic data" or "media" of any kind, except as provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverage, h. Electronic Data, i. Electronic Vandalism and q. Interruption of Computer Operations.**

c. Delay or Loss of Use

Delay, loss of use or loss of market.

d. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

e. Explosion of Steam Apparatus

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

This exclusion does not apply to "loss" covered under **SECTION I - PROPERTY, G. Optional Coverages, 1. Equipment Breakdown.**

f. Water Seepage

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. Freezing of Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You did your best to maintain heat in the building or structure; or
- (2) You drained the equipment and shut off the supply if the heat was not maintained.

h. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

i. Exposure to Weather

Rain, snow, ice or sleet to personal property in the open.

j. Collapse

Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **j.(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the "premises", we will pay for "loss" caused by that Covered Cause of Loss.

This exclusion **Collapse** does not apply:

- (1) To the extent that coverage is provided under the **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverage, e. Collapse**; or
- (2) To collapse caused by one or more of the following:
 - (a) The "specified causes of loss";
 - (b) Breakage of building glass;
 - (c) Weight of rain that collects on a roof; or
 - (d) Weight of people or personal property.

k. Pollutants

Discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" unless the discharge, dispersal, seepage, migration, release, escape or emission is itself caused by any of the "specified causes of loss".

However, if discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".

This exclusion does not apply to "loss" to glass caused by chemicals applied to the glass.

I. Neglect

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

m. Miscellaneous Causes of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Except to the extent provided in **SECTION I - PROPERTY, G. Optional Coverages, 1. Equipment Breakdown**, mechanical breakdown, including rupture or bursting caused by centrifugal force. However, if mechanical breakdown results in elevator collision, we will pay for that portion of "loss" caused by that elevator collision; or
- (7) The following causes of loss to personal property:
 - (a) Marring or scratching;
 - (b) Except to the extent provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, c. Change in Temperature or Humidity** and **6. Coverage Extensions, o. Utility Services**:
 - 1) Dampness or dryness of atmosphere; and
 - 2) Changes in or extremes of temperature.

However, if an excluded cause of loss that is listed in **B.2.m.(1)** through **(7)** above results in a "specified cause of loss" or building glass breakage, we will pay for that portion of "loss" caused by that "specified cause of loss" or building glass breakage.

n. Loss or Damage to Product

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

o. Dishonest or Criminal Acts

Dishonest or criminal acts (including theft) by you, any of your partners, "members", officers, "managers", employees (including leased workers or temporary employees), directors, trustees, or authorized representatives; whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during the hours of operation.

This **Dishonest or Criminal Acts** exclusion does not apply to acts of destruction by your employees (including leased workers or temporary employees) or by authorized representatives; except theft by employees (including leased workers and temporary employees) is not covered.

This exclusion does not apply to loss covered under **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, j. Employee Dishonesty.**

3. We will not pay for "loss" caused by or resulting from any of the following in Paragraphs **B.3.a.** through **B.3.c.** However, if an excluded cause of loss that is listed in Paragraphs **B.3.a.** through **B.3.c.** results in a Covered Cause of Loss, we will pay for that portion of "loss" caused by that Covered Cause of Loss:

a. Weather Conditions

Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **SECTION I - PROPERTY, B. Exclusions, 1.a.** through **1.h.** above to produce the "loss".

b. Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Defects, Errors, and Omissions

- (1) An act, error, or omission (negligent or not) relating to:

- (a) Land use,
 - (b) Design, specifications, construction, workmanship,
 - (c) Planning, zoning, development, surveying, siting, grading, compaction, or
 - (d) Maintenance, installation, renovation, repair, or remodeling
- of part or all of any property on or off the "premises".

- (2) A defect weakness, inadequacy, fault, or unsoundness in materials used in construction or repair of part or all of any property on or off the "premises"; or

- (3) The cost to make good any error in design.

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 at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) Suspension, lapse or cancellation of any license, lease or contract. However, if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such "loss" that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage; or

- b.** Any loss of Business Income or Extra Expense attributable to "loss" to "electronic data", except to the extent it is insured under Additional Coverage **i. Electronic Vandalism** and **q. Interruption of Computer Operations**; or

- c.** Any other indirect "loss".

5. Crime Exclusions

- a.** The following exclusions apply to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, f. Computer and Funds Transfer Fraud, j. Employee Dishonesty, n. Forgery or Alteration, w. Money Orders and Counterfeit Paper Currency** and **x. Money and Securities**:

(1) Confidential or Personal Information

Loss resulting from:

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- (a) The disclosure of your or another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (b) The use of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

(2) Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

- b. The following exclusion applies to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, f. Computer and Funds Transfer Fraud and x. Money and Securities:**

Exchanges or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

- c. The following exclusions apply to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, f. Computer and Funds Transfer Fraud:**

(1) Authorized Access

Loss resulting from a fraudulent:

- (a) Entry of "electronic data" or "software" into; or
- (b) Change of "electronic data" or "software" within;

any "electronic data processing property" owned, leased or operated by you or by a person or organization with authorized access to that "electronic data processing property", except when covered under Additional Coverage **f. Computer and Funds Transfer Fraud**, Paragraph **f.(2)**.

(2) Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(3) Fraudulent Instructions

Loss resulting from an employee or "financial institution" acting upon any instruction to:

- (a) Transfer, pay or deliver "money", "securities" or "other property"; or
- (b) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Additional Coverage **f. Computer and Funds Transfer Fraud**, Paragraphs **f.(1)(b)** and **f.(2)**.

(4) Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (a) An inventory computation; or
- (b) A profit and loss computation.

C. Limits of Insurance

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1. The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations, except as provided in **SECTION I - PROPERTY, A. Coverages, 4. Limitations, 5. Additional Coverages** and **6. Coverage Extensions**, or otherwise endorsed hereon.

2. Building Limit - Automatic Increase

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase is calculated as follows:
 - (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, multiplied by
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 2% is .02), 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 Building limit, divided by 365.

Example

If: The applicable Building limit is \$100,000. The annual percentage increase is 2%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .02 \times 146 \div 365 = \$800.$$

3. Business Personal Property Limit - Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by the percentage stated in the Declarations to provide for seasonal variations, unless otherwise endorsed hereon.
- 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" occurs; or
 - (2) The period of time you have been in business as of the date the "loss" occurs.

D. Deductibles

1. We will not pay for "loss" in any one occurrence until the amount of "loss" exceeds the Deductible shown in the Declarations. We will then pay the amount of the "loss" in excess of the Deductible up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible shown in the Declarations, the most we will deduct from any "loss" under **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, p. Glass** and **G. Optional Coverages, 2. Tenant's Glass** is \$500.

However, this \$500 Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. We will deduct from any "loss" under **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems** the greater of \$1,000 or the Deductible shown in the Declarations.

E. Property Loss Conditions

The following conditions apply in addition to the **SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM 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, and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

3. Duties in the Event of Loss or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the "loss". Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the "loss" occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. 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, in no event will we pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss.
- (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" 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) Submit a signed, sworn Proof of Loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) 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. Legal Action Against Us

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

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

5. Loss Payment

In the event of "loss" covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;

- (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **d.(1)(e)** below.
- b.** We will give notice of our intentions within 30 days after we receive the sworn Proof of Loss.
 - c.** We will not pay you more than your financial interest in the Covered Property.
 - d.** Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:
 - (1) At replacement cost (without deduction for depreciation), subject to the following:
 - (a) If, at the time of "loss", the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the "loss", we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - 1) The Limit of Insurance under this policy that applies to the lost or damaged property;
 - 2) The cost to replace, on the same "premises", the lost or damaged property with other property:
 - a) Of comparable material and quality; and
 - b) Used for the same purpose; or
 - 3) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original "premises".

- (b) If, at the time of "loss", the Limit of Insurance applicable to the lost or damaged property is less than 80% of full replacement cost of the property immediately before the "loss", we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - 1) The "actual cash value" of the lost or damaged property; or
 - 2) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

Example

The full replacement cost of property which suffers a total loss is \$100,000. The property is insured for \$70,000. 80% of the full replacement cost of the property immediately before the loss is \$80,000 (\$100,000 x .80 = \$80,000). A partial loss of \$25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery

$$\$70,000 \div \$80,000 = .875$$

$$.875 \times \$25,000 = \$21,875$$

- (c) You may make a claim for "loss" 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" 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".
- (d) We will not pay on a replacement cost basis for any "loss":

- 1) Until the lost or damaged property is actually repaired or replaced with other property of generally the same construction and used for the same purpose as the lost or damaged property; and
- 2) Unless the repair or replacement is completed or at least underway within 2 years following the date of "loss".

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property, except as provided in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law.**
- (2) If Actual Cash Value applies to Covered Property, as shown in the Declarations, Paragraph **5.d.(1)** above does not apply to Covered Property. Instead, we will determine the value of Covered Property at "actual cash value".
- (3) The following property at "actual cash value":
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Personal property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for "loss" to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
 - (f) Property, that at the time of "loss":
 - 1) Is outdated or obsolete and is stored or not being used; or
 - 2) Has no practical value to you.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) 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:
 - 1) Multiply the original cost by the number of days from the "loss" to the expiration of the lease; and
 - 2) Divide the amount determined in **1)** 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.
- (6) Applicable only to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages:**
 - (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.

(7) Applicable only to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law**:

(a) Loss to the Undamaged Portion of the Building

When there is a loss in value of an undamaged portion of a building or structure to which this coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- 1) If Replacement Cost applies to the building, as shown in the Declarations, and the property is repaired or replaced on the same "premises" or at another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same "premises" and to the same height, floor area, style and comparable quality of the original property insured; or
 - b) The Limit of Insurance indicated in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law for Loss to the Undamaged Portion of the Building** for the building that has suffered "loss".
- 2) If Replacement Cost applies to the building, as shown in the Declarations, and the property is not repaired or replaced, or if Actual Cash Value applies to the building, as shown in the Declarations, we will not pay more than the lesser of:
 - a) The "actual cash value" of the building at the time of "loss"; or
 - b) The Limit of Insurance indicated in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law for Loss to the Undamaged Portion of the Building** for the building that has suffered "loss".

(b) Demolition Costs

Loss payment for Demolition Costs will be determined as follows:

We will not pay more than the lesser of the following:

- 1) The amount you actually spend to demolish and clear the site of the "premises"; or
- 2) The Limit of Insurance applicable to **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law for Demolition Costs** for the building that has suffered "loss".

(c) Increased Costs of Construction

Loss payment for Increased Cost of Construction will be determined as follows:

- 1) We will not pay for the increased cost of construction until the property is actually repaired or replaced, at the same "premises" or at another location and unless the repairs or replacement are made as soon as reasonably possible after the direct "loss", not to exceed two years. We may extend this period in writing during the two years.
- 2) If the building is repaired or replaced at the same "premises", or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the lesser of:
 - a) The increased cost of construction at the same "premises"; or
 - b) The Limit of Insurance indicated in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law for Increased Costs of Construction** for the building that has suffered "loss".
- 3) If the ordinance or law requires relocation to another location, the most we will pay for the increased cost of construction is the lesser of:
 - a) The increased cost of construction at the new location; or

- b) The Limit of Insurance indicated in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law for Increased Costs of Construction** for the building that has suffered "loss".

(d) Proportional Payments

If the building or structure sustains both direct "loss" that is covered under this policy and direct "loss" that is not covered under this policy; and as a result of the direct "loss" in its entirety you are required to comply with the ordinance or law, we will not pay the full amount of direct "loss" otherwise payable under the terms of **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, y. Ordinance or Law**. Instead, we will pay a proportion of such direct "loss"; meaning the proportion that the covered direct "loss" bears to the total direct "loss".

- (8) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- e. Our payment for "loss" to personal property of others and personal effects 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.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered "loss" within 30 days after we receive the sworn Proof of Loss, if:
- (1) You have complied with all of the terms of this policy; and
- (2) We have reached agreement with you on the amount of loss or an appraisal award has been made.

h. Party Walls

A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the "loss" to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the "loss" to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of **SECTION I - PROPERTY, E. Property Loss Conditions, 5. Loss Payment**. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of **SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, D. Transfer of Rights of Recovery Against Others to Us** in this policy.

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. However, then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

7. Resumption of Operations

We will reduce the amount of your:

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

8. Vacancy

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a. Description of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - 1) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - 2) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the Building where direct "loss" occurs has been vacant for more than 60 consecutive days before that "loss" occurs:

- (1) We will not pay for any "loss" caused by any of the following even if they are Covered Causes of Loss:
- (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the "loss" by 15%.

F. Property General Conditions

1. 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 policy at any one or more locations will not affect coverage at any location where, at the time of direct "loss", the breach of condition does not exist.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered "loss" 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 policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this policy at our request if you have failed to do so;

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

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

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

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

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

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

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

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

3. No Benefit to Bailee

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

4. Policy Period, Coverage Territory

Under **SECTION I - PROPERTY**:

- a. We cover "loss" commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

- b. The coverage territory is:

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

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Equipment Breakdown

a. Coverage

We will pay for direct damage to Covered Property caused by a Covered Cause of Loss.

(1) Covered Property

Covered Property, as used in this Optional Coverage, means any property that:

- (a) You own; or

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(b) Is in your care, custody or control and for which you are legally liable.

(2) Covered Cause of Loss

Covered Cause of Loss, as used in this Optional Coverage, is an accident, as defined in this Optional Coverage, occurring at the "premises".

(3) Coverage Extensions

(a) Expediting Expenses

With respect to the insurance provided by this Optional Coverage, we will pay the reasonable extra cost to:

- 1) Make temporary repairs; and
- 2) Expedite permanent repairs; and
- 3) Expedite permanent replacement;

to your damaged Covered Property.

(b) Hazardous Materials Coverage

With respect to the insurance provided by this Optional Coverage, we will pay for any additional expenses you incur for:

- 1) Cleanup;
- 2) Repair or replacement; or
- 3) Disposal;

of Covered Property which is damaged, contaminated or polluted as a result of a Covered Cause of Loss by a substance declared by a governmental agency to be hazardous to health.

The most we will pay under this Coverage Extension is the Limit of Insurance stated in the Declarations for each "premises" for the sum of all such expenses arising out of Covered Causes of Loss occurring during the "coverage term". This limit is inclusive of and not in addition to the applicable Limits of Insurance.

(c) Spoilage Coverage

We will pay for your "loss" of perishable goods due to spoilage resulting from the lack of power, light, heat, steam or refrigeration caused solely by:

- 1) An accident, as defined in this Optional Coverage; or
- 2) The sudden and accidental breakdown of any equipment that is:
 - a) Located on or within 1,000 feet of the "premises";
 - b) Owned by the building owner, if you are a tenant, or by a public utility company; and
 - c) Used to supply electrical power, heating, air conditioning, gas, water or steam services to the "premises";

provided at the time a breakdown occurs, the breakdown becomes apparent by physical damage that requires repair or replacement of the equipment or a part of the equipment.

The amount of our payment will be determined as follows:

- 1) For perishable goods you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
- 2) For other perishable goods, at "actual cash value".

The most we will pay under this Coverage Extension is the Limit of Insurance stated in the Declarations in any one accident for each "premises". This limit is inclusive of and not in addition to the applicable Limits of Insurance.

(d) Clean Up and Dry Out Coverage

We will pay the reasonable extra cost to clean up or dry out covered electrical equipment as a result of a flood.

(e) Production Machinery and Equipment Used for Research, Medical, Diagnostic, Surgical, Dental or Pathological Purposes

When Comprehensive Coverage with Extended Comprehensive Coverage - Accident applies, as shown in the Declarations, coverage is extended to include the sudden and accidental breakdown of any:

- 1) Production or process machine or apparatus that processes, forms, cuts, shapes, grinds or conveys raw material, material in process or finished products, and the computers and their peripherals that control or operate such a machine or apparatus;
- 2) Machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes, and the computers and their peripherals that control or operate such machines or apparatus.

The most we will pay in any one accident for each "premises" for **Production Machinery and Equipment Used for Research, Medical, Diagnostic, Surgical, Dental or Pathological Purposes** under this Coverage Extension is the Limit of Insurance stated in the Declarations. This limit is inclusive of and not in addition to the applicable Limit of Insurance.

b. Exclusions

With respect to this Optional Coverage, we will not pay for "loss" caused by or resulting from:

- (1) The breakdown of any structure, foundation or setting that supports or houses any equipment;
- (2) The breakdown of any insulating or refractory material;
- (3) The breakdown of any water piping other than boiler feedwater piping, boiler condensate, return piping or water piping forming a part of a refrigeration or air conditioning system;
- (4) The breakdown of any underground piping;
- (5) Fire or combustion explosion whether that fire or combustion explosion causes an accident, is caused by an accident or occurs at the same time as an accident. With respect to any electrical equipment, this exclusion is changed to read:

Fire or combustion explosion outside of the equipment, whether that fire or combustion explosion causes an accident, is caused by an accident or occurs at the same time as an accident;
- (6) The breakdown of any vehicle;
- (7) An explosion of gas or unconsumed fuel within the furnace of any boiler or fixed vessel or within the gas passages from that furnace to the atmosphere;
- (8) An accident caused directly or indirectly by earth movement, including but not limited to earthquake, landslide, mudslide, subsidence, "sinkhole collapse" or volcanic eruption;
- (9) Lightning, explosion (except for steam or centrifugal explosion), smoke, aircraft or vehicles, riot or civil commotion, vandalism or sprinkler leakage;
- (10) Breakage of glass; falling objects; weight of snow, ice or sleet; or water damage (including water damage that is the result of an accident);
- (11) Freezing caused by cold weather;

- (12) Collapse;
- (13) Molten material;
- (14) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (15) Windstorm or hail. However, we will pay provided:
 - (a) The equipment located within a building or structure suffers an accident that results from wind, sand, snow or dust; and
 - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, sand, snow or dust entered;
- (16) Damage to media used with any electronic computer or electronic data processing equipment;
- (17) Except to the extent provided in **SECTION I - PROPERTY, G. Optional Coverages, 1. Equipment Breakdown, a. Coverage, (3) Coverage Extensions, (e) Production Machinery and Equipment Used for Research, Medical, Diagnostic, Surgical, Dental or Pathological Purposes**, the breakdown of any machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes;
- (18) Except to the extent provided in **SECTION I - PROPERTY, G. Optional Coverages, 1. Equipment Breakdown, a. Coverage, (3) Coverage Extensions, (e) Production Machinery and Equipment Used for Research, Medical, Diagnostic, Surgical, Dental or Pathological Purposes**, the breakdown of any production or process machine or apparatus that processes, forms, cuts, shapes, grinds, or conveys raw materials, materials in process or finished products.

c. Limits of Insurance and Deductible

With respect to the insurance provided in this Optional Coverage, an accident shall be deemed to be an occurrence and is inclusive of, not in addition to:

- (1) The Limits of Insurance described in **SECTION I - PROPERTY, C. Limits of Insurance**; and
- (2) The Deductible described in **SECTION I - PROPERTY, D. Deductibles**.

d. Conditions

In addition to **SECTION I - PROPERTY, E. Property Loss Conditions**, the following conditions apply to the insurance provided in this Optional Coverage:

(1) Reducing Your Loss

As respects Business Income, Extra Expense and Spoilage Coverage, you must reduce your loss, if possible, by:

- (a) Using due diligence and dispatch and all reasonable means to resume business, partially or completely;
- (b) Using merchandise or other property available to you; and
- (c) Using the property or services of others.

(2) Suspension

- (a) When any equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend this insurance against "loss" from an accident to that equipment.
- (b) We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice from us.
- (c) If we suspend your insurance, the refund will be pro rata. However, this suspension will be effective even if we have not yet made or offered a refund.

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e. Definitions

As used in this Optional Coverage:

(1) Comprehensive Coverage - Accident

If Comprehensive Coverage - Accident applies, as shown in the Declarations, accident means a sudden and accidental breakdown of:

- (a)** Any boiler;
- (b)** Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents;
- (c)** Any refrigeration or air conditioning system, piping and its accessory equipment; and
- (d)** Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

(2) Comprehensive Coverage with Extended Comprehensive Coverage - Accident

If Comprehensive Coverage with Extended Comprehensive Coverage - Accident applies, as shown in the Declarations, the accident definition described in **e. Definitions (1)** above applies and is amended to include the sudden and accidental breakdown of any:

- (a)** Production or process machine or apparatus that processes, forms, cuts, shapes, grinds or conveys raw material, material in process or finished products, and the computers and their peripherals that control or operate such a machine or apparatus;
- (b)** Machine or apparatus that is used for research, medical, diagnostic, surgical, dental or pathological purposes, and the computers and their peripherals that control or operate such a machine or apparatus.

Regardless of whether **(1)** or **(2)** above applies:

- (1)** At the time the breakdown occurs, the breakdown must become apparent by physical damage that requires repair or replacement of the equipment or a part of the equipment.
- (2)** If an initial accident causes other accidents, all will be considered one accident. All accidents at any one "premises" that become apparent at the same time and that are the result of the same cause will be considered one accident.
- (3)** If covered electrical equipment needs to be cleaned up or dried out as a result of flood, it will be considered an accident.
- (4)** None of the following is an accident:
 - (a)** Depletion, deterioration, corrosion, erosion, or wear and tear; nor
 - (b)** The functioning of any safety or protective device.

2. Tenant's Glass

a. If you are a tenant at a covered "premises" and:

- (1)** The building you occupy is not Covered Property; and
- (2)** You are legally liable for "loss" to the building glass in that building;

we will pay for direct "loss" to that building glass, including lettering and ornamentation.

b. If a Covered Cause of Loss occurs to building glass, as provided for under this Optional Coverage, we will also pay necessary expenses you incur to:

- (1)** Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed;
- (2)** Repair or replace encasing frames;
- (3)** Remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include expenses to remove or replace window displays; and

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(4) Repair or replace alarm tapes.

c. **SECTION I - PROPERTY, B. Exclusions** does not apply to this Optional Coverage, except for:

(1) **Exclusion 1.b. Earth Movement;**

(2) **Exclusion 1.c. Governmental Action;**

(3) **Exclusion 1.d. Nuclear Hazard;**

(4) **Exclusion 1.f. War and Military Action;**

(5) **Exclusion 2.m.(1)** Wear and tear; and

(6) As listed in **Exclusion 2.m.(2):**

Rust or other corrosion, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

d. This Optional Coverage supersedes all limitations in this policy that apply to glass.

e. This Optional Coverage is subject to a \$500 deductible as described in **SECTION I - PROPERTY, D. Deductibles.**

H. Property Definitions

1. "Actual Cash Value" means replacement cost less a deduction that reflects depreciation, age, condition and obsolescence.
2. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:
 - a. Deletion, destruction, generation, or modification of "software";
 - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
 - c. Observation, scanning or copying of "electronic data", "programs and applications" or "proprietary programs";
 - d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - e. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
3. "Computer virus" means the introduction into "hardware", "software", computer network, or Web site of any malicious, self-replicating electronic data processing code or other code that is intended to result in, but is not limited to:
 - a. Deletion, destruction, generation, or modification of "software";
 - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - d. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
4. "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
5. "Coverage term" means the following individual increment, or if a multiyear policy period, increments, of time, which comprise the policy period of this policy.
 - a. The year commencing on the Effective Date of this policy at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multiyear policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months,

constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:

- (1) The day the policy period shown in the Declarations end; or
 - (2) The day the policy is terminated or cancelled.
- b. However, if after the issuance of this policy, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
6. "Denial of service attack" means the malicious direction or a high volume of worthless inquiries to website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to "electronic data processing property" results.
7. "Electronic data" means files, documents, information and "programs and applications" in an electronic format and that are stored on "media".
8. "Electronic Data Processing Property" means:
 - a. "Hardware" and related component parts. Component parts include but are not limited to modems, routers, printers, keyboards, monitors, and scanners;
 - b. "Software"; and
 - c. "Protection and control equipment".

"Electronic data processing property" does not mean "electronic data processing property" used to operate production-type machinery or equipment.
9. "Electronic Vandalism" means "computer hacking", "computer virus" or a "denial of service attack". "Electronic vandalism" does not include the theft of any property or services.
10. "Financial institution" means:
 - a. A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
 - b. An insurance company; or
 - c. A stock brokerage firm or investment company.
11. "Fraudulent instruction" means:
 - a. With regard to Additional Coverage **f. Computer and Funds Transfer Fraud**, Paragraph **f.(1)(b)**:
 - (1) A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent.
 - (2) A written instruction (other than those covered under the Forgery or Alteration Additional Coverage) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
 - (3) A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic or written instruction initially received by you, which instruction purports to have been issued by an employee, but which in fact was fraudulently issued by someone else without your or the employee's knowledge or consent.
 - b. With regard to Additional Coverage **f. Computer and Funds Transfer Fraud**, Paragraph **f.(2)**:

A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic, written or voice instruction directing an employee to enter or change "electronic data" or "software" within

"electronic data processing property" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.

12. "Fungi" means any type or form of fungus, and includes, but is not limited to, any form or type of mold, mushroom or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
13. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to instructions, and producing desired results. "Hardware" includes but is not limited to:

- a. Mainframe and mid-range computers and servers;
- b. Personal computers and work-stations;
- c. Portable electronic devices. Portable electronic devices include laptops, tablets, e-readers, smartphones or other lightweight, hand-held or wearable devices capable of storing, retrieving and processing data; and
- d. Peripheral data processing equipment, including but not limited to printers, keyboards, monitors, and modems.

"Hardware" does not mean electronic items that are not similar to the items listed in **a.**, **b.**, **c.** and **d.** above. "Hardware" does not include:

- a. Diagnostic equipment;
- b. Electronic items that contain a computer to perform functions other than "hardware"; and
- c. Peripheral data processing equipment valued more than the "hardware" itself.

14. "Loss" means accidental physical loss or accidental physical damage.
15. "Manager" means a person serving in a directorial capacity for a limited liability company.
16. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, CD-ROMs and other portable data devices.
17. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
18. "Money" means:
- a. Currency, coins and bank notes whether or not in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
19. "Operations" means your business activities occurring at the "premises".
20. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "software", "electronic data" or any property specifically excluded under this insurance.
21. "Period of Restoration"
- a. Means the period of time that:
 - (1) Begins at the time of direct "loss"; and
 - (2) Ends on the earlier of:
 - (a) The date when the property at the "premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.
 - b. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- 22.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, asbestos, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether injury or damage is caused directly or indirectly by the "pollutants" and whether:
- a. You are regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. You use, generate or produce the "pollutant".
- 23.** "Premises" means:
- a. The Location of Premises described in the Declarations, except as provided in **b.** below.
 - b. For the purposes of Business Income, Extra Expense and Civil Authority, if you are a tenant and occupy only part of the site at which the "premises" are located, "premises" means the portion of the building that you rent, lease or occupy, including any area within the building or on the site at which the "premises" are located, if that area services, or is used to gain access to, the "premises" and your personal property in the open (or in a vehicle) within 1,000 feet of the building or 1,000 feet of the "premises", whichever is greater.
- 24.** "Programs and applications" means operating program and applications that you purchase and that are:
- a. Stored on "media"; or
 - b. Preinstalled and stored in "hardware".
- Applications include, but are not limit to, programs for word processing, spreadsheet calculations, and graphic design.
- 25.** "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
- a. Stored on "media"; or
 - b. Preinstalled and stored in "hardware".
- 26.** "Protection and control equipment" means:
- a. Air conditioning or other cooling equipment used exclusively in the operation of the "hardware";
 - b. Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
 - c. Uninterruptible power supply system, line conditioner, and voltage regulator.
- 27.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money". Lottery tickets held for sale are not "securities" or evidences of debt.
- 28.** "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the Covered Property into subterranean voids created by the action of water on a limestone or similar rock formation. This does not include:

- a. The cost of filling sinkholes;
- b. Sinking or collapse of land into man-made subterranean cavities; or
- c. The value of the land.

29. "Software" means:

- a. "Media";
- b. "Electronic data";
- c. "Programs and applications"; and
- d. "Proprietary programs".

30. "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; and water damage.

a. Falling objects does not include "loss" 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.

b. Water damage means:

- (1) 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; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the "premises" and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear or tear.

But water damage does not include "loss" otherwise excluded under the terms of **SECTION I - PROPERTY, B. Exclusions, 1.g. Water**. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Exclusion **g. Water**, there is no coverage for "loss" caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **30.b.(1)** or **30.b.(2)** of this definition of "Specified causes of loss", such water is not subject to the provisions of Exclusion **g. Water**.

31. "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.

32. "Suspension" means:

- a. The slowdown or cessation of your business activities; and
- b. That a part or all of the "premises" is rendered untenable.

33. "Telephonic services" means use of your:

- a. Telephone services;
- b. Telephone credit cards; or
- c. Telephone access cards.

- 34.** "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
- a.** By means of computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instructions; or
 - b.** By means of written instructions (other than those covered under the Forgery or Alteration Additional Coverage) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
- 35.** "Valuable Papers and Records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, card index systems, deeds, drawings, films and x-rays, maps, mortgages or proprietary information.

However, "valuable papers and records" does not mean "money" or "securities", or "electronic data", including the materials on which the "electronic data" is recorded.

SECTION II - LIABILITY

Various provisions in **SECTION II** of this policy restrict this insurance. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout **SECTION II** of 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 - LIABILITY, C. Who is an Insured.**

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions.**

A. Coverages

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", or "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 "bodily injury", "property damage", or "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or 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 II - LIABILITY D. Liability and Medical Expenses Limits of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **h. Coverage Extension - Supplementary Payments.**

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
 - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (b) The "bodily injury" or "property damage" occurs during the policy period; and
 - (c) Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, you did not know, per Paragraph **A.1.d.** below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part.
- (2) To "personal and advertising injury" only if:
 - (a) The "personal and advertising injury" is caused by an offense arising out of your business; and
 - (b) The "personal and advertising injury" offense was committed in the "coverage territory" during the policy period; and
 - (c) Prior to the "coverage term" in which the "personal and advertising injury" offense is committed, you did not know, per Paragraph **A.1.g.** below, that the offense had been committed or had begun to be committed, in whole or in part.

- c. "Bodily injury" or "property damage" which:

- (1) Occurs during the "coverage term"; and
- (2) Was not, prior to the "coverage term", known by you, per Paragraph **A.1.d.**, to have occurred;

includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "coverage term" in which it first became known by you.

- d. You will be deemed to know that "bodily injury" or "property damage" has occurred at the earliest time when any "authorized representative":
 - (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";
 - (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
 - (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
 - (5) Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury" or "property damage" is substantially certain to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- f. "Personal and advertising injury" caused by an offense which:
 - (1) Was committed during the "coverage term"; and
 - (2) Was not, prior to the "coverage term", known by you, per Paragraph **A.1.g.** below, to have been committed;

includes any continuation, change or resumption of that offense after the end of the "coverage term" in which it first became known by you.

- g. You will be deemed to know that a "personal and advertising injury" offense has been committed at the earliest time when any "authorized representative":
 - (1) Reports all, or any part, of the "personal and advertising injury" to us or to any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";
 - (3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";
 - (4) Becomes aware, or reasonably should have become aware, by any means, other than as described in (3) above, that the offense had been committed or had begun to be committed; or
 - (5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

h. Coverage Extension - Supplementary Payments

In addition to the Limits of Insurance, we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- (1) All expenses we incur.
- (2) Up to the Limit of Insurance stated in the Declarations for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) 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.
- (4) 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 the Limit of Insurance stated in the Declarations per day because of time off from work.

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- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable limit of insurance. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest that is based on that period of time after the offer.
- (7) 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.

2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
 provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. 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.

B. Exclusions

1. Applicable to Business Liability Coverage

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the insured or which is in fact expected or intended by the insured, even if the injury or damage is of a different degree or type than actually expected or intended. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. When a claim for such "bodily injury" or "property damage" is made, we will defend that claim provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the Limits of Insurance.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

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- (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.

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 sustained in the "workplace";
- (2) An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- (3) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraphs (1) or (2) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollutant

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission 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 Paragraph (a) does not apply to:
 - 1) "Bodily injury" to any person injured while on any premises, site or location owned or occupied by, or rented or loaned to, you provided:
 - a) The injury is caused by the inadequate ventilation of vapors;
 - b) The person injured is first exposed to such vapors during the policy period; and
 - c) Within 30 days of such first exposure, the person injured is clinically diagnosed or treated by a physician for the medical condition caused by the exposure to such vapors. However, Paragraph c) does not apply if the "bodily injury" is caused by vapors produced by or originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

This exception 1) shall apply only to Named Insureds; we shall have no duty to defend or pay damages for any person or organization that is not a Named Insured. However, this paragraph does not apply if the "bodily injury" is caused by vapors produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

For the purpose of the exception granted in Paragraph 1) only, vapors means any gaseous or airborne irritant or airborne contaminant, including smoke, fumes, vapor or soot, but excluding asbestos, which is discharged, dispersed, emitted, released

or escapes from materials, machinery or equipment used in the service or maintenance of the premises. Vapors does not mean any gaseous or airborne irritants or contaminants used in a manufacturing process or which is the product or by-product of any manufacturing process;

- 2) "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 this policy as an additional insured with respect to your ongoing operations or "your work" 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
 - 3) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - 1) Any insured; or
 - 2) 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, Paragraph (d) does not apply to:
 - 1) "Bodily injury" or "property damage" arising out of the discharge, dispersal, seepage, migration, release, escape, or emission of fuels, lubricants or other operating fluids, or exhaust gases, which are needed to perform, or are the result of, 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, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted with the intent to cause "bodily injury" or "property damage" or with the knowledge that "bodily injury" or "property damage" is substantially certain to occur, or if such fuels, lubricants or other operating fluids or exhaust gases, are brought on or to the premises, site or location with such intent to escape, seep or migrate, or be discharged, dispersed, released or emitted as part of the operations being performed by such insured, contractor or subcontractor;
 - 2) "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
 - 3) "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 performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, Paragraphs **(2)(a)** and **(b)** do not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state 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 **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, 15. Mobile Equipment**.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

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

j. Professional Services

"Bodily injury", "property damage", or "personal and advertising injury" caused by the rendering or failure to render any professional service unless professional liability coverage has been endorsed hereon or stated in the Declarations. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service, treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

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", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

k. 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 an insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days, for which the amount we will pay is limited to the Damage to Premises Rented to You Limit as described in **SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance, 4.**

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".

I. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. 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.

n. 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.

o. Recall of Products, Work or Impaired Property

Any liability or 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.

p. Personal and Advertising Injury

"Personal and advertising injury":

- (1) 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";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the later of the following:
 - (a) The inception of this policy; or
 - (b) The "coverage term" in which insurance coverage is sought;
- (4) Arising out of a criminal act committed by or at the direction of the insured;

- (5) For which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
- (a) That the insured would have in the absence of the contract or agreement; or
 - (b) Assumed in a contract or agreement that is an "insured contract", provided the "personal and advertising injury" is caused by or arises out of an offense committed subsequent to the execution of the contract or agreement. When a claim for such "personal and advertising injury" is made, we will defend that claim, provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the Limits of Insurance.
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is:
- (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web-sites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **17.a., b., and c.** of "personal and advertising injury" under **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions.**

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" at any time;
- (11) With respect to any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants";
- (12) Arising out of an electronic chatroom or bulletin board any insured hosts, owns or over which any insured exercises control;
- (13) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan;

- (14) 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;
- (15) To:
- (a) A person arising out of any:
 - 1) Refusal to employ that person;
 - 2) Termination of that person's employment; or

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- 3) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (b) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs 1), 2) or 3) above is directed.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
 - (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury;
- (16) Arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner;
- (17) Arising out of an additional insured added by attachment of an endorsement to this policy that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that a "personal and advertising injury" offense had been committed or had begun to be committed, in whole or in part, prior to the "coverage term" in which such offense was committed or began to be committed.
- An additional insured added by attachment of an endorsement to this policy will be deemed to have known that a "personal and advertising injury" offense has been committed or has begun to be committed at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of a "personal and advertising injury" offense, claim or "suit":
- (a) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;
 - (b) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";
 - (c) First observes or reasonably should have first observed, the offense that caused the "personal and advertising injury";
 - (d) Becomes aware, or reasonably should have become aware, by any means other than as described in (c) above, that the "personal and advertising injury" offense had been committed or had begun to be committed; or
 - (e) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur;
- (18) Arising directly or indirectly out of any action or omission that violates or is alleged to violate:
- (a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
 - (b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
 - (c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

q. Asbestos

"Bodily injury" or "property damage" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

r. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:

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- (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this policy that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part, prior to the "coverage term" in which such "bodily injury" or "property damage" occurs or begins to occur.

An additional insured added by attachment of an endorsement to this policy will be deemed to have known that "bodily injury" or "property damage" has occurred or has begun to occur at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", claim or "suit".

- (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";
- (3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";
- (4) Becomes aware, or reasonably should have become aware, by any means other than as described in (3) above, that "bodily injury" or "property damage" had occurred or had begun to occur; or
- (5) Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury" or "property damage" is substantially certain to occur.

t. 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".

u. Distribution of Material in Violation of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c., d., e., f., g., h., i., k., l., m., n., o., q.** and **r.** do not apply to "property damage" by fire or explosion to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the Damage to Premises Rented to You Limit as described in Section **D. Liability and Medical Expenses Limits of Insurance**.

2. Applicable to Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a.** To any insured, except "volunteer workers".
- b.** To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c.** To a person injured on that part of premises you own or rent that the person normally occupies.
- d.** 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.** To any person injured while officiating, coaching, practicing for, instructing or participating in any physical exercises or games, sports, or athletic contests or exhibitions of an athletic or sports nature.
- f.** Resulting from injury or damages arising out of any claim alleging professional liability or malpractice.
- g.** Included within the "products-completed operations hazard".
- h.** Excluded under Section **A. Coverages, 1. Business Liability**.

3. Applicable to both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a.** Under any Business 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 the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; 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 Expenses 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 Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "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.

d. As used in this exclusion:

- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- (2) "Hazardous properties" includes radioactive, toxic or explosive properties;
- (3) "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.
- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material".
- (5) "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.
- (6) "Property damage" includes all forms of radioactive contamination of property.
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- (10) "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 Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who is an Insured

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or 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 Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services or
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However, insurance under this provision:

- a. Is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. Liability and Medical Expenses 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. Subject to **6.a.** or **6.b.** below, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence".
3. Subject to **6.a.(1)** below, the Personal and Advertising Injury Limit is the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
4. Subject to **2.** above, the Damage to Premises Rented to You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.
5. Subject to **2.** above, the Medical Expense Limit is the most we will pay for all medical expenses because of "bodily injury" sustained by any one person.

6. Aggregate Limits

a. General Aggregate

(1) The General Aggregate Limit is the most we will pay for the sum of:

- (a)** "Bodily injury" or "property damage", except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- (b)** Medical expenses; and
- (c)** All "personal and advertising injury" caused by offenses committed.

This General Aggregate Limit will not apply if either the Location General Aggregate Limit of Insurance, Paragraph **6.a.(2)**, or the Construction Project General Aggregate Limit of Insurance, Paragraph **6.a.(3)**, applies.

(2) A separate Location General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each location owned by, or rented or leased to you and is the most we will pay for the sum of:

- (a)** "Bodily injury" or "property damage", except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- (b)** Medical expenses,

which can be attributed to operations at only a single location owned by, or rented or leased to you.

- (3) A separate Construction Project General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each construction project and is the most we will pay for the sum of:
 - (a) "Bodily injury" or "property damage", except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - (b) Medical expenses,
 which can be attributed only to ongoing operations and only at a single construction project.
- (4) Only for the purpose of determining which General Aggregate Limit of Insurance, **6.a.(1)**, **6.a.(2)** or **6.a.(3)**, applies:
 - (a) Location means premises involving the same or connecting lots, or premises, whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
 - (b) Construction project mean a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on your behalf at the same location for the same persons or organizations, no matter how often or under how many different contracts, will be deemed to be a single construction project.
- b. The Products-Completed Operations Aggregate Limit is the most we will pay for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

The Limits of Insurance of this policy apply separately to each "coverage term".

E. Liability and Medical Expenses General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

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 a "personal and advertising injury" offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy:

- 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 policy 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 policy 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. Premium Audit

- a. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute that final premium due when we determine your actual exposures.
- b. Premium shown in this policy 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 premiums is the date shown as the due date on the bill. If:
 - (1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or
 - (2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us.
- 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.

5. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy 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.

6. Two or More Policies Issued by Us

If this policy and any other policy issued to you by us or any company affiliated with us apply to the same "occurrence" or "personal and advertising injury" offense, the aggregate maximum limit of insurance under all the policies shall not exceed the highest applicable limit of insurance under any one policy. This condition does not apply to any policy issued by us or an affiliated company specifically to apply as excess insurance over this policy.

F. Liability and Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast, telecast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes a publicity article. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an "advertisement".

2. "Authorized representative" means:
- a. If you are designated in the Declarations as:
 - (1) An individual, you and your spouse are "authorized representatives".
 - (2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".
 - (3) A limited liability company, your members and your managers are "authorized representatives".
 - (4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".
 - (5) A trust, your trustees are "authorized representatives".
 - b. Your "employees":
 - (1) Assigned to manage your insurance program; or
 - (2) Responsible for giving or receiving notice of an "occurrence", "personal and advertising injury" offense, claim or "suit";are also "authorized representatives".
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 in the state where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. "Coverage term" means the following individual increment, or if a multiyear policy period, increments, of time, which comprise the policy period of this policy:
- a. The year commencing on the Effective Date of this policy at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multiyear policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at 12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:
 - (1) The day the policy period shown in the Declarations ends; or
 - (2) The day the policy is terminated or cancelled.
 - b. However, if after the issuance of this policy, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".
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 **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 **a.** above;
 - (2) The activities of a person whose home is in the territory described in **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 **a.** above or in a settlement to which we agree.

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, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "property damage" by fire or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal and advertising 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", "property damage" or "personal and advertising injury" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

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- (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;
 - (4) That indemnifies an advertising, public relations or media consulting firm for "personal and advertising injury" arising out of the planning, execution or failure to execute marketing communications programs. Marketing communications programs include but are not limited to comprehensive marketing campaigns; consumer, trade and corporate advertising for all media; media planning, buying, monitoring and analysis; direct mail; promotion; sales materials; design; presentations; point-of-sale materials; market research; public relations and new product development;
 - (5) Under which the insured, if an advertising, public relations or media consulting firm, assumes liability for "personal and advertising injury" arising out of the insured's rendering or failure to render professional services, including those services listed in Paragraph (4) above;
 - (6) That indemnifies a web-site designer or content provider, or Internet search, access, content or service provider for injury or damage arising out of the planning, execution or failure to execute Internet services. Internet services include but are not limited to design, production, distribution, maintenance and administration of web-sites and web-banners; hosting web-sites; registering domain names; registering with search engines; marketing analysis; and providing access to the Internet or other similar networks; or
 - (7) Under which the insured, if a web-site designer or content provider, or Internet search, access, content or service provider, assumes liability for injury or damage arising out of the insured's rendering or failure to render Internet services, including those listed in Paragraph (6), above.
13. "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" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in 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 **a., b., c. or d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 18. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:
 - a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. The insured uses, generates or produces the "pollutant".
- 19. "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; or
 - (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; or
 - (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.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

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; or
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which money 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;
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
- c.** An appeal of a civil proceeding.

22. "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.

23. "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.

24. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of "occurrence".

25. "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.

26. "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.

SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS

All Coverages of **SECTION I - PROPERTY** and **SECTION II - LIABILITY** of this policy are subject to the following conditions unless otherwise indicated herein.

A. Insurance Under Two or More Coverages

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

B. Liberalization

If, within 60 days prior to the beginning of this insurance or during the policy period, we make any changes to any forms or endorsements of this insurance for which there is currently no separate premium charge, and that change provides more coverage than this insurance, the change will automatically apply to this insurance as of the latter of:

1. The date we implemented the change in your state; or
2. The date this insurance became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

C. Other Insurance

1. Under **SECTION I - PROPERTY**, if there is other insurance covering the same "loss", we will pay only for the amount of covered "loss" in excess of the amount due from that other insurance, whether you can collect on it or not. However, we will not reimburse any deductible or difference between "actual cash value" and Replacement Cost valuations. We will not pay more than the applicable Limit of Insurance.
2. If other valid and collectible insurance is available to the insured for a loss we cover under **SECTION II - LIABILITY** of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **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 **c.** below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for "your work";
 - (b) That is Fire or Explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, g. Aircraft, Auto or Watercraft.**
- (2) Any other primary insurance available to the insured covering liability for damages arising out of the premises or operations, or the products and completed operations, for which the insured has been added as an additional insured by attachment of an endorsement.
- (3) Any other insurance:
 - (a) Whether primary, excess, contingent or on any other basis, except when such insurance is written specifically to be excess over this insurance; and

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- (b) That is a consolidated (wrap-up) insurance program which has been provided by the prime contractor/project manager or owner of the consolidated project in which you are involved.

When this insurance is excess, we will have no duty under **SECTION II - LIABILITY** 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.

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:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

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 policy.

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. Transfer of Rights of Recovery Against Others to Us

1. Applicable to SECTION I - PROPERTY:

If any person or organization to or for whom we make payment under this policy 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.
- 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.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to SECTION II - LIABILITY:

If the insured has rights to recover all or part of any payment we have made under this policy, 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. This condition does not apply to Medical Expenses Coverage.

E. Assignment of Interest

Assignment of interest under this policy shall not be valid except with our written consent.

F. When We Do Not Renew

If we decide not to renew this policy, 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

ALL COVERAGE FORMS FORMING A PART OF THE POLICY

A. The following exclusion:

1. Replaces any War, War and Military Action, or War or Military Action exclusion included in any other Coverage Form, Coverage Part or endorsement forming a part of the policy to which this endorsement is attached; and
2. Is added to any other Coverage Form, Coverage Part, insuring agreement included therein or endorsement forming a part of the policy to which this endorsement is attached which does not already include a War, War and Military Action, or War or Military Action exclusion.

War

This insurance does not apply to:

Any form of loss, damage, cost, expense or liability for damages arising directly or indirectly from:

- a. "War" and "warlike action", including undeclared or civil "war" and "cyber hostilities";
- b. Hostile action, including action in hindering or defending against an actual or expected attack, by any state, government, or sovereign using military personnel or other "agents"; or
- c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by a state or government actor in hindering or defending against any of these, including "cyber hostilities" in connection with any of the foregoing.

The attribution of an action will be determined by relying on reasonable evidence such as, but not limited to:

- (1) Statements by an agency or department of the United States government;
- (2) Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any

member of such an international group; or

- (3) Statements by a "recognized commercial authority".

This exclusion applies notwithstanding anything to the contrary in this policy or any appendix or endorsement added to this policy.

B. The following definitions are hereby added with respect to the exclusion in Section A. of this endorsement.:

1. "Agents" means any person, entity, organization or collection of persons, entities or organizations that have at any time been associated with or designated as having worked with or acted on behalf of any state, government, or sovereign.

The attribution of the actors' status as "agents" will be determined by relying on reasonable evidence such as, but not limited to:

- a. Statements by an agency or department of the United States government;
 - b. Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any member of such an international group; or
 - c. Statements by a "recognized commercial authority".
2. "Computer system" means any computer or network of computers or computer systems, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, wearable device), server, cloud infrastructure or microcontroller including any configuration of the aforementioned and including any associated input, output, code, program, data, data storage device, networking equipment or back up facility.
 3. "Cyber hostilities" means the use of a "computer system" that causes disruption or harm.

4. "Recognized commercial authority" means a business that provides information technology security or forensics services, including, but not limited to:

- a.** Symantec;
- b.** Mandiant;
- c.** Microsoft;
- d.** Apple;
- e.** Cisco; or
- f.** IBM.

5. "War" or "warlike action":

a. Means physical combat, a state of armed conflict, or "cyber hostilities" engaged in by:

- (1)** Any state, government, or sovereign; or

(2) "Agents" of a state, government, or sovereign,

against any other:

(a) State, government, or sovereign, including an agency or department thereof; or

(b) Person or entity targeted by such physical combat, armed conflict, or "cyber hostilities"; and

b. Includes any collateral loss, damage, cost, expense or liability for damages of any nature arising out of the physical combat, armed conflict, or "cyber hostilities" or any response to such physical combat, armed conflict, or "cyber hostilities".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT - VIRGINIA

(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PACKAGE POLICY BUSINESS AUTO COVERAGE FORM

A. The insurance does not apply:

- 1.** Under any Liability Coverage, to "bodily injury" or "property damage":
 - a.** 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
 - b.** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(1)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(2)** 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.
- 2.** 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.
- 3.** Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - a.** The "nuclear material" **(1)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(2)** has been discharged or dispersed therefrom;
 - b.** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - c.** 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 **c.** applies only to "property damage" to such "nuclear facility" and any property thereat.

B. As used in this endorsement:

- 1.** "Hazardous properties" includes radioactive, toxic or explosive properties.
- 2.** "Nuclear material" means "source material", "special nuclear material" or "by-product material".
- 3.** "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.
- 4.** "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- 5.** "Waste" means any waste material **(1)** 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 **(2)** 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".

6. "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.

- 7. "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.**
- 8. "Property damage" includes all forms of radioactive contamination of property.**

NOTICE:
ADDITIONAL COVERAGE AVAILABLE

Coverage can be added to your policy for increased costs to repair or replace damaged property due to the application of ordinances or laws that regulate construction, repair or demolition.

This additional coverage provides protection when a building damaged by a covered cause of loss must be repaired or rebuilt in a more costly manner because of the type of construction used when the building was built does not comply with current building codes. Coverage can also be provided when laws or ordinances require the demolition of damaged buildings, including undamaged portions, prior to rebuilding in compliance with current building codes.

Contact your agent or company representative if you wish to add this coverage, or if you want additional information.

POLICYHOLDER NOTICE

TERRORISM INSURANCE COVERAGE

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

Your policy contains coverage for certain losses caused by terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- Refer to the SUMMARY OF PREMIUMS CHARGED or DECLARATIONS PAGE for the portion of your premium that is attributable to coverage for terrorist acts certified under the Act.

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals a percentage, as specified in the Schedule below, of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.
- **Schedule:**

Federal Share of Terrorism Losses			Federal Share of Terrorism Losses	
Percentage	Calendar Year		Percentage	Calendar Year
85%	2015		80%	2022
84%	2016		80%	2023
83%	2017		80%	2024
82%	2018		80%	2025
81%	2019		80%	2026
80%	2020		80%	2027
80%	2021			

Cap on Insurer Participation:

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

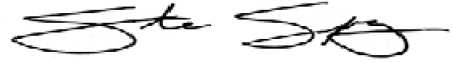
NOTE: IF YOUR POLICY IS A RENEWAL POLICY, THIS NOTICE IS PROVIDED TO SATISFY THE REQUIREMENTS UNDER THE TERRORISM RISK INSURANCE ACT FOR POLICYHOLDER DISCLOSURE: (1) AT THE TIME OF OUR OFFER TO RENEW THE POLICY AND (2) AT THE TIME THE RENEWAL IS COMPLETED.

SIGNATURE ENDORSEMENT

IN WITNESS WHEREOF, this policy has been signed by our President and Secretary in the City of Fairfield, Ohio, but this policy shall not be binding upon us unless countersigned by an authorized representative of ours. The failure to countersign does not void coverage in Arizona, Virginia and Wisconsin.



Secretary



President

The signature on any form, endorsement, policy, declarations, jacket or application other than the signature of the President or Secretary named above is deleted and replaced by the above signatures.

VIRGINIA EARTHQUAKE EXCLUSION ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is any conflict between the policy and this Advisory Notice to Policyholders, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL.**

EARTHQUAKE EXCLUSION

This notice applies to the lines of insurance checked below.

- ☐ Businessowners
- ☐ Dentist's Package Program
- ☐ Commercial Inland Marine
- ☐ Commercial Property
- ☐ Farm
- ☐ Commercial Output Program - Property Coverage Part

Your policy does not protect you against losses from earthquakes. Earthquake coverage is excluded unless purchased by endorsement. Information regarding the availability of earthquake insurance is available from us or your insurance agent.

NOTICE OF LOSS CONTROL SERVICES

The Cincinnati Insurance Companies provide certain loss prevention services to policyholders at no additional cost. These services are designed to prevent or reduce the impact of potential loss causing events or conditions related to the type(s) of insurance coverage you have purchased from us. One of these services that you can receive is described below:

Employment Practices Liability (EPL) Toll-Free Hot Line

Have a question on how to handle an employment situation? Simply call The Cincinnati Insurance Companies Employment Connection at 1-888-811-3427 for assistance. We offer policyholders an unlimited number of calls seeking advice on employment policies and procedures.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice. Use of the EPL Toll-Free Hot Line will not be deemed to satisfy any notice of claim or notice of wrongful act provision contained in any policy.

COMMON POLICY CONDITIONS - VIRGINIA

All Coverages 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 the insured's policy or advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 45 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our written notice to the first Named Insured's last mailing address known to us. If it is mailed, it shall be sent by registered or certified mail or any other similar first class mail tracking method that is used or approved by the United States Postal Service. Proof of mailing will be sufficient proof of notice.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If either we or the first Named Insured cancel, the refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.

B. Changes

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

C. Concealment, Misrepresentation or Fraud

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

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

D. 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.

E. 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.

F. Nonrenewal

1. If we elect not to renew this policy, we will mail or deliver a written notice of such action to the first Named Insured shown in the Declarations, stating the reason for nonrenewal at least:
 - a. 15 days before the expiration date of this policy if the nonrenewal is due to nonpayment of premium; or
 - b. 45 days before the expiration date if the nonrenewal is for any other reason.
2. We will mail or deliver written notice to the first Named Insured's last mailing address known to us. If notice is mailed, it shall be sent by registered or certified mail or any other similar first class mail tracking method that is used or approved by the United States Postal Service. Proof of mailing will be sufficient proof of notice.

This provision replaces any other Nonrenewal provision to the contrary.

G. Office of Foreign Assets Control (OFAC) Compliance

Whenever insurance coverage provided by this policy would be in violation of any United States economic or trade sanctions, such insurance coverage shall be null and void.

H. Premiums

The first Named Insured shown in the Declarations:

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

I. 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.

NOTICE OF PRIVACY PRACTICES

For additional information on our privacy policies, including state specific information, please visit <https://www.cinfin.com/privacy-policy>.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PERFLUORINATED COMPOUNDS (PFC) AND PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

**ANIMAL SERVICES PROFESSIONAL LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
CONDOMINIUM OR HOMEOWNERS ASSOCIATIONS WRONGFUL ACTS COVERAGE FORM
CONTRACTOR'S ERRORS AND OMISSIONS COVERAGE FORM - CLAIMS-MADE
CONTRACTOR'S LIMITED POLLUTION LIABILITY COVERAGE FORM
COSMETOLOGISTS AND BARBERS PROFESSIONAL LIABILITY COVERAGE FORM
DENTIST'S PROFESSIONAL LIABILITY OCCURRENCE COVERAGE FORM
EMPLOYEE BENEFIT LIABILITY COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
FITNESS PROFESSIONAL LIABILITY COVERAGE FORM
FUNERAL SERVICE PROVIDER PROFESSIONAL LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM – CLAIMS-MADE
OPTOMETRIST'S PROFESSIONAL LIABILITY COVERAGE FORM
PRINTERS ERRORS AND OMISSIONS INSURANCE COVERAGE FORM
REAL ESTATE ERRORS AND OMISSIONS INSURANCE COVERAGE FORM
TRAVEL AGENTS ERRORS AND OMISSIONS INSURANCE COVERAGE FORM**

- A.** The following exclusion is hereby added to **SECTION II – LIABILITY, B. Exclusions** of the **BUSINESSOWNERS COVERAGE FORM** and to all other Coverage Forms referenced above, or endorsements forming a part of the Coverage Forms referenced above:

This insurance does not apply to:

- 1.** Any form of loss, damage, cost, expense or liability for damages arising directly or indirectly from or as a consequence of "PFC/PFAS", including but not limited to:
 - a.** Any adverse health effects associated with or arising from "PFC/PFAS";
 - b.** Manufacturing, sale, distribution, marketing, installation, repair, removal, abatement, replacement or handling of "PFC/PFAS" or products containing "PFC/PFAS";
 - c.** An actual, alleged or threatened discharge, dispersal, seepage, migration or release of "PFC/PFAS" whether intentional or unintentional; or
 - d.** Consumption or ingestion of, contact with or exposure to "PFC/PFAS", whether by direct or passive means.
- 2.** Any loss, cost or expense arising out of any:
 - a.** Request, demand, order, or other requirement, whether statutory or regulatory, that any insured or others test for, investigate for, monitor, clean up, abate, remove, remediate, contain, treat, detoxify or neutralize, dispose of, or in any way respond to, or assess the effects of "PFC/PFAS"; or
 - b.** Claim or suit by or on behalf of a governmental authority for damages because of testing for, investigating for, monitoring, cleaning up, abating, removing, remediating, containing, treating, detoxifying or neutralizing, disposing of, or in any way responding to or assessing the effects of "PFC/PFAS".

This exclusion applies notwithstanding anything to the contrary in this policy or any appendix or endorsement added to this policy.

- B.** The following definition is hereby added with respect to the exclusion in Section **A.** of this endorsement:

"PFC/PFAS" means:

1. Any substance, material or compound that is or contains perfluorinated compounds (PFC) or Per-and polyfluoroalkyl substances (PFAS).
2. Per-and polyfluoroalkyl substances include any substance, material or compound that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
 - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
 - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
 - c. Perfluoropolyethers (PFPE);
 - d. Fluorotelomer-based substances; or
 - e. Side-chain fluorinated polymers.
3. Any and all substances, materials or compounds that are identified or acknowledged by any federal, state, or international agency or authority, such as the United States Environmental Protection Agency (EPA), that are related to, substitutes for, or used in the same or similar way as the "PFC/PFAS" substances described in Paragraphs 1. or 2.
4. Any good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any substance, material or compound described in Paragraphs 1., 2. or 3.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollutant or pollution exclusion, do not exclude coverage for "PFC/PFAS" related loss, damage, cost, expense or liability for damages.

VIRGINIA

NOTICE TO POLICYHOLDERS

FLOOD INSURANCE NOTICE

This notice does not provide coverage nor does it replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverage you are provided. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Your policy contains the following Water exclusion:

(g) Water

- (1)** Flood, meaning the partial or complete inundation of normally dry land areas due to:
 - (a)** The unusual or rapid accumulation of runoff of rain or surface waters from any source; or
 - (b)** Waves, tidal waters, tidal waves (including tsunami); or
 - (c)** Water from rivers, ponds, lakes, streams, or any other body of water that rises above, overflows from, or is not contained within its natural or man-made boundary;and all whether driven by wind or not, including storm surge.
- (2)** Mudslide or mudflows, which are caused by flooding as defined above in Paragraph **g.(1)** above. Mudslides or mudflow involves a river of liquid flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current;
- (3)** Water that has entered and then backs up through and is discharged from a sewer, drain, septic system, sump pump system or related equipment, except as provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**; 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.
- (5)** Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **g.(1)**, **(3)** or **(4)**, or material carried or otherwise moved by mudslide or mudflow as described in Paragraph **g.(2)**, except as provided in **SECTION I - PROPERTY, A. Coverages, 6. Coverage Extensions, q. Water Backup Discharged from Sewers, Drains, Septic or Sump Pump Systems**.

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

However, if any of the above, as described in Paragraphs **g.(1)** through **g.(5)**, results in fire, explosion or sprinkler leakage, we will pay for that portion of "loss" caused by that fire, explosion or sprinkler leakage.

Information regarding flood insurance is available from your agent, The Cincinnati Insurance Companies, or the National Flood Insurance Program. Coverage for contents may be available with the flood policy for an additional premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** With respect to property to which replacement cost valuation applies, the following provision is added and supersedes any provision to the contrary:

- 1.** If replacement cost coverage applies, you may make an initial claim for "loss" covered by this insurance on an "actual cash value" basis instead of on a replacement cost basis. In the event you elect to have a "loss" 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 6 months of the later of the following dates:
 - a.** The last date on which you received a payment for "actual cash value"; or
 - b.** The date of entry of a final order of a court of competent jurisdiction declaring your right to full replacement cost.

- B. SECTION I - PROPERTY, E. Property Loss Conditions, 2. Appraisal** is deleted in its entirety and replaced by the following:

2. Appraisal

If we and you disagree on the value of the property, the 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. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, the insured or the insurer may apply in writing, for the appointment of an umpire, to the judge of the circuit court of the county or city in which the damaged or destroyed property was located at the time of loss. The appraisers will state separately the value of the property, the Net Income and operating expense and amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be 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 set the amount of loss. Any outcome of the appraisal will not be binding on either party. If you make a written demand for an appraisal of the loss, each party will:

- a.** Pay its own appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

However, if we make written demand for an appraisal of the loss, we will reimburse you for the reasonable cost of your chosen appraiser, and for your portion of the cost of the umpire.

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

- C. SECTION I - PROPERTY, E. Property Loss Conditions, 3. Duties in the Event of Loss or Damage, a. (1)** is deleted in its entirety and replaced with the following:

- (1)** The police must be notified in the case of theft.

- D. SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, j. Employee Dishonesty, (6)(b)** does not apply.

- E. SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, l. Fire Department Service Charge** is deleted in its entirety and replaced by the following:

l. Fire Department Service Charge

SECTION I – PROPERTY, D. Deductibles does not apply to this Additional Coverage.

- 1.** We will pay for service when the fire department is called to save or protect Covered Property from a Covered Cause of Loss. The most we will pay is stated in the Declarations for any one occurrence for each "premises" for your liability, regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

- a. Assumed by contract or agreement prior to "loss"; or
 - b. Required by local ordinance.
2. If the fire department service charge is not covered under the terms of Paragraph 1. above, then the following applies:

We will pay for service when a volunteer fire department is called to save or protect Covered Property from a Covered Cause of Loss. The most we will pay is the amount stated in the Declarations for any one occurrence for each "premises" for your liability, regardless of the number of responding volunteer fire departments or volunteer fire units, and regardless of the number or type of services performed. In no event shall less than \$250 be provided to a qualifying volunteer fire department.

This Additional Coverage applies to your liability for service charges billed to you by a volunteer fire department, provided that the volunteer fire department is not fully funded by real estate taxes or other property taxes.

This Coverage is in addition to the Limits of Insurance shown in the Declarations.

F. SECTION II – LIABILITY, B. Exclusions, 1. f. Pollutant, (1) (a) 1) is deleted in its entirety and replaced by the following:

- 1) "Bodily injury" to any person injured, or "property damage", while on any premises, site or location owned or occupied by, or rented or loaned to, you provided:
 - a) The injury or damage is caused by the inadequate ventilation of vapors;
 - b) The person injured or property damaged is first exposed to such vapors during the policy period; and
 - c) Within 30 days of such first exposure:
 - (i) The person injured is clinically diagnosed or treated by a physician for the medical condition caused by the exposure to such vapors; or
 - (ii) The "property damage" is caused by exposure to such vapors.

However, Paragraph c) does not apply if the "bodily injury" or "property damage" is caused by vapors produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

This exception 1) shall apply only to Named Insureds; we shall have no duty to defend or pay damages for any person or organization that is not a Named Insured. However, this paragraph does not apply if the "bodily injury" or "property damage" is caused by vapors produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

For the purpose of the exception granted in Paragraph 1) only, vapors means any gaseous or airborne irritant or airborne contaminant, including smoke, fumes, vapor or soot, but excluding asbestos, which is discharged, dispersed, emitted, released or escapes from materials, machinery or equipment used in the service or maintenance of the premises. Vapors does not mean any gaseous or airborne irritants or contaminants used in a manufacturing process or which is the product or by-product of any manufacturing process;

G. SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, C. Other Insurance, 1. is deleted in its entirety and replaced by the following:

1. Under **SECTION I - PROPERTY**, if there is other insurance covering the same loss, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA CHANGES - EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

A. SECTION I - COVERAGE, C. Supplementary Payments is amended to include:

- 3.** Prejudgment interest awarded against the insured on that part of the judgement 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.
- 4.** All interest on the full amount of any judgement that accrues after entry of the judgement and before we have paid, offered to pay, or deposited in court the part of the judgement that is within the applicable limit of insurance.

B. SECTION IV - CONDITIONS, D. Warranties is deleted in its entirety and replaced by the following:

D. Representations

By accepting this Coverage Form:

- 1.** The insureds agree that the application is attached to and forms a part of this Coverage Form.
- 2.** Each and every person who accepts the benefits of the coverage as an insured agrees:
 - a.** That the statements are the insured's agreements and representations; and
 - b.** That the statements are accurate and complete; and
 - c.** That the policy is issued and continued on the reliance upon the truth of those representations.

C. SECTION IV - CONDITIONS, F. Insured's Representative Clause is deleted in its entirety and replaced by the following:

F. Insured's Representative Clause

By acceptance of this Coverage Form the first Named Insured shown in the Declarations agrees to act on behalf of all insureds with respect to the giving and receiving of notice of "claim", the acceptance of endorsements, the giving or receiving of any other notice provided for in this Coverage Form except for Notice of Cancellation. All Named Insureds have the right to purchase the Extended Reporting Period.

D. SECTION V - EXTENDED REPORTING PERIODS is deleted in its entirety and replaced by the following:

SECTION V – EXTENDED REPORTING PERIODS

A. You shall have the right to the Extended Reporting Periods described in this section, in the event that:

- 1.** You or we cancel this Coverage Form;
- 2.** You or we refuse to renew this Coverage Form;
- 3.** We renew this Coverage Form:
 - (a)** On other than a claims-made basis; or
 - (b)** With a retroactive date later than the Retroactive Date shown in the Declarations; or
- 4.** The Retroactive Date, if any, is advanced.

B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They extend the "claims" reporting period.

- C. Such Extended Reporting Periods will apply solely with respect to "claims" first made in accordance with **SECTION I - COVERAGE, A. Insuring Agreement 3.** and Exclusion **f. Prior Known Acts**. Such "claims" must be reported to us prior to the expiration of the Extended Reporting Period.
- D. A 60-day Basic Extended Reporting Period is automatically provided without additional charge.

The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance of this Coverage Form.

- E. A Supplemental Extended Reporting Period is available, but only by endorsement and for an extra charge. This supplemental period starts immediately upon the effective date of an action described in Paragraph **A**.

However, we will not offer the Supplemental Extended Reporting Period if cancellation or nonrenewal of this policy is due to:

1. Nonpayment of premium;
2. Failure to comply with terms or conditions of the policy; or
3. Fraud.

The insured must give us a written request for this endorsement within 60 days of the termination of this insurance. The Supplemental Extended Reporting Period will not go into effect unless the insured pays the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposure insured;
2. Previous types and amounts of insurance; and
3. Other related factors

The additional premium will not exceed 200% of the expiring annual premium of this Coverage Form.

The endorsement shall set forth any terms that differ from the basic coverage form applicable to the Supplemental Extended Reporting Period.

If the Supplemental Extended Reporting Period endorsement is in effect, we will provide a Supplemental Aggregate Limit of Insurance described below, but only for "claims" first made in accordance with **SECTION I - COVERAGE, A. Insuring Agreement, 3.** and Exclusion **f. Prior Known Acts** against any insured during our Extended Reporting Period.

The Supplemental Aggregate Limit of Insurance will be equal to the dollar amount shown in the Declarations for Aggregate Limit.

The insurance provided by this endorsement is excess over any other valid and collectible insurance, other than insurance written specifically to be excess over this insurance and shall not be contributory.

All premiums paid for an optional Extended Reporting Period shall be deemed fully earned as of the first day of the optional Extended Reporting Period.

- E. **SECTION VI - DEFINITIONS**, E. "Defense costs" is deleted in its entirety and replaced by the following:

- E. "Defense Costs" means that part of "loss" consisting of reasonable and necessary fees, costs and expenses incurred by us, or reimbursed to you by us, resulting solely from the investigation, adjustment, defense and appeal of any legal action, "claim" or proceeding against an insured.

"Defense costs" do not include:

1. Expenses explicitly provided for under Supplementary Payments, or
2. The salaries and expenses of our employees or your employees.

- F. **SECTION VI - DEFINITIONS**, the first paragraph of item **J.** is replaced by the following:

"Loss" means "defense costs" and the total amount of monetary damages which the "insured" becomes legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages, judgments, settlements, punitive or exemplary damages or the

multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA - CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

**BUSINESOWNERS COVERAGE FORM
ANIMAL FLOATER COVERAGE FORM
BAILEES' CUSTOMERS SPECIAL COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CAMERA AND MUSICAL INSTRUMENT DEALERS COVERAGE FORM
CINCINNATI DATA DEFENDER™ COVERAGE FORM
CINCINNATI NETWORK DEFENDER™ COVERAGE FORM
CONTRACTOR'S EQUIPMENT (AND TOOLS) COVERAGE FORM
CONTRACTOR'S ERRORS AND OMISSIONS COVERAGE FORM - CLAIMS-MADE
CONTRACTOR'S LIMITED POLLUTION LIABILITY COVERAGE FORM
EMPLOYEE BENEFIT LIABILITY COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
INSTALLATION FLOATER SPECIAL COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
MISCELLANEOUS ARTICLES COVERAGE FORM
MOBILE PROPERTY BUSINESS INCOME COVERAGE FORM
TRANSPORTATION COVERAGE FORM**

A. The following definition is added with respect to the provisions of this endorsement:

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

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

B. Cap On Losses from Certified Acts of Terrorism

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

C. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion, does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Policy or Endorsement such as losses excluded by:

1. Exclusions that address war, warlike action, insurrection, rebellion, revolution, military action, nuclear hazard, nuclear materials, nuclear reaction, radiation, or radioactive contamination;
2. Exclusions that address pollutants, contamination, deterioration, fungi or bacteria; or
3. Any other exclusion.

NOTICE TO POLICYHOLDERS OF CLAIMS-MADE COVERAGE FORMS - VIRGINIA

NOTICE OF CLAIMS-MADE COVERAGE

NO COVERAGE IS PROVIDED BY THIS NOTICE. Nor can it be construed to replace any provision of your policy. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE CAREFULLY for complete information on the coverage that you are provided. If there is any conflict, between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

You have purchased a claims-made liability coverage form. Please read your policies carefully to understand your coverage. When this insurance terminates, we will send an offer with the available option(s) for purchasing the supplemental extended reporting period. You are entitled to receive information on claims that may have been reported under this policy, which will be provided to you upon your request. If you have any questions regarding the claims-made coverage or the importance of purchasing the supplemental extended reporting period, please contact your agent or us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA CHANGES--POLICY PERIOD

Coverage under this policy begins at 12:01 A.M. (Standard Time) at the mailing address shown in the Declarations. However, to the extent that this policy replaces coverage in other policies terminating at 12:01 A.M. (Standard Time) on the inception date of this policy at the location of the property involved, coverage under this policy, at each location, becomes effective when such other coverage terminates.

**THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
THE CINCINNATI INDEMNITY COMPANY**

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Insurance Company, The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The information disclosed in the application and all information subsequently collected by any of these companies may be shared among all three.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE DESIGNATED AGENTS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Capacity of Agent

Limit of Insurance

\$

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

- 1. Under SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, j. Employee Dishonesty, (4) Definitions, (a), and x. Money and Securities, (4), the meaning of employee is amended to include each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity shown in the Schedule while acting on your behalf or while in possession of covered property. These natural persons, partnerships or corporations are not covered for faithful performance of duty, even in the event that this insurance may have been amended by endorsement to provide such coverage on other employees.**
- 2. Each such agent and the partners, officers and employees of that agent are considered to be, collectively, one employee for the purposes of this insurance. However, Paragraph (6) in SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, j. Employee Dishonesty, still applies individually to each of them.**
- 3. The most we will pay under this insurance for loss caused by an agent included as an employee by this endorsement is the Limit of Insurance shown in the Schedule of this Endorsement. That Limit of Insurance is part of, not in addition to, the Limit of Insurance shown in the Declarations as applicable to Employee Dishonesty.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

COVERAGE PROVISIONS (Only those items marked by an X, where so indicated, are applicable):	
<input type="checkbox"/>	A: Blanket Coverage Limit for Specified Additional Coverages and Coverage Extensions
<input type="checkbox"/>	B: Increase in Limits or Coverage Periods for Specified Coverage Limitations, Additional Coverages and Coverage Extensions
<input type="checkbox"/>	C: Optional Additional Coverages and Coverage Extensions
<input type="checkbox"/>	D: Electronic Data Processing Equipment - Additional Coverages and Coverage Extensions
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The limits applicable to the coverages included in this endorsement may either be in addition to or included within the applicable Limit of Insurance. For application of the limits, refer to each coverage within this endorsement. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement.

This endorsement provides no coverage or additional limit unless specifically stated otherwise herein. We provide no coverage for Business Income; Extended Business Income; Extra Expense; or Business Income from Dependent Properties for any of the coverages included as part of this endorsement unless specifically stated, and then only to the extent provided for within that coverage provision.

Option A: Blanket Coverage Limit

Limit of Insurance	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The Blanket Limit of Insurance shown in the Schedule above applies only to the following Additional Coverages and Coverage Extensions:

Additional Coverage: Debris Removal

Additional Coverage: Ordinance or Law - Demolition Costs & Increased Costs of Construction

Coverage Extension: Accounts Receivables - Each Premises

Coverage Extension: Accounts Receivables - Away From Premises

Coverage Extension: Valuable Papers and Records - Each Premises

Coverage Extension: Valuable Papers and Records - Away From Premises

At the time of "loss", you may elect to apportion this additional Limit of Insurance to a single listed coverage or any combination of the listed coverages. This limit applies in addition to the specific Limits of Insurance shown for these coverages in the Declarations.

Option B: Increase in Limits or Coverage Periods for Specified Limitations, Additional Coverages and Coverage Extensions

A. SECTION I - PROPERTY, 4. Limitations:

The Limits of Insurance for the following coverages are revised:

Coverage Limitation	Limit of Insurance
Theft of furs, garments and garments trimmed with fur	\$
Theft of jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals.	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

B. SECTION I - PROPERTY, 5. Additional Coverages:

The Limits of Insurance or Period of Coverage for the following coverages are revised:

Additional Coverage	Limit of Insurance/Period of Coverage
Extended Business Income	Days
Business Income From Dependent Properties	\$
Computer and Funds Transfer Fraud	\$
Employee Dishonesty	\$
Fire Protection Equipment Recharge	\$
Forgery or Alteration	\$
"Fungi", Wet Rot, Dry Rot, and Bacteria - Limited Coverage	\$
Inventory or Appraisal	\$
Key and Lock Expense	\$
Leasehold Interest (Tenants Only)	\$
Money Orders and Counterfeit Paper Currency	\$
Money and Securities - Inside the Premises	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

C. SECTION I - PROPERTY, 6. Coverage Extensions:

The Limits of Insurance or Period of Coverage for the following coverages are revised:

Coverage Extension	Limit of Insurance/Period of Coverage
Alterations, New Buildings and Newly Purchased or Leased Locations	Days
Business Personal Property Temporarily in Portable Storage Units	\$
Fine Arts	\$
Newly Purchased, Leased or Constructed Property - Buildings	Days
Newly Purchased, Leased or Constructed Property - Business Personal Property	Days
Ordinance or Law - Increased Period of Restoration	\$
Outdoor Property - Per Premises	\$
Personal Effects	\$
Property Off-Premises	\$
Utility Services - Direct Damage	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Option C: Optional Additional Coverages and Coverage Extensions

The coverages included in **Option C: Optional Additional Coverages and Coverage Extensions** are subject to the deductible in the Businessowners Coverage Form unless stated otherwise. We will then pay the amount of "loss" in excess of the Deductible up to the applicable Limit of Insurance.

A. The following coverages are added to SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:

Additional Coverage:	Limit of Insurance/Period of Coverage	Waiting Period
Advertising Expense to Regain Customers	\$	
Business Income Extension For Websites	\$	
Contract Penalties	\$	
Denial of Access to Premises	Days	Hours
Expediting Expenses	\$	
Hired Auto - Physical Damage	\$	
Lessor's Tenant Move Expenses	\$	
Preservation of Property - Expense	\$; Days	
Transit Business Income and Extra Expense	\$	
Unauthorized Business Credit Card Use	\$	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

1. Advertising Expense to Regain Customers

- a. If we make payment for a Covered Cause of Loss under this policy and there is a "suspension" of your "operations" caused by direct "loss" to property, we will pay for necessary advertising expenses you incur solely to regain customer faith and approval.
- b. We will only pay the necessary advertising expenses that you incur within 60 consecutive days after the "period of restoration" ends.

- c. The amount shown in the Schedule is the most we will pay under this Additional Coverage for all necessary advertising expenses in any "coverage term".

2. Business Income Extension For Websites

- a. 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 covered direct "loss" to property caused by or resulting from a Covered Cause of Loss at the premises of a vendor that provides you with "online access" services. The premises of the vendor may be located anywhere in the world, except to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.
- b. This Additional Coverage applies only if you regularly back-up software, data, or other information in electronic form at a location other than the site of the website vendor.
- c. For the purpose of this Additional Coverage only, the definition of "period of restoration" under **SECTION I - PROPERTY, H. Property Definitions** is deleted and replaced with the following:

"Period of restoration" means the period of time that begins 12 hours after the time of direct "loss" and ends the earlier of:

 - (1) The date when the property at the premises of a vendor that provides you with "online access" services is repaired or replaced with reasonable speed and similar quality; or
 - (2) Seven days following the date of the covered direct "loss".
- d. For the purpose of this Additional Coverage only, the following is added to **SECTION I - PROPERTY, H. Property Definitions**:

"Online access" means:

 - (1) Accessing information made available by third parties; or
 - (2) Making information available to third parties; via computer or other electronic system.
- e. The definition of Business Income contained in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, a. Business Income** also applies to this Business Income Extension For Websites Additional Coverage.
- f. The amount shown in the Schedule is the most we will pay under this Additional Coverage in any one occurrence.

3. Contract Penalties

- a. We will pay for contract penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct "loss" by a Covered Cause of Loss to Covered Property.
- b. The amount shown in the Schedule is the most we will pay for all penalties in any one occurrence.
- c. This is an additional Limit of Insurance.

4. Denial of Access to Premises

- a. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the "premises" is prevented, due to direct "loss" to property that is away from, but within 2,000 feet of the "premises", caused by or resulting from any Covered Cause of Loss covered under this policy.
- b. The coverage for Business Income will begin after the Waiting Period stated in the Schedule, which is the number of hours after the "loss" that causes the denial of access to the "premises", and will apply for a period of up to the number of days stated in the Schedule from the date on which coverage began.
- c. The coverage for Extra Expense will begin immediately after the "loss" that causes the denial of access to the "premises" and will end:
 - (1) The number of consecutive days stated in the Schedule after the time of that "loss"; or
 - (2) When your Business Income coverage ends; whichever is earlier.

- d The definitions of Business Income and Extra Expense contained in **SECTION I - PROPERTY, A. Coverages, 5. Additional Coverages, a. Business Income** and **k. Extra Expense** also apply to this Denial of Access to Premises Additional Coverage.

5. Expediting Expenses

- a. When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
- (1) Make temporary repairs;
 - (2) Expedite permanent repair or replacement of damaged property; or
 - (3) Provide training on replacement machines or equipment.
- b. The amount shown in the Schedule is the most we will pay for "loss" in any one occurrence.
- c. This is an additional Limit of Insurance.

6. Hired Auto - Physical Damage

- a. We will pay for "loss" to an "auto" you, or an employee at your direction, lease, hire or rent without a driver for a period of 30 days or less for the purpose of conducting customary "operations" for your business. This does not include any "auto" you lease, hire or rent from any of your employees or members of their households.

We will pay for "loss" to a covered "auto" or its equipment under:

(1) Comprehensive coverage

From any cause except:

- (a) The covered "auto's" collision with another object; or
- (b) The covered "auto's" overturn.

(2) Collision coverage

- (a) The covered "auto's" collision with another object; or
- (b) The covered "auto's" overturn.

- b. For the purpose of this Additional Coverage only, **SECTION I - PROPERTY, A. Coverages, 2. Property Not Covered**, Paragraph **a.** is replaced by the following:
- (1) Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration and:
 - (a) Any "auto" as described in Paragraph **6.a.** above, while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity;
 - (b) Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment;
 - (c) Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment; or
 - (d) Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
 - c. For the purpose of this Additional Coverage only, **SECTION I - PROPERTY, B. Exclusions** does not apply with the exception of the following exclusions:
 - (1) **1.d. Nuclear Hazard;**
 - (2) **1.f. War and Military Action**
 - d. For the purpose of this Additional Coverage only, the following additional exclusions will also apply to this Additional Coverage:

- (1) We will not pay for "loss" to a covered "auto" caused by or resulting from someone causing you to voluntarily part with the "auto" by trick or scheme or under false pretenses; or
- (2) We will not pay for "loss" caused by or resulting from wear and tear, freezing; mechanical or electrical breakdown; blowouts, punctures or other road damage to tires.
- e. For the purpose of this Additional Coverage only, the following is added to **SECTION I - PROPERTY, C. Limits of Insurance:**
Hired Auto Physical Damage Limits of Insurance
The most we will pay for "loss" to any one covered "auto" is the lesser of:
 - (1) The "actual cash value" of the damaged or stolen property as of the time of "loss";
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
 - (3) The amount shown in the Schedule.
- f. The following is added to **SECTION I - PROPERTY, D. Deductibles:**
A \$1,000 Deductible applies to the Hired Auto - Physical Damage Additional Coverage.
- g. For the purpose of this Additional Coverage only, the following is added to **SECTION I - PROPERTY, H. Property Definitions:**
"Auto" means a land motor vehicle, trailer or semitrailer that is subject to motor vehicle registration, or designed for travel on public roads, including any attached machinery or equipment.
- h. This is an additional Limit of Insurance. This coverage is excess to any other valid insurance whether collectible or not.

7. Lessor's Tenant Move Expenses

- a. In the event that your tenants must temporarily vacate the covered Building at the "premises" due to untenability caused by a direct "loss" by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building:
 - (1) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the move out and back and any necessary disassembly and reassembly or setup of furniture and equipment; and
 - (2) The net cost to discontinue and reestablish the tenants' utility and telephone services, after any refunds due the tenants.
- b. We will only pay for the expenses that you actually incur:
 - (1) Within 60 days of the date that the damaged building has been repaired or rebuilt; and
 - (2) Only for tenants who both move out and move back into the covered Building.
- c. Regardless of the number of tenants involved, the amount stated in the Schedule is the most we will pay per occurrence under this Additional Coverage.
- d. This is an additional Limit of Insurance.

8. Preservation of Property - Expense

- a. If it is necessary to move Covered Property from the "premises" to preserve it from "loss" by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- b. This coverage applies for the number of days stated in the Schedule after the property is first moved, but does not extend past the date on which this policy expires.
- c. The most we will pay under this Additional Coverage is the amount shown in the Schedule.
- d. This is an additional Limit of Insurance.

9. Transit Business Income and Extra Expense

- a. We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct "loss" to Covered Property while in transit caused by or resulting from a Covered Cause of Loss.
- b. **SECTION I - PROPERTY, B. Exclusions**, Paragraphs **1.b. Earth Movement** and **1.g. Water** do not apply to this Additional Coverage.
- c. The most we will pay for loss in any one occurrence under this Additional Coverage is the amount shown in the Schedule.
- d. This is an additional Limit of Insurance.

10. Unauthorized Business Credit Card Use

- a. We will pay for loss resulting from the theft or unauthorized use of Business Credit Cards issued to you or registered in your name.
- b. We do not cover use of a Business Credit Card:
 - (1) By a person who has been entrusted with the card; or
 - (2) Any of your "employees".
- c. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence regardless of the number of individual unauthorized transactions.
- d. If a suit is brought against you for liability, we will pay for reasonable legal expenses incurred in that defense under this Additional Coverage.
- e. The most we will pay for any loss including legal expenses, under this Additional Coverage per occurrence is the amount shown in the Schedule.

B. The following coverages are added to **SECTION I - PROPERTY, A. Coverage, 6. Coverage Extensions**:

Coverage Extension:	Limit of Insurance
Brands and Labels	Included within Business Personal Property Limit of Insurance
Contingent Transit Business Income and Extra Expense	\$
International Air Shipments	\$
Personal Property of Others Replacement Cost Provision	Included within Business Personal Property Limit of Insurance
Soft Costs	\$
Worldwide Property Off Premises	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. Brands and Labels

- a. If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to your Business Personal Property to:
 - (1) Pay expenses you incur to:
 - (a) Remove the brand or label and then relabel the damaged property to comply with any applicable law; or
 - (b) Label or stamp the damaged property Salvage, if doing so will not physically damage the property.

- (2) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- b. Payment under this Coverage Extension is included within the Limit of Insurance applicable to your Business Personal Property.

2. Contingent Transit Business Income and Extra Expense

You may extend your Business Income or Extra Expense Coverage to apply to the actual loss of Business Income (not including Extended Business Income) or Extra Expense you sustain due to direct "loss" of personal property of others, not in your care, custody or control, while in transit, caused by or resulting from a Covered Cause of Loss.

The amount shown in the Schedule is the most we will pay for loss under this Coverage Extension.

3. International Air Shipments

- a. You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that you ship to apply to that property; while being shipped by air:
 - (1) Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or
 - (2) Between locations outside of the coverage territory;
- b. This Coverage Extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.
- c. This Coverage Extension does not apply to Business Personal Property or Personal Property of Others if there is other insurance in force covering the same "loss".
- d. The most we will pay for "loss" under this Coverage Extension in any one occurrence is the Limit of Insurance stated in the Schedule.

4. Personal Property of Others Replacement Cost Provision

SECTION I - PROPERTY, E. Property Loss Conditions, 5. Loss Payment, Paragraph d.(3)(b) is deleted.

5. Soft Costs

- a. We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in **SECTION I - PROPERTY, A. Coverages, 1. Covered Property**, Paragraph **a.(6)** resulting from direct "loss" to that Covered Building from a Covered Cause of Loss.
- b. We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.
- c. "Soft cost expenses" means additional:
 - (1) Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
 - (2) Interest on money borrowed to finance construction, remodeling, renovation or repair; and
 - (3) Advertising, public relations and promotional expenses.
- d. The most we will pay under this Coverage Extension in any one occurrence is the amount shown in the Schedule.

6. Worldwide Property Off-Premises

- a. You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
 - (1) Temporarily at a location you do not own, lease or operate;
 - (2) Temporarily on display or exhibit at any fair, trade show or exhibition;
 - (3) Samples of your "stock" in trade in the custody of your sales representatives; or

- (4) While in transit between the "premises" and a location described in (1), (2) or (3) above.
- b. The amount shown in the Schedule is the most we will pay for "loss" under this Coverage Extension.
- c. This is an additional Limit of Insurance.

Option D: Electronic Data Processing Equipment - Increased Limits and Additional Coverages

A. The Limits of Insurance for the following coverages are increased:

Additional Coverage	Limit of Insurance
Electronic Data	\$
Electronic Vandalism	\$
Interruption of Computer Operations	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

B. The following coverages are added to **SECTION I - PROPERTY, A. Coverage, 5. Additional Coverages:**

Additional Coverage	Limit of Insurance
Duplicate and Back-Up Software	\$
Third Party Host	\$
Worldwide Laptop	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. Duplicate and Back-Up Software

We will pay for direct "loss" resulting from any of the Covered Causes of Loss to duplicate and backup "software" while such property is stored away from your "premises" other than temporarily providing such "software" is not covered by another policy.

The most we will pay for "loss" in any one occurrence is the Limit of Insurance stated in the Schedule. This is an additional Limit of Insurance.

This Additional Coverage does not apply to "loss" insured under the Third Party Host Additional Coverage.

2. Third Party Host

a. We will pay for "loss" to:

Your "software" away from your "premises" due to a Covered Cause of Loss, but only while such "software" is hosted in the "hardware" of a third party information technology provider, with whom you have directly contracted for such service.

b. This Additional Coverage:

- (1) Applies to "software" whether or not it is located within the coverage territory; and
- (2) Does not apply to "loss" insured under the Duplicate and Backup "Software" Coverage Extension.

c. The most we will pay for "loss" in any one occurrence is the Limit of Insurance stated in the Schedule.

3. Worldwide Laptop

a. You may extend the Business Personal Property coverage provided by this endorsement to apply to your laptops, notebooks and similar highly portable personal computers, including their peripherals and accessories, while such specific Covered Property is:

- (1) In your or your employee's care, custody and control;
- (2) Not located at a "premises" you own or lease; and

- (3) Not located in the coverage territory stated in Paragraph **b.** of **SECTION I - PROPERTY, F. Property General Conditions, 4. Policy Period, Coverage Territory**, provided that location is not under a United States Department of State trade or travel restriction at the time of "loss".
- b.** The most we will pay for "loss" in any one occurrence is the Limit of Insurance stated in the Schedule.
- c.** This **Worldwide Laptop Coverage** does not apply per location.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS EXCLUSION

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONTRACTORS' EQUIPMENT (AND TOOLS) COVERAGE FORM
INSTALLATION FLOATER SPECIAL COVERAGE FORM
SIGNATURE PROPERTY PLUS ENDORSEMENT
SIGNATURE PROPERTY PREMIUM ENDORSEMENT
SIGNATURE PROPERTY PLATINUM ENDORSEMENT**

- A.** The exclusion under Section **B.** replaces any coverage, extension, limitation, or exclusion as it relates to nuclear, biological, chemical, or radiological hazards except to the extent coverage is provided:

- 1.** For chemical hazards only in:

Pollutant Clean Up and Removal Additional Coverage and Supplemental Coverage

Hazardous Material Coverage

- 2.** For biological hazards only in:

Fungi, Wet Rot, Dry Rot, and Bacteria - Limited Coverage Additional Coverage

B. Nuclear, Biological, Chemical and Radiological Hazards

- 1.** We will not pay for any "loss" that is caused by, resulting from, is exacerbated by or otherwise impacted by, either directly or indirectly, any of the following:

- a. Nuclear Hazard** - including, but not limited to nuclear reaction, nuclear detonation, nuclear radiation, radioactive contamination and all agents, materials, products or substances, whether engineered or naturally occurring, involved therein or released thereby;
- b. Biological Hazard** - including, but not limited to any pathogenic or poisonous biological material, product or substance, whether engineered or naturally occurring, that induces or is capable of inducing physical distress, illness, or disease;
- c. Chemical Hazard** - including, but not limited to any chemical agent, material, product or substance; or
- d. Radiological Hazard** - including, but not limited to any electromagnetic, optical, or ionizing radiation or energy, including all generators and emitters thereof, whether engineered or naturally occurring.

However, this exclusion does not apply to "loss" directly caused by a biological or chemical hazard as listed above that is part of the regular course of the insured's business practices.

- 2.** Only if and to the extent required by state law, the following exception to the exclusion above applies:

If a hazard excluded in items **a.**, **b.**, **c.**, or **d.** above results in fire, we will pay for the "loss" caused by that fire, subject to all applicable policy provisions. Such coverage for fire applies only to direct "loss" by fire to Covered Property. Therefore, for example, this coverage does not apply to insurance provided under business income and/or extra expense coverage or endorsements that apply to those coverages.

All other terms and conditions of this policy remain unchanged.

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:

BUSINESSOWNERS COVERAGE FORM

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under **SECTION I - PROPERTY** in all forms and endorsements that comprise this policy, including but not limited to forms or endorsements that cover property damage to buildings or Business Personal Property and forms or endorsements that cover Business Income, Extra Expense or action of civil authority.
- B.** We will not pay for "loss" caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. This includes the actual, alleged, potential, perceived or feared:
1. Presence of;
 2. Exposure to;
 3. Transmission of;
 4. Inability to use or occupy any location due to; or
 5. "Suspension" of "operations" due to;
- Any virus, bacterium or other microorganism.
- However, this exclusion does not apply to "loss" caused by or resulting from "fungi", wet rot or dry rot. Such "loss" is addressed in a separate exclusion in this policy.
- C.** With respect to any "loss" subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungi", Wet Rot, Dry Rot, and Bacteria; and
 2. Additional Coverage - "Fungi", Wet Rot, Dry Rot, and Bacteria - Limited Coverage, including any endorsement increasing the scope or amount of coverage.
- E.** This exclusion does not apply to the extent coverage is provided in:
1. Crisis Event Expense Coverage Endorsement;
 2. The Bridge Endorsement; or
 3. Food Contamination Business Interruption and Extra Expense Endorsement.
- F.** 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 not otherwise be covered or be excluded under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME CHANGES - WAITING PERIOD

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

"Period of Restoration" Waiting Period - All Covered Causes of Loss, except Windstorm or Hail:		
Premises	Building	Waiting Period (Hours)
"Period of Restoration" Waiting Period - Windstorm or Hail:		
Premises	Building	Waiting Period (Hours)

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

A. SECTION I - PROPERTY, H. Property Definitions, 21. "Period of Restoration", is deleted in its entirety and replaced with the following:

21. "Period of Restoration"

a. Means the period of time that:

(1) Begins

(a) After the number of hours shown in the Schedule have passed from the time of direct "loss" for Business Income coverage; or

(b) Immediately after the time of direct "loss" for Extra Expense coverage; and

(2) Ends on the earlier of:

(a) The date when the property at the "premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(b) The date when business is resumed at a new permanent location.

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

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises	Building	Windstorm or Hail Percentage Deductible
Information required to complete this Schedule, if not shown above, will be shown in the Declarations		

For the purposes of this endorsement only, **SECTION I - PROPERTY, D. Deductibles** is amended to include the following:

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered "loss" caused directly or indirectly by Windstorm or Hail. This deductible applies to each occurrence of Windstorm or Hail. Nothing in this endorsement implies or affords coverage for any "loss" that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement, (or if you have a flood insurance policy), a separate Flood Deductible applies to "loss" attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms specific insurance and blanket insurance have the following meanings: Specific insurance covers each item of Covered Property (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more types of Covered Property (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of Covered Property and corresponding Limit of Insurance are shown in the Declarations.

WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS

A. Calculation of the Deductible - All Policies

A Deductible is calculated separately for and applies separately to:

1. Each building that sustains "loss";
2. The business personal property in each building at which there is "loss" to business personal property; and
3. Business personal property in the open.

If there is damage to both a covered building and covered business personal property in the same building, separate deductibles apply to the building and to business personal property.

We will not pay for "loss" until the amount of "loss" exceeds the applicable Deductible. We will then pay the amount of "loss" in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by **SECTION I - PROPERTY, E. Property Loss Conditions, 5. Loss Payment, d.(1)(b)**.

When property is covered under the Coverage Extension for Newly Purchased, Leased or Constructed Property: In determining the amount, if any, that we will pay for "loss", we will deduct an amount equal to a percentage of the value(s) of the property at time of "loss". The applicable percentage for Newly Purchased, Leased or Constructed Property is the highest percentage shown in the Schedule of this endorsement for any "premises".

B. Calculation of the Deductible - Specific Insurance

In determining the amount, if any, that we will pay for "loss", we will deduct an amount equal to the percentage deductible (shown in the Schedule of this endorsement) of the Limit of Insurance applicable to the property that has sustained "loss".

C. Calculation of the Deductible - Blanket Insurance

In determining the amount, if any, that we will pay for "loss", we will deduct an amount equal to the percentage deductible (shown in the Schedule of this endorsement) of the value(s) of the property that has sustained "loss".

EXAMPLES - APPLICATION OF DEDUCTIBLE

Example #1 - Specific Insurance (B.1.)

The amounts of "loss" to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The Limit of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property.

The Deductible is 2%.

Building

Step (1): $\$80,000 \times 2\% = \$1,600$

Step (2): $\$60,000 - \$1,600 = \$58,400$

Business Personal Property

Step (1): $\$64,000 \times 2\% = \$1,280$

Step (2): $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. That portion of the total "loss" not covered due to application of the Deductible is \$2,880.

Example #2 - Blanket Insurance (C.1.)

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000) is \$2,000,000.

The Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is \$1,800,000, which is adequate for replacement cost per **SECTION I - PROPERTY, E. Property Loss Conditions, 5. Loss Payment, d.(1)(a)**.

Buildings #1 and #2 have sustained damage; the amounts of "loss" to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

Building #1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building #2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. That portion of the total "loss" not covered due to application of the Deductible is \$20,000.

Example #3 - Blanket Insurance (C.1.)

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000) is \$1,500,000.

The Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000, which is adequate for replacement cost per **SECTION I - PROPERTY, E. Property Loss Conditions, 5. Loss Payment, d.(1)(a)**.

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of "loss" are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 5%.

Building

Step **(1)**: $\$500,000 \times 5\% = \$25,000$

Step **(2)**: $\$95,000 - \$25,000 = \$70,000$

Business Personal Property

Step **(1)**: $\$250,000 \times 5\% = \$12,500$

The "loss", \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building "loss", \$25,000, is not covered due to application of the Deductible. There is no "loss" payment for the business personal property.

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

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NOTICE: THIS INSURANCE COVERAGE CONTAINS CLAIMS-MADE COVERAGE. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THIS INSURANCE IS LIMITED TO "WRONGFUL ACTS" FOR WHICH "CLAIMS" ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ AND REVIEW THIS INSURANCE CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR AGENT.

THE LIMITS OF INSURANCE AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE.

EMPLOYMENT PRACTICES 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 VI - DEFINITIONS.**

SECTION I - COVERAGE

A. Insuring Agreement

1. We will pay those sums that the insured becomes legally obligated to pay as damages because of all "loss" generated by a "claim". We will have the right and duty to select counsel and defend the insured against any "claim". However, we will have no duty to defend the insured against any "claim" seeking damages to which this insurance does not apply. We may make any investigation we deem necessary and may, with the consent of the insured, make any settlement of any "claim" we deem expedient. However, if the insured withholds consent to such settlement, our liability for all "loss" in connection with such "claim" shall not exceed the amount for which we could have settled such "claim" plus charges and expenses which have accrued since the date such settlement was proposed in writing by us to the insured; plus:
2. 90% of any settlement or judgment in excess of the proposed settlement amount referenced in **A.1.** above plus 90% of any "defense costs" incurred after the date the insured refused to consent to the proposed settlement. The remaining 10% of any settlement or judgment in excess of the proposed settlement amount referenced in **A.1.** above plus 10% of any "defense costs" incurred after the date the policy "insureds" refused to consent to the proposed settlement shall be borne by the "insureds", uninsured and at their own risk.

But:

- a. The amount we will pay for all "loss" is limited as described in **SECTION III - LIMITS OF INSURANCE AND INSURED'S DEDUCTIBLE;** and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the defense and/or payment of judgments or settlements of covered "claims".

No other obligation or liability to pay sums or perform acts or services is covered unless specifically provided for under **C. Supplementary Payments.**

3. This insurance applies to "claims" only if those "claims":
 - a. Arise from a "wrongful act" committed, attempted or allegedly committed or attempted:
 - (1) On or after the Retroactive Date, if any, shown in the Declarations and prior to the termination of this Coverage Form; and
 - (2) In the "coverage territory"; and

- b.** Are first made against any insured in accordance with Paragraph **4.** below during the policy period or any Extended Reporting Period we may provide under **SECTION V - EXTENDED REPORTING PERIODS.**
- 4.** A "claim" for all "loss" will be deemed to have been made at the earlier of the following times:
 - a.** When an insured reports to us or another insurer in writing an incident or circumstance that may lead to a "claim" or "loss"; or
 - b.** When notice of such "claim" is received in writing by an insured or by us, whichever comes first.

B. Exclusions

- 1.** This insurance does not apply to:

- a. ADA Modifications**

"Loss" incurred by the insured in making physical changes, modifications, alterations, or improvements as part of an accommodation pursuant to the Americans With Disabilities Act or similar provisions of any federal, state or local statutory or common law.

However, this exclusion does not apply to "defense costs".

- b. Bodily Injury and Property Damage**

Any "claim" or "loss" based upon, arising out of, or in consequence of any actual or alleged "bodily injury" or "property damage".

- c. Contractual Liability**

Any "claim" based upon, arising out of, or in consequence of, any actual or alleged obligation or liability of others assumed by an insured under any contract or agreement, either oral or written, except to the extent the insured would have been liable in the absence of the contract or agreement.

- d. Fraudulent Act or Purposeful Violation**

Any "claim" or "loss" based upon, arising out of, or in consequence of, any deliberately fraudulent, dishonest, criminal or malicious act or omission or willful violation of any statute, law, rule, regulation, agreement, or judicial or regulatory order, if a final and nonappealable judgment or adjudication adverse to the insureds establishes a deliberately fraudulent, dishonest, criminal or malicious act or omission or willful violation of any statute, law, regulation, agreement or judicial or regulatory order.

- e. Pollutant**

Any "claim" based upon, arising out of, in consequence of, or in any way involving:

- (1)** The actual, alleged, or threatened discharge, dispersal, seepage, migration, emission, release or escape of "pollutants"; or
 - (2)** Any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize "pollutants", including but not limited to "claims" alleging damage to an insured;

provided, however, this exclusion shall not apply to any "claim" under this Coverage Form for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of matters described in **(1)** or **(2)** above.

- f. Prior Known Acts**

Any "claim" or "loss" based upon, arising out of, or in consequence of, any actual or alleged "wrongful act" committed, attempted, or allegedly committed or attempted prior to the effective date of this Coverage Form if:

- (1)** Notice of a "claim" or circumstances which may lead to a "claim" have been reported under any previous policy, whether or not coverage applied, of which this Coverage Form is a renewal or replacement or which it may succeed in time; or
 - (2)** The insured knew or should have reasonably foreseen, prior to the effective date of the first consecutive Coverage Form issued by us, that such circumstances might be the basis of a "claim" or "loss"; or

- (3) Notice of a "claim" or circumstances which may lead to a "claim" is based upon, arises out of, directly or indirectly results from or in consequence of, or in any way involves any prior or pending litigation, arbitration or administrative action as of the effective date of the first consecutive Coverage Form issued to the insured by us.

g. Violation of Laws

Any "claim" based upon, arising out of, in consequence of, or in any way involving any actual or alleged violation(s) of any of the responsibilities, obligations, or duties imposed by the:

- (1) Employee Retirement Income Security Act of 1974; or
- (2) Fair Labor Standards Act (except the Equal Pay Act), except we shall reimburse the insured for up to a maximum payment of \$100,000 in "defense costs" that exceed the Deductible Amount as set forth in the Declarations. Any payment of "defense costs" shall be part of and not in addition to the Limit of Insurance set forth in the Declarations and such payment reduces the Limit of Insurance; or
- (3) National Labor Relations Act (including the Labor Management Relations Act of 1947); or
- (4) Worker Adjustment and Retraining Notification Act; or
- (5) Consolidated Omnibus Budget Reconciliation Act of 1985; or
- (6) Occupational Safety and Health Act; or

any amendments to or rules or regulations promulgated pursuant to these laws, or similar provisions of any federal, state, or local statutory or common law. However, this exclusion shall not apply to a "claim" for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the Employee Retirement Income Security Act, the Fair Labor Standards Act, the National Labor Relations Act (including the Labor Management Relations Act of 1947), the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act or the Occupational Safety and Health Act by any insured.

h. Workers' Compensation and Similar Laws

Any "claim" based upon, arising out of, in consequence of, or in any way involves any actual or alleged obligation of any insured under a workers' compensation, unemployment insurance, social security, disability benefits or similar law, or derivative actions arising out of any of these. However, this exclusion shall not apply to any "claim" for retaliatory treatment by an insured due to the exercise of rights granted under any such law.

2. Severability of Exclusions

With respect to the exclusions in this policy:

No fact regarding or knowledge possessed by any insured shall be imputed to any other insured to determine if coverage is available, except that facts pertaining to and knowledge possessed by any past, present or future Chief Financial Officer or Chief Executive Officer of the Named Insured shall be imputed to the Named Insured to determine if coverage is available.

C. Supplementary Payments

We will pay with respect to any "claim" we defend:

- 1. The cost of any appeal bond, attachment bond, or any similar bond, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 2. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

A. If you are designated in the Declarations as:

- 1. An individual, you and your spouse, or "domestic partner" are insureds but only to the extent such spouse or "domestic partner" is a party to any "claim" solely in such person's capacity as a spouse or

"domestic partner" of an "insured" and only if the "claim" seeks damages recoverable from marital community property, property jointly held by the "insured" and the spouse or "domestic partner", or property transferred from "insured" to the spouse or "domestic partner", but only with respect to the conduct of a business of which you are the sole owner.

2. A partnership or joint venture, you are an insured and any "subsidiary". Your past, present and future members, your past, present and future partners, and their spouses or "domestic partners" are also insureds, but only to the extent such spouse or "domestic partner" is a party to any "claim" solely in such person's capacity as a spouse or "domestic partner" of an "insured" and only if the "claim" seeks damages recoverable from marital community property, property jointly held by the "insured" and the spouse or "domestic partner", or property transferred from "insured" to the spouse or "domestic partner", but only with respect to the conduct of your business.
3. A limited liability company and any "subsidiary", you are an insured. Your past present and future members are also insureds, but only with respect to the conduct of your business. Your past, present and future managers are insureds, but only with respect to their duties as your managers.
4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your past, present and future "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your past and present stockholders are also insureds, but only with respect to their liability as stockholders.

B. Each of the following is also an insured:

1. Your past, present and future "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.
2. Any natural person who is an independent contractor as determined by federal, state or local law, but only while acting in the capacity as such for you or any "subsidiary" pursuant to an express written agreement between the independent contractor, or any entity on behalf of the independent contractor, and you or any "subsidiary" and only if you or any "subsidiary" agrees in writing to provide indemnification to such independent contractor; provided, however, any coverage under this Coverage Form for any such independent contractor shall be excess of any indemnification or insurance otherwise available to such independent contractor from any other source;

including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

3. The estates, heirs, legal representatives or assigns of insureds who are deceased or have been declared incompetent.

C. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However, coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE AND INSURED'S DEDUCTIBLE

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds under this Coverage Form;
2. "Claims" made or suits brought on account of "wrongful acts" or otherwise; or
3. Persons or Organizations making "claims" or bringing suits.

B. Subject to **C.** below, our maximum liability for each "wrongful act" shall be the Limit of Insurance Per Wrongful Act as specified in the Declarations.

All "loss" arising out of the same "wrongful act" and all "interrelated wrongful acts" of any insured shall be deemed one "wrongful act" and have been deemed to have originated in the earliest policy period in which a "claim" is first made against any insured alleging any such "wrongful act" or "interrelated wrongful acts".

- C. The Aggregate Limit as specified in the Declarations is the most we will pay for "loss" for all "claims" to which this insurance applies.
- D. "Defense costs" incurred by us or by the insured with our written consent are part of and not in addition to the Limits of Insurance specified in the Declarations. Our payment of "defense costs" reduces the Limits of Insurance.
- E. Our liability shall apply only to that part of each covered "loss" which is excess of the Deductible Amount specified in the Declarations and such Deductible Amount shall be borne by the insureds.
- F. Any "claim" which is made or maintained as a class action or other multiple plaintiff suit shall be deemed one "wrongful act" and shall be subject to the Per Wrongful Act Limit of Insurance and Deductible Amount shown in the Declarations.
- G. In the event this Coverage Form is extended in accordance with the provisions of the Basic Extended Reporting Period, our total liability shall not exceed the Aggregate Limit shown in the Declarations for the last policy period in which coverage is provided hereunder.

The Limits of Insurance of this Coverage Form 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 - CONDITIONS

A. Duties of the Insureds in the Event of a Claim

As a condition precedent to coverage under this Coverage Form:

1. The insureds shall give us written notice as soon as practicable of any "claim" made against an insured for a "wrongful act" and shall give such information and cooperation as we may reasonably require, including but not limited to a description of the "claim", the nature of the alleged "wrongful act", the nature of the alleged injury, the names of the claimants, and the manner in which the insured first became made aware of the "claim".
2. The insureds shall provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a "claim" the insureds will do nothing that may prejudice our position or our potential or actual rights of recovery.
3. The insureds shall not settle any "claim", incur any "defense costs" or otherwise assume any contractual obligation or admit any liability with respect to any "claim" without our written consent, which shall not be unreasonably withheld. We shall not be liable for any settlement, "defense costs", assumed obligation or admission to which we have not consented.

B. Legal Action Against Us

No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Coverage Form, nor until the amount of an insured's obligation to pay shall have been finally determined either by judgment against an insured after actual trial or by written agreement of the insured, the claimant and us.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Coverage Form to the extent of the insurance afforded by this Coverage Form. No person or organization shall have any right under this Coverage Form to join us as a party to any action against an insured to determine an insured's liability. Bankruptcy or insolvency of an insured or of their estates shall not relieve us of any of our obligations hereunder.

C. Other Insurance

This insurance is primary except when all or any part of "loss" is also insured under any other prior or current policy. Then this insurance is excess over that other insurance, whether primary, excess, contingent or on any other basis, unless that other insurance was purchased specifically to apply in excess of this Coverage Form.

When this Coverage Form is excess:

1. We will have no duty to defend any "claim" when any other insurer has that duty. If another insurer fails to defend and we incur costs as a result of such failure, we will be entitled to the insured's rights against such other insurer; and

2. 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 Coverage Form; and
 - b. The total of all deductible and self-insured amounts under all such other insurance.

D. Warranties

By accepting this Coverage Form:

1. The insureds warrant that the application is attached to and forms a part of this Coverage Form;
2. Each and every person who accepts the benefits of coverage as an insured warrants:
 - a. That the statements in the application and Declarations are material to our acceptance of risk assumed by us; and
 - b. That we have issued this Coverage Form in reliance upon the truth of the statements in the application and Declarations; and
 - c. That coverage depends upon the truth of such statements.

E. Transfer of Rights of Recovery Against Others To Us

In the event of any payment under this Coverage Form we shall be subrogated to the extent of such payment to all insured's rights of recovery. In such case the insured shall execute all papers required and shall do everything necessary to secure and preserve such right, including the execution of such documents necessary to enable us to effectively bring suit in the name of the insured.

F. Insured's Representative Clause

By acceptance of this Coverage Form the first Named Insured shown in the Declarations agrees to act on behalf of all insureds with respect to the giving and receiving of notice of "claim", the acceptance of endorsements, the giving or receiving of any other notice provided for in this Coverage Form, and the exercising or declining to exercise any right to an Extended Reporting Period, and agree that such first Named Insured shall act on all insureds' behalf.

G. Mediation and Allocation

1. Any dispute including but not limited to tort claims or contract claims between an insured and us arising out of or relating to this Coverage Form shall be submitted to nonbinding mediation prior to commencement of an action between the parties. The mediator shall be chosen by agreement. If the parties cannot agree upon a mediator, the mediator shall be chosen by the American Arbitration Association.
2. If both "loss" covered by this Coverage Form and loss not covered by this Coverage Form are incurred, either because a "claim" against an insured includes both covered and uncovered matters or because a "claim" is made against both an insured and others, we will pay 100% of reasonable and necessary "defense costs" and all remaining "loss" will be allocated between covered "loss" and uncovered "loss" based upon the relative legal exposure of the parties to such matters.
3. If we and the insured cannot agree as to matters in Paragraph 2. of this condition prior to a judgment or finding in the civil or administrative proceeding dealing with "claims" against the insured, the parties agree that they will, to the extent it is within their control, require that the allocation between covered "loss" and uncovered loss is made in such civil or administrative proceeding. Such efforts shall include but are not limited to the submission of special interrogatories to the finder of fact in such proceedings. Such efforts shall not require us to become a party to such civil or administrative proceedings.
4. Notwithstanding Paragraph 3. of this condition, if we and the insured cannot agree as to matters in Paragraph 2. of this condition prior to a judgment or finding in any civil or administrative proceeding in which such issues are decided, we may at any time before or after mediation under Paragraph 1. of this condition settle all "claims" against any or all insureds. Following such settlement, any dispute between us and the insured as to the proper allocation of covered and uncovered matters under Paragraph 2. of this condition shall be submitted to a nonbinding mediation prior to the commencement of an action between the parties. In any event, only one mediation as to the same issues shall be required.

H. Acquisition of an Insured by Another Organization

If (i) an insured merges into or consolidates with another organization, or (ii) another organization or person or group of organizations and/or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than 50% of the outstanding securities representing the present right to vote for election of an insured's directors, coverage under this Coverage Form shall continue until its termination, but only with respect to "claims" for "wrongful acts" committed, attempted or allegedly committed or attempted, by insureds prior to such merger, consolidation or acquisition.

I. Cessation of Subsidiaries

In the event a Named Insured ceases to be a "subsidiary", coverage with respect to such "subsidiary" and its insureds shall continue until termination of this Coverage Form, but only with respect to "claims" for "wrongful acts" committed, attempted, or allegedly committed or attempted prior to the date such organization ceases to be a "subsidiary".

J. Three or Five Year Policies

If this Coverage Form is issued for more than one year, the premium shall be computed annually based on our rates or premiums in effect at each anniversary.

K. Bankruptcy

Bankruptcy or insolvency of the insured or of insured's estate will not relieve us of our obligations under this Coverage Form.

L. When We Do Not Renew

If we decide not to renew this coverage, 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 - EXTENDED REPORTING PERIODS

A. Upon termination of this insurance for any reason, other than cancellation for nonpayment of premium, we may provide one or more Extended Reporting Periods as described below.

B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They extend the "claims" reporting period.

C. Such Extended Reporting Periods will apply solely with respect to "claims" first made in accordance with **SECTION I - COVERAGE, A. Insuring Agreement, 3. and Exclusion f. Prior Known Acts.** Such "claims" must be reported to us prior to the expiration of the Extended Reporting Period.

D. A 90-day Basic Extended Reporting Period is automatically provided without additional charge.

The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance of this Coverage Form.

E. A Supplemental Extended Reporting Period is available, but only by endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, as set forth by Paragraph **D.**, ends.

The insured must give us a written request for this endorsement within 60 days of the termination of this insurance. The Supplemental Extended Reporting Period will not go into effect unless the insured pays the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposure insured;
2. Previous types and amounts of insurance; and
3. Other related factors.

The additional premium will not exceed 200% of the expiring annual premium of this Coverage Form.

The endorsement shall set forth any terms that differ from the basic Coverage Form applicable to the Supplemental Extended Reporting Period.

If the Supplemental Extended Reporting Period endorsement is in effect, we will provide a Supplemental Aggregate Limit of Insurance described below, but only for "claims" first made in accordance with **SECTION I - COVERAGE, A. Insuring Agreement, 3.** and Exclusion **f. Prior Known Acts** against any insured during our Extended Reporting Period.

The Supplemental Aggregate Limit of Insurance will be equal to the dollar amount shown in the Declarations for Aggregate Limit that is in effect at the end of the last policy period.

All premiums paid for an optional Extended Reporting Period shall be deemed fully earned as of the first day of the optional Extended Reporting Period. Once premium for the Extended Reporting Period is paid the optional Extended Reporting Period may not be cancelled.

SECTION VI - DEFINITIONS

- A.** "Benefits" means perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, other than salary or wages, to or for the benefit of an "employee" arising out of the employment relationship.
- B.** "Bodily injury" means physical injury, sickness, disease or death of any person.
- C.** "Claim" means:
 - 1. A written demand for monetary damage or nonmonetary relief;
 - 2. A civil proceeding commenced by filing of a complaint or similar pleading;
 - 3. A formal administrative or regulatory proceeding commenced by a filing of charges, formal investigative order or similar document;
 - 4. An arbitration, mediation or similar alternative dispute resolution proceeding if the insured is required or agrees to participate in such proceeding with our written consent; or
 - 5. A written request to toll or waive a statute of limitations relating to a potential "claim" described above;which is brought by or on behalf of any past, present or prospective "employee(s)" of a Named Insured against any of the insureds, including any appeal therefrom, as the result of an alleged "wrongful act".
- D.** "Coverage territory" means anywhere.
- E.** "Defense costs" means reasonable and necessary fees, costs, and expenses incurred by us or with our consent on behalf of the insured or reimbursed to any insured by us, resulting solely from the investigation, adjustment, defense and appeal of any "claim". "Defense costs" includes but is not limited to the cost of expert consultants and witnesses, premiums for appeal, attachment or supersedeas bonds (but not the obligation to furnish such bonds).

"Defense costs" do not include:

 - 1. Expenses explicitly provided for under **C. Supplementary Payments**; or
 - 2. The salaries, wages, overhead or expenses of our employees or your directors, officers or "employees", other than that portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim"; or
 - 3. Any amount covered by the duty to defend obligation of any other insurer; or
 - 4. Any pretender fees, costs or expenses.
- F.** "Domestic partner" means a natural person who is not otherwise an "insured", in a committed relationship with an insured person, which is legally recognizable as a marriage, civil union or domestic partnership in the state where the "claim" is made or suit is filed and the legal existence of the relationship is verifiable by legal, government documentation existing prior to the date of the "wrongful act" complained of in the "claim".
- G.** "Employee" includes but is not limited to full-time, part-time, seasonal, volunteer, leased or contingent workers as determined by federal, state or local law. "Employee" does not include independent contractors as determined by federal, state or local law.
- H.** "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- I.** "Interrelated wrongful acts" means all causally connected "wrongful acts".

J "Loss" means "defense costs" and the total amount of monetary damages which the "insured" becomes legally obligated to pay on account of any "claim" for a "wrongful act" with respect to which coverage hereunder applies, including damages (including back pay and front pay), judgments, settlements, prejudgment and postjudgment interest and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages.

"Loss" shall not include any amount for which an "insured" is not financially liable, compensation earned in the course of employment but not paid by an "insured" or matters which are deemed uninsurable under the law pursuant to which this Coverage Form shall be construed.

"Loss" shall not include, (other than "defense costs"):

1. "Benefits" or the equivalent value, however, this provision does not apply to "loss" resulting solely from wrongful termination of employment; or
2. Amounts which arise out of, are based upon, or are attributable to the employment reinstatement of the claimant by an "insured" or the continued employment of the claimant; or
3. Future compensation, including salary or "benefits" for an "employee" if the "insured" is ordered in accordance with a judgment or other final adjudication but fails to reinstate the claimant as an "employee"; or
4. Civil or criminal fines or penalties imposed by law, liquidated damages, payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law; or
5. Future compensation, including salary or "benefits" for an "employee" who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a "claim"; or
6. Medical, pension, disability, life insurance, stock option or other "employee" type "benefit".

K "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Oral or written publication of material that libels or slanders a past, present or prospective "employee";
3. Invasion of a past, present or prospective "employee's" right of privacy;
4. Malicious prosecution; or
5. Abuse of process.

L "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals, petroleum products and their by-products and waste. Waste includes material to be recycled, reconditioned or reclaimed.

"Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment.

M. "Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to have taken place at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to have taken place at the time of the incident that caused it.

N. "Subsidiary" means any organization in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors is owned or controlled, directly or indirectly, in any combination, by one or more of the insureds.

O. "Wrongful act" means any error, misstatement or misleading statement, act or omission, or neglect or breach of duty by an insured or any person for whose acts the insured is legally liable for:

1. Wrongful discharge or termination of employment, including constructive discharge;
2. Breach of any oral, written or implied employment contract or quasi-employment contract except for that part of any express contract of employment or an express obligation to make payments in the event of the termination of employment;

3. Employment related misrepresentation;
 4. Violation of any federal, state or local law that concerns employment discrimination or harassment including sexual harassment involving unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, or workplace bullying or workplace harassment of a nonsexual nature, that:
 - a. Are made a condition of employment;
 - b. Are used as a basis for employment decisions; or
 - c. Create a work environment that interferes with performance;
 5. Wrongful failure to employ or promote;
 6. Wrongful discipline;
 7. Wrongful deprivation of a career opportunity;
 8. Negligent hiring, supervision, promotion, retention, or evaluation;
 9. Employment related "personal injury";
 10. Wrongful failure to grant tenure;
 11. Employment related wrongful infliction of emotional distress;
 12. Violation of the Family Medical Leave Act;
 13. Wrongful retaliation;
 14. Wrongful denial of training, denial or deprivation of seniority or evaluation; or
 15. Failure to adopt, create, provide or enforce adequate workplace or employment practices and procedures;
- including any actual or alleged assault, battery, or loss of consortium, in connection with Paragraphs 1. through 15. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The insurance provided under **SECTION II - LIABILITY, A. Coverages, 1. Business Liability** applies to "bodily injury" or "property damage" arising out of the:

1. Maintenance or use of a "hired auto" by you or your "employees" in the course of your business; and
2. Use of any "nonowned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions under **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage**, other than exclusions **a. Expected or Intended Injury, b. Contractual Liability, d. Workers' Compensation and Similar Laws, f. Pollutant** and **i. War** and **B. Exclusions, 3. Applicable to both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion** are deleted and replaced by the following:

a. "Bodily injury" to:

- (1) An "employee" of the insured sustained in the "workplace";
- (2) An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or
- (3) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraphs (1) or (2) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract"; or
- (2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers' compensation law.

b. "Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

2. For insurance provided by this endorsement only, **SECTION II - LIABILITY, C. Who is an Insured** is deleted and replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

- a.** You;
- b.** Any other person using a "hired auto" with your permission;
- c.** For a "nonowned auto", any partner or "executive officer" of yours, but only while such "nonowned auto" is being used in your business; and

- d. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.

None of the following is an insured:

- a. Any person engaged in the business of his or her employer for "bodily injury" to any co"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- d. The owner or lessee (of whom you are sublessee) of a "hired auto" or the owner of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
- e. Any person or organization for 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.

3. For insurance provided by this endorsement only, SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions is amended to include the following:

- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
- 3. "Nonowned auto" means only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DAMAGE TO LEASED REAL PROPERTY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Per Occurrence Deductible: _____
Location Address:
Limits of Insurance (Per Occurrence):
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage - Damage to Leased Real Property

In **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage** Exclusion **g. Aircraft, Auto, or Watercraft** and Paragraph **(1)** of Exclusion **k. Damage to Property** do not apply to "property damage" to "real property" with respect to liability you have assumed under a written lease agreement, when damages arise out of the physical contact from an "auto" during the conduct of your business.

B. Definitions

For this endorsement only, **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions** is amended to include the following definition:

1. "Real property" includes but is not limited to building, gas pumps, fittings and piping to underground tanks, and tire racks:
 - a. At the Location Address described in the Schedule that you rent and occupy; and
 - b. As determined by federal, state, and local law.

C. Limits of Insurance

The Limits of Insurance shown in the Declarations are replaced by the limits designated in the Schedule with respect to coverage provided by this endorsement. These limits are inclusive of and not in addition to the limits being replaced.

D. Deductible

Our obligation under the provisions of this endorsement to pay damages on your behalf applies only to the amount of damages in excess of the deductible amount stated in the Schedule. The limits of insurance applicable to each "occurrence" will not be reduced by the amount of such deductible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- I. SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage** is amended as follows:

- A.** Exclusion **k. Damage to Property** is deleted in its entirety and replaced by the following:

k. 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 an insured;
- (5)** That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6)** That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire, explosion, lightning, smoke, soot or water) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days, for which the amount we will pay is limited to the Damage to Premises Rented to You Limit as described in **SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance**, Paragraph **4**.

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".

- B.** The last Paragraph of **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability** is deleted in its entirety and replaced by the following:

Exclusions **c., d., e., f., g., h., i., k., l., m., n., o., q.** and **r.** do not apply to "property damage" by fire, explosion, lightning, smoke, soot or water to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the Damage to Premises Rented To You Limit as described in Section **D. Liability and Medical Expenses Limits of Insurance**.

- II. SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance**, Paragraph **4.** is deleted in its entirety and replaced by the following:

- 4.** Subject to **2.** above, the Damage to Premises Rented to You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while

rented to you, or in the case of damage by fire, explosion, lightning, smoke, soot or water, while rented to you or temporarily occupied by you with permission of the owner.

III. SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, C. Other Insurance, Paragraph **2.b.(1)(b)** is deleted in its entirety and replaced by the following:

- (b)** That is Fire, Explosion, lightning, smoke, soot or Water Damage insurance for premises rented to you or temporarily occupied by you with permission of the owner;

IV. SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, Definition 12. "Insured contract" Paragraph **a.** is deleted in its entirety and replaced by the following:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "property damage" by fire, explosion, lightning, smoke, soot or water to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

SIGNATURE LIABILITY PLUS ENDORSEMENT

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNATURE LIABILITY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Schedule - Limits of Insurance

The Business Liability Limits of Insurance apply to the insurance provided by this endorsement, except as provided below:

1. Employee Benefit Liability	Each Employee Limit:	\$ _____
	Aggregate Limit:	\$ _____
	Deductible Amount:	\$ _____
6. Property Damage to Borrowed Equipment	Each Occurrence Limit:	\$ _____
	Deductible Amount:	\$ _____
13. Supplementary Payments	Bail Bonds:	\$ _____

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

A. Coverages

1. Employee Benefit Liability Coverage

- a. The following is added to **SECTION II - LIABILITY**:

Employee Benefit Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages caused by any act, error or omission of the insured, or of any other person for whose acts the insured is legally liable, 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 against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in **SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance**; and
- (2)** Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION II - LIABILITY, A. Coverages, 1. Business Liability, h. Coverage Extension - Supplementary Payments**.

- b. This insurance applies to damages only if the act, error or omission, is negligently committed in the "administration" of your "employee benefit program"; and
- (1)** Occurs during the policy period; or
 - (2)** Occurred prior to the "first effective date" of this endorsement provided:
 - (a)** You did not have knowledge of a claim or "suit" on or before the "first effective date" of this endorsement.

You will be deemed to have knowledge of a claim or "suit" when any "authorized representative";

- 1) Reports all, or any part, of the act, error or omission to us or any other insurer;
- 2) Receives a written or verbal demand or claim for damages because of the act, error or omission; and

(b) There is no other applicable insurance.

c. Exclusions

This insurance does not apply to:

(1) Bodily Injury, Property Damage or Personal and Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

(2) Dishonest, Fraudulent, Criminal or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

(3) Failure to Perform a Contract

Damages arising out of failure of performance of contract by any insurer.

(4) Insufficiency of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

(5) Inadequacy of Performance of Investment/Advice Given with Respect to Participation

Any claim based upon:

- (a) Failure of any investment to perform;
- (b) Errors in providing information on past performance of investment vehicles; or
- (c) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

(6) Workers' Compensation and Similar Laws

Any claim arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

(7) ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

(8) Available Benefits

Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

(9) Taxes, Fines or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

(10) Employment-Related Practices

Any liability arising out of any:

- (a) Refusal to employ;

- (b) Termination of employment;
- (c) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment - related practices, acts or omissions; or
- (d) Consequential liability as a result of (a), (b) or (c) above.

This exclusion applies whether the insured may be held 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.

(11) Cyber

Any liability, costs, expenses or damages arising, directly or indirectly, out of or as a consequence of any:

- (a) "Computer attack";
- (b) "Network security incident";
- (c) "Privacy violation"; or
- (d) Fraudulent communication that impersonates any person or organization that results in the transfer of funds or other property, regardless of the medium or technique used.

d. Supplementary Payments

SECTION II - LIABILITY, A. Coverages, 1. Business Liability, h. Coverage Extension - Supplementary Payments also apply to this Coverage.

b. Who is an Insured

As respects **Employee Benefit Liability Coverage, SECTION II - LIABILITY, C. Who is an Insured** is deleted and replaced by the following:

C. 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. Each of your "employees" who is or was authorized to administer your "employee benefit program";
 - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed; or
 - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Form.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However, coverage under this provision:
 - a. Is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Does not apply to any act, error or omission that was committed before you acquired or formed the organization.

c. Limits of Insurance

As respects **Employee Benefit Liability Coverage, SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance** is deleted and replaced by the following:

D. Limits of Insurance

1. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits";
 - d. Acts, errors or omissions; or
 - e. Benefits included in your "employee benefit program".
2. The Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
3. Subject to the limit described in **2.** above, the Each Employee Limit shown in the Schedule of this endorsement is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - a. An act, error or omission; or
 - b. A series of related acts, errors or omissions, regardless of the amount of time that lapses between such acts, errors or omissions;

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program."

The Limits of Insurance of this endorsement apply separately to each "coverage term".

4. Deductible Amount

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the Deductible Amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The Deductible Amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
 - (1) Our right and duty to defend the insured against any "suits" seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or claim;

apply irrespective of the application of the Deductible Amount.

- d. We may pay any part or all of the Deductible Amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount as we have paid.

d. Additional Conditions

- (1) As respects **Employee Benefit Liability Coverage, SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions** is amended as follows:

Item **2. Duties in the Event of Occurrence, Offense, Claim or Suit** is replaced by the following:

2. Duties in the Event of an Act, Error or Omission, or Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a claim. To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission 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 without our consent.

- (2) As respects **Employee Benefit Liability Coverage, SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, C. Other Insurance**, Paragraph 2. is deleted and replaced by the following:

- 2. If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Form, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **c.** 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 **b.** below.

b. 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.

c. No Coverage

This insurance shall not cover any loss for which the insured is entitled to recovery under any other insurance in force previous to the effective date of this Coverage Form.

e. Additional Definitions

As respects **Employee Benefit Liability Coverage, SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions** is amended as follows:

(1) The following definitions are added:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Interpreting the "employee benefit programs";
- c. Handling records in connection with the "employee benefit programs"; or
- d. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include:

- a. Handling payroll deductions; or
- b. The failure to effect or maintain any insurance or adequate limits of coverage of insurance, including but not limited to unemployment insurance, social security benefits, workers' compensation and disability benefits.

2. "Biometric information" means any:

- a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmpoint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication: or
- b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.

3. "Cafeteria plans" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pretax dollars.

4. "Computer attack" means:

- a. Unauthorized access or authorized access for an unauthorized purpose;
- b. A "malware attack"; or
- c. A "denial of service attack";

against any computer, computer system or network of computers or computer systems, including any other machinery or equipment, including their control systems, which are accessed by or integrated into a computer, computer system or network of computers or computer systems.

5. "Denial of service attack" means an attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede users from gaining access to the target computer or network through the internet.

6. "Employee benefit programs" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.
7. "First effective date" means the date upon which coverage was first effected in a series of uninterrupted renewals of insurance coverage.
8. "Malware attack" means an attack that damages a computer, computer system or network of computers or computer systems, including any other machinery or equipment, including their control systems, which are accessed by or integrated into a computer, computer system or network of computers or computer systems, or data contained therein arising from malicious code, including, but not limited to, viruses, worms, Trojans, spyware, keyloggers and ransomware.
9. "Network security incident" means a security failure or weakness with respect to a computer, computer system or network of computers or computer systems which allowed one or more of the following to happen:
- a. The propagation or forwarding of malware, including, but not limited to, viruses, worms, Trojans, spyware, keyloggers and ransomware;
 - b. The abetting of a "denial of service attack" against one or more other systems;
 - c. The loss, release or disclosure of data;
 - d. The inability to access a computer system;
 - e. The unauthorized access to a computer system.
10. "Privacy law" means any law, statute or regulation enacted or promulgated by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity that creates legally enforceable responsibilities with respect to:
- a. The collection, use, storage, disclosure, disposal, sharing or disseminating as well as correction or supplementation of personally identifying information, including, but not limited to, "biometric information"; or
 - b. The adoption and communication of, as well as compliance with, a "privacy policy".
- "Privacy laws" include, but are not limited to, the European Union General Data Protection Regulation, the California Consumer Privacy Act and the Illinois Biometric Information Privacy Act.
11. "Privacy policy" means an entity's policy for collection, use, storage, disclosure, disposal, sharing, disseminating and correction or supplementation of personally identifying information, including, but not limited to, "biometric information".
12. "Privacy violation" means failure to comply for any reason with a "privacy law" or "privacy policy".
- (2) The following definitions are deleted in their entirety and replaced by the following:
8. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

21. "Suit" means a civil proceeding in which money damages because of an act, error or omission 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;
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
 - c. An appeal of a civil proceeding.

2. Unintentional Failure to Disclose Hazards

SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions is amended by the addition of the following condition:

Unintentional Failure to Disclose Hazards

Based on our dependence upon your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we will not reject coverage under this Coverage Form based solely on such failure.

3. 180 Day Coverage for Newly Formed or Acquired Organizations

SECTION II - LIABILITY, C. Who is an Insured is amended as follows:

Subparagraph a. of Paragraph 3. is replaced by the following:

- a. Is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

4. Waiver of Subrogation

SECTION III - COMMON BUSINESOWNERS COVERAGE FORM CONDITIONS, D. Transfer of Rights of Recovery Against Others to Us, Paragraph 2. is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a written contract or agreement with that person or organization and included in the "products-completed operations hazard". However, our rights may only be waived prior to the "occurrence" giving rise to the injury or damage for which we make payment under this Coverage Form. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

5. Automatic Additional Insured - Specified Relationships

- a. The following is added to **SECTION II - LIABILITY, C. Who is an Insured**:

- (1) Any person(s) or organization(s) described in Paragraph 5.a.(2) of this endorsement (hereinafter referred to as additional insured) whom you are required to add as an additional insured under this policy by reason of a written contract, written agreement, written permit or written authorization.
- (2) Only the following persons or organizations are additional insureds under this endorsement, and insurance coverage provided to such additional insureds is limited as provided herein:

(a) Managers or Lessors of Premises

The manager or lessor of a premises leased to you with whom you have agreed per Paragraph 5.a.(1) of this endorsement to provide insurance, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you, subject to the following additional exclusions:

This insurance does not apply to:

- 1) Any "occurrence" which takes place after you cease to be a tenant in that premises;
- 2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

(b) Lessor of Leased Equipment

Any person or organization from whom you lease equipment when you and such person(s) or organization(s) have agreed per Paragraph **5.a.(1)** of this endorsement to provide insurance. Such person(s) or organization(s) are insureds only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s). A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends. However, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

(c) Vendors

Any person or organization (referred to below as vendor) with whom you have agreed per Paragraph **5.a.(1)** of this endorsement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

- 1)** The insurance afforded the vendor does not apply to:
 - a)** "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b)** Any express warranty unauthorized by you;
 - c)** Any physical or chemical change in the product made intentionally by the vendor;
 - d)** Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e)** Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f)** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g)** Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - h)** "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i)** The exceptions contained in Paragraphs **(c)(i)4)** or **6)** of this endorsement; or
 - (ii)** Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- 2)** This insurance does not apply to any insured person or organization:
 - a)** From whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products; or
 - b)** When liability included within the "products-completed operations hazard" has been excluded under this policy with respect to such products.

(d) State or Governmental Agency or Subdivision or Political Subdivision - Permits or Authorizations Relating to Premises

Any state or governmental agency or subdivision or political subdivision with which you have agreed per Paragraph **5.a.(1)** of this endorsement to provide insurance, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

- 1) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or
- 2) The construction, erection or removal of elevators; or
- 3) The ownership, maintenance or use of any elevators covered by this insurance.

(e) Mortgagee, Assignee or Receiver

Any person or organization with whom you have agreed per Paragraph **5.a.(1)** of this endorsement to provide insurance, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you. However, this insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

- (3) The insurance afforded to additional insureds described in Paragraph **5.a.(1)** of this endorsement:
 - (a) Only applies to the extent permitted by law; and
 - (b) Will not be broader than that which you are required by the written contract, written agreement, written permit or written authorization to provide for such additional insured; and
 - (c) Does not apply to any person, organization, vendor, state, governmental agency or subdivision or political subdivision, specifically named as an additional insured under any other provision of, or endorsement added to, this policy, provided such other provision or endorsement covers the injury or damage for which this insurance applies.

- b. With respect to the insurance afforded to the additional insureds described in Paragraph **5.a.(1)** of this endorsement, the following is added to **SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (1) Required by the written contract, written agreement, written permit or written authorization described in Paragraph **5.a.(1)** of this endorsement; or
 - (2) Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

- c. **SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions** is amended to add the following:

Automatic Additional Insured Provision

This insurance applies only if the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed:

- (1) During the policy period; and
- (2) Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraph **5.a.(1)**.

- d. **SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS** is amended as follows:

Condition **C. Other Insurance**, Paragraph **2.** is amended to include:

Primary and Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured per Paragraph **5.a.(1)** of this endorsement provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract, agreement, permit or authorization described in **5.a.(2)** of this endorsement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

6. Property Damage to Borrowed Equipment

- a. The following is added to **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, k. Damage to Property**:

Paragraphs **(3)** and **(4)** of this exclusion do not apply to tools or equipment loaned to you, provided they are not being used to perform operations at the time of loss.

- b. With respect to the insurance provided by this section of the endorsement, the following additional provisions apply:

- (1) **SECTION II - LIABILITY, D. Liability and Medical Expenses Limit of Insurance** is amended to include the following:

Subject to **SECTION II - LIABILITY, D. Liability and Medical Expenses Limit of Insurance**, Paragraph **2.**, the Property Damage to Borrowed Equipment Limit, stated in the Schedule of this endorsement, is the most we will pay under Business Liability Coverage for damage to tools or equipment loaned to you, provided they are not being used to perform operations at the time of loss.

- (2) **Deductible Clause**

- (a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the Deductible Amount stated in the Schedule of this endorsement. The limits of insurance will not be reduced by the application of such deductible amount.
- (b) **SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions, 2. Duties in the Event of Occurrence, Offense, Claim or Suit**, applies to each claim or "suit" irrespective of the amount.
- (c) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

7. Employees as Insureds - Specified Health Care Services and Good Samaritan Services

Paragraph **2.a.(1)(d)** under **SECTION II - LIABILITY, C. Who is an Insured** does not apply to:

- a. Your "employees" who provide professional health care services on your behalf as a duly licensed nurse, emergency medical technician or paramedic in the jurisdiction where an "occurrence" or offense to which this insurance applies takes place; or
- b. Your "employees" or "volunteer workers", other than an employed or volunteer doctor, providing 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.

8. Broadened Notice of Occurrence

Paragraph **a.** of Condition **2. Duties in the Event of Occurrence, Offense, Claim or Suit** under **SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions** is deleted and replaced by the following:

- 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.

This requirement applies only when the "occurrence" or offense is known to an "authorized representative".

9. Nonowned Aircraft

The following is added to **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, g. Aircraft, Auto or Watercraft**:

This exclusion does not apply to an aircraft you do not own, provided that:

- a. The pilot in command holds a current effective certificate, issued by a duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
- b. The aircraft is rented with a trained, paid crew; and
- c. The aircraft does not transport persons or cargo for a charge.

10. Bodily Injury Redefined

SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, 4. "Bodily injury" is replaced by the following:

- 4. "Bodily injury" means bodily harm or injury, sickness, disease, disability, humiliation, shock, fright, mental anguish or mental injury, including care, loss of services or death resulting from any of these at any time.

11. Expected or Intended Injury Redefined

Under **SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, a. Expected or Intended Injury**, the last sentence is deleted and replaced by the following:

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

12. Former Employees as Insureds

The following is added to Paragraph 2. under **SECTION II - LIABILITY, C. Who is an Insured**:

- 2. Each of the following is also an insured:

Any of your former "employees", directors, managers, members, partners or "executive officers", including but not limited to retired, disabled or those on leave of absence, but only for acts within the scope of their employment by you or for duties related to the conduct of your business.

13. Supplementary Payments

Under **SECTION II - LIABILITY, A. Coverages, 1. Business Liability, h. Coverage Extension - Supplementary Payments**:

Paragraph (2) is deleted and replaced by the following:

- (2) Up to the limit shown in the Schedule of this endorsement for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

The following exclusion is added:

This insurance does not apply to:

War

Any "claim" or "loss", however caused, arising, directly or indirectly, out of:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BIOMETRIC INFORMATION PRIVACY EXCLUSION

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

A. SECTION I - COVERAGE, B. Exclusions is amended to include the following:

This insurance does not apply to:

Any "claim" or "loss" based upon, arising out of, or in consequence of, any actual or alleged "biometric information privacy violation". However, this exclusion shall not apply to a "claim" for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged "biometric information privacy violation" by any insured.

B. SECTION VI - DEFINITIONS is amended to include the following:

1. "Biometric information" means any:
 - a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or
 - b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.
2. "Biometric information privacy violation" means a violation of any national, multinational, federal, state, provincial or local law that regulates or restricts the collection, storage, use and/or disposal of "biometric information", including violations of any required notifications, disclosures, sale or authorizations related to such "biometric information".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - CYBER LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or any liability, costs, expenses or damages arising, directly or indirectly, out of or as a consequence of any:

1. "Computer attack";
2. "Network security incident";
3. "Privacy violation"; or
4. Fraudulent communication that impersonates any person or organization that results in the transfer of funds or other property, regardless of the medium or technique used.

B. The following definitions are added to SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions:

1. "Biometric information" means any:
 - a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or
 - b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.
2. "Computer attack" means:
 - a. Unauthorized access or authorized access for an unauthorized purpose;
 - b. A "malware attack"; or
 - c. A "denial of service attack";

against any computer, computer system or network of computers or computer systems, including any other machinery or equipment, including their control systems, which are accessed by or integrated into a computer, computer system or network of computers or computer systems.
3. "Denial of service attack" means an attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede users from gaining access to the target computer or network through the internet.
4. "Malware attack" means an attack that damages a computer, computer system or network of computers or computer systems, including any other machinery or equipment, including their control systems, which are accessed by or integrated into a computer, computer system or network of computers or computer systems, or data contained therein arising from malicious code, including, but not limited to, viruses, worms, Trojans, spyware, keyloggers and ransomware.
5. "Network security incident" means a security failure or weakness with respect to a computer, computer system or network of computers or computer systems which allowed one or more of the following to happen:
 - a. The propagation or forwarding of malware, including, but not limited to, viruses, worms, Trojans, spyware, keyloggers and ransomware;
 - b. The abetting of a "denial of service attack" against one or more other systems;

- c. The loss, release or disclosure of data;
 - d. The inability to access a computer system;
 - e. The unauthorized access to a computer system.
6. "Privacy law" means any law, statute or regulation enacted or promulgated by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity that creates legally enforceable responsibilities with respect to:
- a. The collection, use, storage, disclosure, disposal, sharing or disseminating as well as correction or supplementation of personally identifying information, including, but not limited to, "biometric information"; or
 - b. The adoption and communication of, as well as compliance with, a "privacy policy".
- "Privacy laws" include, but are not limited to, the European Union General Data Protection Regulation, the California Consumer Privacy Act and the Illinois Biometric Information Privacy Act.
7. "Privacy policy" means an entity's policy for collection, use, storage, disclosure, disposal, sharing, disseminating and correction or supplementation of personally identifying information, including, but not limited to, "biometric information".
8. "Privacy violation" means failure to comply for any reason with a "privacy law" or "privacy policy".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - COMMUNICABLE DISEASE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** The following exclusion is added to **SECTION II - LIABILITY** and supersedes any provision to the contrary:

This insurance does not apply to:

"bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- (1)** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- (2)** Testing for a communicable disease;
- (3)** Failure to prevent the spread of the disease; or
- (4)** Failure to report the disease to authorities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY - WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following applies to **SECTION II - LIABILITY** and supersedes any provision to the contrary:

Exclusion **t. Electronic Data** of **B. Exclusions, 1. Applicable to Business Liability Coverage** is replaced by the following:

This insurance does not apply to:

t. Access or Disclosure of Confidential or Personal Information and Data-Related Liability

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LEGAL, ACCOUNTING OR ADVERTISING PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A. SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, j. Professional Services, (1)** is replaced by the following:

"Legal services", accounting services or advertising services.

- B. SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions** is amended to add the following:

"Legal services" means those services rendered by an insured solely as:

- 1.** A lawyer or notary public; or
- 2.** An administrator, conservator, receiver, executor, guardian, trustee, or any similar fiduciary capacity provided such services are connected with and incidental to your practice of law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following applies to **SECTION II – LIABILITY**:

- A.** Exclusion **B.1.p. Personal and Advertising Injury**, Paragraph **(18)** is deleted in its entirety and replaced by the following:

This insurance does not apply to:

p. Personal and Advertising Injury

(18) Arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (a)** The Telephone Consumer Protection Act (TCPA) or any similar state, local or foreign law, including any amendment of or addition to such law;
- (b)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (c)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (d)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B.** Exclusion **B.1.u. Distribution of Material in Violation of Statutes** is deleted in its entirety and replaced by the following:

This insurance does not apply to:

u. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1)** The Telephone Consumer Protection Act (TCPA) or any similar state, local or foreign law, including any amendment of or addition to such law;
- (2)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - ASSOCIATIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SECTION II - LIABILITY, C. Who is an Insured is amended to include each individual unit owner, but only with respect to liability as a member of the insured association and not with respect to any liability arising out of the ownership, maintenance, use or repair of the real property to which the unit owner has title.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - AUTOMATIC STATUS WHEN
REQUIRED IN WRITTEN CONTRACT OR AGREEMENT WITH
YOU OR WITH AN ASSOCIATION WITH WHICH
YOU ARE A MEMBER - EVENTS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. SECTION II - LIABILITY, C. Who is an Insured is amended to include as an additional insured:

1. Any person or organization whom you agreed in a written contract or written agreement that such person or organization be added as an additional insured; or
2. Any person or organization you are required to add as an additional insured provided the requirement is in writing in a contract or agreement and provided an association with which you are a member has agreed to the contract or agreement.

Such person(s) or organization(s) is an additional insured only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused by operations performed by you or on your behalf at an event sponsored, organized or run by the additional insured. However, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage is amended to include the following:

This insurance does not apply to:

Any "occurrence" which takes place after your operations at the event sponsored, organized or run by the additional insured cease.

C. With respect to the insurance afforded to these additional insureds, the following is added to SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance:

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract or written agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

D. SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions is amended to include the following:

Automatic Additional Insured Provision

This insurance applies only if "bodily injury", "property damage" or "personal and advertising injury" offense is committed:

- (1) During the policy period; and
- (2) Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraph **A.** of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SECTION II - LIABILITY, C. Who is an Insured is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT SUBJECT TO MOTOR VEHICLE INSURANCE LAWS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. SECTION II - LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage, g. Aircraft, Auto or Watercraft is replaced by the following:

This insurance does not apply to:

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 that you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

B. SECTION II - LIABILITY, C. Who is an Insured is amended to include:

4. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
 - a. "Bodily injury" to a co"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

C. SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, 3. "Auto" and 15. "Mobile equipment" are replaced by the following:

3. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted;
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in **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 **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.

D. This endorsement does not apply to any liability arising from an "occurrence" caused by or arising from any land vehicle if:

- 1.** You have an Auto Coverage Form in force at the time of the "occurrence"; and
- 2.** The land vehicle meets the definition of auto in your Auto Coverage Form or policy, regardless of whether or not such land vehicle is:
 - a.** A covered auto under such Auto Coverage Form or policy; or
 - b.** Specifically described on a schedule of covered autos on your Auto Coverage Form or policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS ADDITIONAL INSURED - AUTOMATIC STATUS AND AUTOMATIC WAIVER OF SUBROGATION WHEN REQUIRED IN WRITTEN CONTRACT, AGREEMENT, PERMIT OR AUTHORIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Additional Insured - Owners, Lessees or Contractors - Automatic Status for Other Parties When Required in Written Contract or Agreement with You

- 1. SECTION II - LIABILITY, C. Who is an Insured** is amended to include as an additional insured any person or organization you have agreed in writing in a contract or agreement to add as an additional insured on this Coverage Form. Such person(s) or organization(s) is an additional insured only with respect to liability for:

- a.** "Bodily injury", "property damage" or "personal and advertising injury" *caused, in whole or in part, by the performance of your ongoing operations by you or on your behalf, under that written contract or written agreement. Ongoing operations does not apply to "bodily injury" or "property damage" occurring after:*
 - (1)** All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - (2)** That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; and
- b.** "Bodily injury" or "property damage" *caused, in whole or in part, by "your work" performed under that written contract or written agreement and included in the "products-completed operations hazard", but only if:*
 - (1)** The Coverage Form to which this endorsement is attached provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"; and
 - (2)** The written contract or written agreement requires you to provide additional insured coverage included within the "products-completed operations hazard" for that person or organization.

If the written contract or written agreement requires you to provide additional insured coverage included within the "products-completed operations hazard" for a specified length of time for that person or organization, the "bodily injury" or "property damage" must occur prior to the expiration of that period of time in order for this insurance to apply.

If the written contract or written agreement requires you to provide additional insured coverage for a person or organization per only ISO additional insured endorsement form number **CG 20 10**, without specifying an edition date, and without specifically requiring additional insured coverage included within the "products-completed operations hazard", this Paragraph **b.** does not apply to that person or organization.

- 2.** If the written contract or written agreement described in Paragraph **1.** above specifically requires you to provide additional insured coverage to that person or organization:
- a.** *Arising out of* your ongoing operations or *arising out of* "your work"; or
 - b.** By way of an edition of an ISO additional insured endorsement that includes *arising out of* your ongoing operations or *arising out of* "your work";

then the phrase *caused, in whole or in part, by* in Paragraph **A.1.a.** and/or Paragraph **A.1.b.** above, whichever applies, is replaced by the phrase *arising out of*.

3. With respect to the insurance afforded to the additional insureds described in Paragraph **A.1.**, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- a. The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

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", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

4. This Paragraph **A.** does not apply to additional insureds described in Paragraph **B.**

B. Additional Insured - State or Governmental Agency or Subdivision or Political Subdivision - Automatic Status When Required in Written Permits or Authorizations

1. **SECTION II - LIABILITY, C. Who is an Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision you have agreed in writing in a permit or authorization to add as an additional insured on this Coverage Form. Such state or governmental agency or subdivision or political subdivision is an additional insured only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued, in writing, a permit or authorization.
2. With respect to the insurance afforded to the additional insureds described in Paragraph **B.1.**, the following additional exclusions apply:

This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

C. The insurance afforded to additional insureds described in Paragraphs **A. and **B.**:**

1. Only applies to the extent permitted by law;
2. Will not be broader than that which you are required by the written contract, written agreement, written permit or written authorization to provide for such additional insured; and
3. Does not apply to any person, organization, state, governmental agency or subdivision or political subdivision specifically named as an additional insured for the same project in the schedule of an endorsement added to this policy.

D. With respect to the insurance afforded to the additional insureds described in Paragraphs **A. and **B.**, the following is added to **SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance**:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract, written agreement, written permit or written authorization described in Paragraphs **A.** and **B.** For the purpose of determining the required amount of insurance only, we will include the minimum amount of any Umbrella Liability or Excess Liability coverage required for that additional insured in that written contract, written agreement, written permit or written authorization; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

- E. Section II - LIABILITY, E. Liability and Medical Expenses General Conditions** is amended to add the following:

Automatic Additional Insured Provision

This insurance applies only if the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed:

1. During the policy period; and
2. Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraphs **A.** and **B.**

- F. Except when G. below applies, the following is added to SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, C. Other Insurance, 2. and supersedes any provision to the contrary:**

When Other Additional Insured Coverage Applies on an Excess Basis

This insurance is primary to other insurance available to the additional insured described in Paragraphs **A.** and **B.** except:

1. As otherwise provided in **SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, C. Other Insurance, 2.b. Excess Insurance;** or
2. For any other valid and collectible insurance available to the additional insured as an additional insured on another insurance policy that is written on an excess basis. In such case, this insurance is also excess.

- G. The following is added to SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, C. Other Insurance, 2. and supersedes any provision to the contrary:**

Primary Insurance When Required by Written Contract, Agreement, Permit or Authorization

Except when wrap-up insurance applies to the claim or "suit" on behalf of the additional insured, this insurance is primary to any other insurance available to the additional insured described in Paragraphs **A.** and **B.** provided that:

1. The additional insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract, agreement, permit or authorization described in Paragraph **A.** or **B.** that this insurance would be primary to any other insurance available to the additional insured.

As used in this endorsement, wrap-up insurance means a centralized insurance program under which one party has secured either insurance or self-insurance covering some or all of the contractors or subcontractors performing work on one or more specific project(s).

Primary and Noncontributory Insurance When Required by Written Contract, Agreement, Permit or Authorization

Except when wrap-up insurance applies to the claim or "suit" on behalf of the additional insured, this insurance is primary to and will not seek contribution from any other insurance available to the additional insured described in Paragraphs **A.** and **B.** provided that:

1. The additional insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract, agreement, permit or authorization described in Paragraph **A.** or **B.** that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

As used in this endorsement, wrap-up insurance means a centralized insurance program under which one party has secured either insurance or self-insurance covering some or all of the contractors or subcontractors performing work on one or more specific project(s).

- H. SECTION III - COMMON BUSINESSOWNERS COVERAGE FORM CONDITIONS, D. Transfer of Rights of Recovery Against Others to Us, 2.** Applicable to **SECTION II - LIABILITY** is amended by the addition of the following:

Waiver of Subrogation

We waive any right of recovery against any additional insured under this endorsement, because of any payment we make under this endorsement, to whom the insured has waived its right of recovery in a written contract, written agreement, written permit or written authorization. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such additional insured prior to loss.