



2505 Court Street • Pekin, Illinois 61558
(309) 346-1161 • www.pekininsurance.com

*Thank you for choosing Pekin Insurance Group.[®]
Rest assured that when it comes to the claim
service you deserve and the coverages you desire
Pekin Insurance Group will always strive to go
Beyond the expected.[®]*

Need to Report a Claim?

Place our **Report a Claim**
phone number in your cell phone
for easy access!

888-735-4611

24 hours a day/7 days a week

At Pekin Insurance Group, we continually work toward giving our policyholders the best possible service. With that in mind, we are proud to offer the following services/coverages which you might find useful.

- Check out the Pekin Insurance eNewsletter to keep you informed about insurance needs. It includes helpful ideas and tips, along with some great stories and even a few laughs! To sign up go to www.pekininsurance.com, mouseover ABOUT US, and click on eNewsletter.
- Save a stamp! Pay your premiums online at www.pekininsurance.com.
- Are you concerned with safety issues that impact your business? The best solution to insurance costs is to anticipate the types of loss exposures your business might have, so you can prevent accidents from occurring. Talk to your Pekin Insurance Group Agent about how our loss control services can structure an effective risk management program to help protect your business!
- Concerned about your workers compensation costs? Talk to your Pekin Insurance Group Agent. They can put you in touch with a Workers Compensation Claim Division Specialist, who has specific skill sets to handle the legalities and compliances of workers compensation, along with being dedicated to understanding your concerns.

Pekin Insurance offers a number of comprehensive coverage enhancement endorsements, depending on your policy:

- Commercial Property Enhancement Endorsement
- Commercial General Liability Enhancement Endorsement
- Deluxe Businessowners Property & Liability Enhancement Endorsement
- Commercial Auto Enhancement Endorsement

If you have questions about these or any other coverages call your local Pekin Insurance Group Agent.

Thank you for trusting Pekin Insurance Group with your insurance coverage. We truly value you as a client!



WELCOME TO *Pekin Insurance*[®]

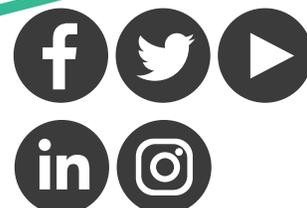
BILL PAY OPTIONS

- **Accepted forms of payment:** credit cards (Visa, Mastercard, American Express, and Discover), debit cards, electronic checks, and automatic payments from your bank account.
- **Online:** www.pekininsurance.com
- **Phone:** 1-800-322-0160, extension 2010
- **Mail:** Print a credit authorization form from www.pekininsurance.com, and mail your completed authorization form or check with your premium bill stub to: Pekin Insurance, 2505 Court Street, Pekin, IL 61558-0001

CLAIM REPORTING OPTIONS

- **Business Insurance claims:** Call us at 888-735-4611
- **Workers Compensation claims:** 833-746-8308

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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.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

<p>SCHEDULE - PART I</p> <p>Terrorism Premium (Certified Acts) \$ 15.00</p> <p>Additional information, if any, concerning the terrorism premium:</p> <p>In accordance with the Terrorism Risk Insurance Act, we have offered you coverage for losses resulting from an act or acts of terrorism, as defined in the Act. You may accept or reject this offer.</p> <p>In the states of Illinois, Iowa and Wisconsin, a rejection of this offer still provides coverage for fire losses resulting from a certified act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from a certified act or acts of terrorism. Coverage for such fire loss will still be provided in your policy.</p> <p>In Arizona, a rejection of this offer still provides coverage for fire losses resulting from an act or acts of terrorism but only with respect to coverage on real property which is used predominantly for residential purposes and which consists of not more than four dwelling units. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from a certified act or acts of terrorism but only with respect to coverage on real property which is used predominantly for residential purposes and which consists of not more than four dwelling units. Coverage for such fire loss will still be provided in your policy.</p> <p>If you reject the offer described above for terrorism coverage, a premium is still due.</p> <p>To determine this premium charge, multiply the Terrorism Premium (Certified Acts) as described above, by .60. Example: \$10.00 x .60 = \$6.00</p>
<p>SCHEDULE - PART II</p> <p>Federal share of terrorism losses 80%</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) 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.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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.

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

PROBLEMS WITH YOUR INSURANCE? - If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

**PEKIN INSURANCE COMPANY
PEKIN SELECT INSURANCE COMPANY
2505 Court Street
Pekin, Illinois 61558
1-800-322-0160
309-346-1161**

If you (a) need the assistance of the governmental agency that regulates insurance; or (b) have a complaint you have been unable to resolve with your insurer, you may contact the Department of Insurance by mail, telephone, fax or on-line:

Utah Insurance Department
4315 S 2700 W., Suite 2300
Taylorsville, UT 84129

Consumer Hotline: Between 8 a.m. and 5 p.m.
In state (800) 439-3805 or Salt Lake City area (801) 957-9200

Fax Number: (385) 465-6047

E-Mail: prop-cas@utah.gov

Complaints can also be filed electronically at <https://insurance.utah.gov>



PEKIN INSURANCE
(A Stock Company)
2505 Court Street, Pekin, Illinois 61558-0001

BUSINESSOWNERS POLICY
Deluxe Businessowners Program

THIS POLICY CONSISTS OF:

Businessowners Common Declarations

Businessowners Coverage Form, Declaration Pages, and Schedules

Applicable Endorsements

In Witness Whereof, Pekin Insurance Company has caused this policy to be signed by Its President and a Secretary at Pekin, Illinois.

A handwritten signature in black ink, appearing to be "J. M. [unclear]", written in a cursive style.

Secretary

A handwritten signature in black ink that reads "Daniel V. Connell" in a cursive style.

President



PEKIN INSURANCE
(A Stock Company)
2505 Court Street, Pekin, Illinois 61558-0001

BUSINESSOWNERS COMMON POLICY DECLARATIONS
DELUXE BUSINESSOWNERS POLICY

Policy Number: 006462410

Agent: 12541-0D0
12541 INSUR-WEST, INC.

Named Insured And Mailing Address:
INN CONDOMINIMUM ASSOCIATION
PO BOX 13
GARDEN CITY, UT 84028-0013

Policy Period: From: 11/25/2024 To: 11/25/2025 at 12:01 A.M
Standard Time at your mailing address shown above.

Form Of Business: Corporation

Business Description: CONDO

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Total Advance Premium: \$ 16,657.00

Audit Period: Annual

Premium Payment Plan: CL Monthly Pay Plan

These Declarations, together with the Schedules, additional Declarations, Coverage Form and Endorsements, if any, issued to form a part thereof, complete the above numbered policy.

Countersigned by _____ **Authorized Representative** _____ **Date** _____
(where required by law)



PEKIN INSURANCE
(A Stock Company)
2505 Court Street, Pekin, Illinois 61558-0001

**Businessowners Declarations
Described Premises Schedule**

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Premises No.	Building No.	Premises Location	Classification
1	1	970 N HARBOR VILLAGE EAST DR GARDEN CITY, Utah 84028-7704	69145- Condominiums - Residential Condominium (Association risk only)
2	1	815 N HARBOR DR GARDEN CITY, Utah 84028	69145- Condominiums - Residential Condominium (Association risk only)
2	2	815 N HARBOR DR GARDEN CITY, Utah 84028	69145- Condominiums - Residential Condominium (Association risk only)
3	1	866 N HARBOR VILLAGE EAST DR GARDEN CITY, Utah 84028-7872	69145- Condominiums - Residential Condominium (Association risk only)
4	1	929 N HARBOR VILLAGE EAST DR GARDEN CITY, Utah 84028-7704	69145- Condominiums - Residential Condominium (Association risk only)



PEKIN INSURANCE
 (A Stock Company)
 2505 Court Street, Pekin, Illinois 61558-0001

Businessowners Property Supplemental Declarations

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

BUSINESSOWNERS PROPERTY

Insurance at the described premises applies only for coverages for which a limit of insurance is shown or entry is made unless coverage is provided by an endorsement.

Property Coverage Provided:

Premises No.	Building No.	Coverage	Actual Cash Value Building Option (Yes Or No)	Automatic Increase Building Limit (Percentage)	Limit Of Insurance	Premium
1	1	Building	No	4%	See BP6055	\$10,365.00
1	1	Equipment Breakdown			Included	\$831.00
2	1	Building	No	4%	See BP6055	Included
2	1	Equipment Breakdown			Included	\$745.00
2	2	Building	No	4%	See BP6055	Included
2	2	Equipment Breakdown			Included	\$44.00
3	1	Building	No	4%	See BP6055	Included
3	1	Equipment Breakdown			Included	\$979.00
4	1	Building	No	4%	See BP6055	Included
4	1	Equipment Breakdown			Included	\$676.00
All	All	Terrorism Risk Insurance				\$10.00

Deductibles

Property Deductible Unless Otherwise Stated:	Wind Or Hail Percentage Deductible:	Optional Coverage Deductible:	Earthquake Deductible:
\$25000		\$500	



PEKIN INSURANCE
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2505 Court Street, Pekin, Illinois 61558-0001

Businessowners Blanket Property Insurance Supplemental Declarations

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

BLANKET INSURANCE SCHEDULE

Premises No.	Type Of Property	Limit Of Insurance
1, 2, 3, 4	Building	\$ 14,889,870



Businessowners Optional Property Coverages Declarations

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Premises No.	Building No.	Optional Property Coverages	Form Number	Limits Of Insurance	Premium
All	All	CyberOne - Computer Attack	BP6077	See BP6077	\$126.00
All	All	Data Compromise - Response Expense	BP6076	See BP6076	\$131.00
All	All	Identity Recovery	BP6078	See BP6078	Included
All	All	Deluxe Businessowners Property Enhancement Endorsement	BP6051	See BP6013	\$451.00



PEKIN INSURANCE
 (A Stock Company)
 2505 Court Street, Pekin, Illinois 61558-0001

Deluxe Businessowners Property Enhancement Declarations

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Your policy includes the Deluxe Businessowners Property Enhancement Endorsement. Additional Businessowners Property Coverages provided with the Deluxe Businessowners Property Enhancement Endorsement include:

Additional Property Coverages And Coverage Extensions	Deductible	Amount Included	Additional Amount Of Increase	Total Limit Of Insurance
Accounts Receivable	See Property Deductible	\$100,000 At Each Described Premises / \$25,000 Outside	\$0 At Each Described Premises	\$100,000 At Each Described Premises / \$25,000 Outside
Business Income From Dependent Properties	No Deductible	\$10,000	\$0	\$10,000
Business Personal Property Temporarily Off Premises While Not In Transit	See Property Deductible	\$25,000	N/A	\$25,000
Business Personal Property While In Transit Off Premises	See Property Deductible	\$25,000	N/A	\$25,000
Civil Authority	No Deductible	Actual Loss Sustained For Up To 4 Weeks	N/A	Actual Loss Sustained For Up To 4 Weeks
Debris Removal-Additional Coverage	See Property Deductible	\$25,000	N/A	\$25,000
Elimination Of Waiting Period For Business Income, Including Dependent Properties And Civil Authority	No Waiting Period	No Waiting Period	N/A	No Waiting Period
Employee Dishonesty	\$500	\$25,000	\$75,000	\$100,000
Extended Business Income	No Deductible	Included For Up To 90 Days	N/A	Included For Up To 90 Days
Fine Arts	See Property Deductible	\$25,000 Per Occurrence/ \$5,000 Any One Item	N/A	\$25,000 Per Occurrence/ \$5,000 Any One Item
Fire Department Service Charge (Not Available in Arizona)	No Deductible	\$15,000	N/A	\$15,000
Fire Extinguisher Protection System & Portable Fire Extinguisher Recharge	No Deductible	\$10,000	N/A	\$10,000

Additional Property Coverages And Coverage Extensions	Deductible	Amount Included	Additional Amount Of Increase	Total Limit Of Insurance
Forgery Or Alteration	\$500	\$25,000	\$75,000	\$100,000
Inventory Or Appraisal Expense	See Property Deductible	\$10,000	N/A	\$10,000
Lock Replacement	\$100	\$2,500	N/A	\$2,500
Money & Securities	\$500	\$15,000 Inside Each Described Premises/ \$15,000 Outside	\$0 Inside Each Described Premises/ \$0 Outside	\$15,000 Inside Each Described Premises/ \$15,000 Outside
Money Orders And Counterfeit Money	See Property Deductible	\$10,000	N/A	\$10,000
Newly Acquired Or Constructed Property-Building	See Property Deductible	\$1,000,000 (90 Days)	N/A	\$1,000,000 (90 Days)
Newly Acquired Or Constructed Property-Business Personal Property	See Property Deductible	\$500,000 (90 Days)	N/A	\$500,000 (90 Days)
Ordinance Or Law-Demolition Cost Of Undamaged Portion Of Building	See Property Deductible	\$25,000	N/A	\$25,000
Ordinance Or Law-Loss In Value Of Undamaged Portion Of Building	See Property Deductible	Included In Applicable Building Limit Of Insurance	N/A	Included In Applicable Building Limit Of Insurance
Ordinance Or Law-Increased Cost Of Construction For Damaged And Undamaged Portion Of Building	See Property Deductible	\$25,000	N/A	\$25,000
Outdoor Fence	See Property Deductible	\$10,000	\$0	\$10,000
Outdoor Signs-Attached To A Building	See Property Deductible	Included In Applicable Limit Of Insurance	N/A	Included In Applicable Limit Of Insurance
Outdoor Signs-Detached From A Building	\$500	\$10,000	\$0	\$10,000
Outdoor Radio And Television Antennas (Including Satellite Dishes) And Outdoor Trees, Shrubs Or Plants	See Property Deductible	\$10,000 Per Occurrence/ \$1,000 Per Tree, Shrub, Or Plant	\$0 Per Occurrence	\$10,000 Per Occurrence/ \$1,000 Per Tree, Shrub, Or Plant
Peak Season Increase (Business Personal Property)	See Property Deductible	Business Personal Property Limit Of Insurance Increased By 30%	N/A	Business Personal Property Limit Of Insurance Increased By 30%

Additional Property Coverages And Coverage Extensions	Deductible	Amount Included	Additional Amount Of Increase	Total Limit Of Insurance
Personal Effects Of Owners, Partners, Officers Or Employees	See Property Deductible	\$25,000	N/A	\$25,000
Pollutant Clean-Up And Removal	See Property Deductible	\$25,000	N/A	\$25,000
Premises Boundary	See Property Deductible	Increased To 1,000 Feet	N/A	1,000 Feet
Preservation Of Property	See Property Deductible	Included For Up To 60 Days	N/A	Included For Up To 60 Days
Rewards	No Deductible	\$10,000	N/A	\$10,000
Spoilage (Power Outage)	See Property Deductible	\$10,000	N/A	\$10,000
Utility Service-Time Element	24 Hour Waiting Period	\$25,000	N/A	\$25,000
Utility Service-Direct Damage	See Property Deductible	\$25,000	N/A	\$25,000
Valuable Papers And Records	See Property Deductible	\$100,000 At Each Described Premises/\$25,000 Outside	\$0 At Each Described Premises	\$100,000 At Each Described Premises/ \$25,000 Outside
Water Back-Up Of Sewers Or Drains	See Property Deductible	\$25,000 Aggregate Per Location	N/A	\$25,000 Aggregate Per Location



PEKIN INSURANCE
(A Stock Company)
2505 Court Street, Pekin, Illinois 61558-0001

Businessowners Property Forms And Endorsements Schedule

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Forms And Endorsements Made A Part Of This Policy:

Form Or Endorsement Number	Form Description
BP6150 1220	Disclosure Pursuant to Terrorism Risk Insurance Act
BP6009 0822	Businessowners Policy Deluxe Businessowners Program
BP6008 0413	Businessowners Common Policy Declarations Deluxe Businessowners Policy
BP6010 0413	Businessowners Declarations Described Premises Schedule
BP6011 0413	Businessowners Property Supplemental Declarations
BP6055 0413	Businessowners Blanket Property Insurance Supplemental Declarations
BP6024 0413	Businessowners Optional Property Coverages Declarations
BP6013 0413	Deluxe Businessowners Property Enhancement Declarations
BP6012 0413	Businessowners Property Forms and Endorsements Schedule
BPIN01 0110	Businessowners Coverage Form Index
BP0003 0110	Businessowners Coverage Form
BP0564 0115	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)
BP6043 0713	Amendment of Policy Provisions
BP6205 1021	Utah Changes
BP6196 0321	Utah Changes - Deluxe Condominium Association Coverage
BP0501 0702	Calculation Of Premium
BP0523 0115	Cap on Losses From Certified Acts of Terrorism
BP6028 0613	Equipment Breakdown Coverage
BP6051 0813	Deluxe Businessowners Property Enhancement Endorsement
BP6076 0514	Data Compromise Coverage Response Expenses And Defense And Liability
BP6077 0514	CyberOne Coverage
BP6078 0514	Identity Recovery Coverage



PEKIN INSURANCE
(A Stock Company)
2505 Court Street, Pekin, Illinois 61558-0001

**Businessowners Property Forms And Endorsements Schedule
(CONTINUED)**

Named Insured: INN CONDOMINIUM ASSOCIATION

Policy Number: 006462410

Forms And Endorsements Made A Part Of This Policy:

Form Or Endorsement Number	Form Description
BP1530 0919	Cannabis Property Exclusion
IL2025 0720	Actual Cash Value Endorsement
BP6195 1020	Cyber Incident Exclusion
BP1478 0713	Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties)



PEKIN INSURANCE
 (A Stock Company)
 2505 Court Street, Pekin, Illinois 61558-0001

**Businessowners Liability and Medical Expenses
 Supplemental Declarations**

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

BUSINESSOWNERS LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph **D.** in **SECTION II-Liability** of the **Businessowners Coverage Form** and any attached endorsements.

Coverage	Limits Of Insurance	
General Aggregate (Other Than Products/Completed Operations)	\$ 4,000,000	
Products/Completed Operations Aggregate	\$ 4,000,000	
Liability And Medical Expenses	\$ 2,000,000	Per Occurrence
Medical Expenses Sub Limit	\$ 5,000	Per Person
Damage To Premises Rented To You Sub Limit	\$ 100,000	Any One Premises*

* Subject to applicable General Aggregate (Other Than Products/Completed Operations) Limit or Products/Completed Operations Aggregate Limit

DEDUCTIBLE: \$ 0 (per claim) property damage deductible applies to this coverage form unless a separate deductible applies by endorsement.

Total Advance Liability Premium: \$ 2,278.00

The premium shown above as **Total Advance Liability Premium** is a deposit premium only. The final earned premium for the period of time insurance coverage is provided by this policy will be determined by us at the close of each audit period. See item **J. Premium Audit** in **SECTION III - Common Policy Conditions** of the **Businessowners Coverage Form, BP0003**, for a complete explanation.

Premises No.	Building No.	Classification	Class Code	Premium Basis (S) = Sales (P) = Payroll (LOI) = Limit Of Insurance	Rate	Advance Premium
1	1	Condominiums - Residential Condominium (Association risk only)	69145	\$ 3,776,647 (LOI)	0.0107	\$ 405.00
2	1	Condominiums - Residential Condominium (Association risk only)	69145	\$ 3,388,423 (LOI)	0.0107	\$ 364.00
2	2	Condominiums - Residential Condominium (Association risk only)	69145	\$ 200,000 (LOI)	0.0107	\$ 21.00
3	1	Condominiums - Residential Condominium (Association risk only)	69145	\$ 4,450,900 (LOI)	0.0107	\$ 478.00
4	1	Condominiums - Residential Condominium (Association risk only)	69145	\$ 3,073,900 (LOI)	0.0107	\$ 330.00
ALL	ALL	Terrorism Risk Insurance				\$ 5.00



Businessowners Optional Liability Coverages Declarations

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Premises No.	Optional Liability Coverages	Form Number	Advance Premium
All	Personal Injury Protection (PIP)	BP6202	\$ 21.00
All	Condominiums, Co-Ops, Associations - Directors And Officers Liability	BP1724	\$ 351.00
All	CyberOne - Network Security Liability	BP6077	\$ 186.00
All	Data Compromise - Defense and Liability	BP6076	Included
All	Deluxe Businessowners Liability Enhancement	BP6052	Included
All	Hired Auto and Non-Owned Auto Liability	BP0404	\$ 138.00



PEKIN INSURANCE
(A Stock Company)
2505 Court Street, Pekin, Illinois 61558-0001

Deluxe Businessowners Liability Enhancement Declarations

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Your policy includes the Deluxe Businessowners Liability Enhancement Endorsement. Additional Businessowners Liability Coverages provided with the Deluxe Businessowners Liability Enhancement Endorsement include:

<u>Coverage</u>	<u>Limit Of Insurance</u>
Voluntary Property Damage	\$2,500 Per Occurrence/ \$5,000 Per Policy Period
Automatic Additional Insured Status For Lessor Of Leased Equipment When Required In A Written Contract	Up To Your Policy Limit
Automatic Additional Insured Status For State Or Governmental Agency Or Political Subdivision-Permits Issued In Connection With The Named Insured's Premises When Required In A Written Contract Or Agreement	Up To Your Policy Limit
Automatic Additional Insured Status For Managers Or Lessors Of Premises When Required In A Written Contract	Up To Your Policy Limit
Supplementary Payments For Cost Of Bail Bonds	Up To \$3,000
Supplemental Payments For Loss Of Earnings For Time Off Work To Assist Us In Investigation Or Defense Of A Claim	Up To \$350 A Day
Newly Formed Or Acquired Organizations (180 Days)	Up To Your Policy Limit
Knowledge Of An Occurrence Or Suit-Broadened Notice Requirement	Up To Your Policy Limit
Broadened Definition Of Bodily Injury	Up To Your Policy Limit



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2505 Court Street, Pekin, Illinois 61558-0001

Businessowners Liability Forms And Endorsements Schedule

Named Insured: INN CONDOMINIUM ASSOCIATION

Policy Number: 006462410

Forms And Endorsements Made A Part Of This Policy:

Form Or Endorsement Number	Form Description
BP6009 0822	Businessowners Policy Deluxe Businessowners Program
BP6008 0413	Businessowners Common Policy Declarations Deluxe Businessowners Policy
BP6014 0413	Businessowners Liability and Medical Expenses Supplemental Declarations
BP6023 0413	Businessowners Optional Liability Coverages Declarations
BP6016 0413	Deluxe Businessowners Liability Enhancement Declarations
BP6015 0413	Businessowners Liability Forms and Endorsements Schedule
BPIN01 0110	Businessowners Coverage Form Index
BP0003 0110	Businessowners Coverage Form
BP0564 0115	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)
BP6043 0713	Amendment of Policy Provisions
BP6176 1018	Exclusion - Tobacco and Tobacco - Related Products
BP6205 1021	Utah Changes
BP6196 0321	Utah Changes - Deluxe Condominium Association Coverage
BP6076 0514	Data Compromise Coverage Response Expenses And Defense And Liability
BP6077 0514	CyberOne Coverage
BP0404 0110	Hired Auto And Non-Owned Auto Liability
BP0412 0417	Limitation Of Coverage To Designated Premises Or Project Or Operation
BP0417 0110	Employment-Related Practices Exclusion
BP0439 0702	Abuse Or Molestation Exclusion
BP0517 0106	Exclusion - Silica Or Silica-Related Dust
BP0538 0115	Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism
BP0542 0115	Exclusion of Punitive Damages Related to a Certified Act of Terrorism



PEKIN INSURANCE
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2505 Court Street, Pekin, Illinois 61558-0001

**Businessowners Liability Forms And Endorsements Schedule
(CONTINUED)**

Named Insured: INN CONDOMINIMUM ASSOCIATION

Policy Number: 006462410

Forms And Endorsements Made A Part Of This Policy:

Form Or Endorsement Number	Form Description
BP1005 0702	Exclusion - Year 2000 Computer-Related And Other Electronic Problems
BP1408 0110	Exclusion - Exterior Insulation And Finish Systems
BP6208 0322	Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability-Limited Bodily Injury Exception Not Included
BP1724 0110	Condominiums, Co-Ops, Associations - Directors and Officers Liability Endorsement
BP6005 0313	Exclusion-Lead Liability
BP6007 0313	Exclusion-Asbestos
BP6027 0613	Underground Storage Tank Pollution Exclusion
BP6034 0713	Fungi or Bacteria Exclusion(Liability)
BP6035 0713	Coordination of Coverage
BP6036 0713	Premium Audit Changes
BP6037 0713	Exclusion - Punitive Damages
BP6052 0813	Deluxe Businessowners Liability Enhancement Endorsement
BP6079 0115	Exclusion-Release At or From Wells/Hydraulic Fracturing
BP6162 0215	Exclusion-Unmanned Aircraft
BP1532 1220	Cannabis Liability Exclusion
BP1486 0713	Communicable Disease Exclusion
BP6202 0821	Utah Personal Injury Protection
BP1591 1223	Exclusion - Perfluoroalkyl And Polyfluoroalkyl Substances (PFAS)

BUSINESSOWNERS COVERAGE FORM INDEX

This index is provided only as a convenience. It should not be assumed to provide a reference to every provision that can affect a question, claim or coverage. To determine the full scope of coverage and pertinent restrictions and exclusions, the policy (including endorsements) must be read in its entirety. The features may also be affected by related provisions not referenced at all in the index, or noted elsewhere in it. For instance, an **Exclusion** feature addresses a specific policy exclusion; but restrictions of coverage and exclusions also appear within the areas where coverage, covered causes of loss, etc., are described.

Businessowners Coverage Feature	Page Number	Businessowners Coverage Feature	Page Number
Abandonment Property Loss Condition	24	Business Liability Coverage	35-37
Accounts Receivable Coverage Extension	16-17	Business Personal Property Coverage	1-2
Accounts Receivable Exclusion	23	Business Personal Property Limit - Seasonal Increase (Limit Of Insurance)	24
Acts Or Decisions Exclusion	22	Cancellation Condition	52-53
Additional Coverages	3-14	Certain Computer-related Losses Exclusion	19
Additional Exclusion - Loss Or Damage To Products Exclusion	23	Changes Condition	53
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BUSINESSOWNERS 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 Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

In Section II – Liability, the word "insured" means any person or organization qualifying as such under Paragraph C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph H. Property Definitions in Section I – Property and Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability.

SECTION I – PROPERTY

A. Coverage

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

1. Covered Property

Covered Property includes 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 Paragraph 2. Property Not Covered.

- a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:
- (1) Completed additions;
 - (2) Fixtures, including outdoor fixtures;
 - (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
 - (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 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

- b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) 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;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must

be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
 - (1) Money And Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;
- 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;
- 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, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- h. "Computer(s)" which are 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 "computer(s)" while held as "stock";
- i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software.
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

3. Covered Causes Of Loss

Risks of direct physical loss unless the loss is:

- a. Excluded in Paragraph B. Exclusions in Section I; or
- b. Limited in Paragraph 4. Limitations in Section I.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (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 of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (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 or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.
 - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (5) The interior of any 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 or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - (1) Animals, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;
 - (b) Containers of property held for sale; or
 - (c) Photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or

- (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

Example #1

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

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

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$ 500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000-\$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
	Basic Amount \$10,500
	Additional Amount \$10,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable

plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

d. Collapse

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

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

- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
- (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (i) A cause of loss listed in Paragraph (2)(a) or (2)(b);
 - (ii) One or more of the "specified causes of loss";
 - (iii) Breakage of building glass;
 - (iv) Weight of people or personal property; or
 - (v) Weight of rain that collects on a roof.
- (3) This Additional Coverage – Collapse does **not** apply to:
- (a) A building or any part of a building that is in danger of falling down or caving in;
 - (b) A part of a building that is standing, even if it has separated from another part of the building; or
 - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
- (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Piers, wharves and docks;
 - (f) Beach or diving platforms or 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 (2)(a) through (2)(d), we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and 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, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
 - (b) The personal property which collapses is inside a building; and
 - (c) The property which collapses is not of a kind listed in Paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.

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

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

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

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

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

f. Business Income

(1) Business Income

- (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 physical loss of or damage to property at the described premises. The loss or damage must be caused by or result

from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

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

- (i) The portion of the building which you rent, lease or occupy; and
 - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (c) Business Income means the:
- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on

customers or on other businesses; and

(ii) Continuing normal operating expenses incurred, including payroll.

(d) Ordinary payroll expenses:

(i) Means payroll expenses for all your employees except:

- i. Officers;
- ii. Executives;
- iii. Department Managers;
- iv. Employees under contract; and
- v. Additional Exemptions shown in the Declarations as:
 - Job Classifications; or
 - Employees.

(ii) Include:

- i. Payroll;
- ii. Employee benefits, if directly related to payroll;
- iii. FICA payments you pay;
- iv. Union dues you pay; and
- v. Workers' compensation premiums.

(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 incur during the period that:

(i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and

(ii) Ends on the earlier of:

i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

ii. 30 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

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

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

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; or

(b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(4) This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

g. Extra Expense

(1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

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

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

(2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At 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:
 - (i) Repair or replace any property; or

- (ii) 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 Additional Coverage f. Business Income.

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

h. Pollutant Clean-up And Removal

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

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

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

i. Civil Authority

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

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

Civil Authority coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

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

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

whichever is later.

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. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

j. Money Orders And "Counterfeit Money"

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$1,000.

k. 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 any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

l. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

- (2)** In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs **(3)** through **(9)** of this Additional Coverage.
- (3)** The ordinance or law referred to in Paragraph **(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4)** Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a)** You were required to comply with before the loss, even when the building was undamaged; and
 - (b)** You failed to comply with.
- (5)** Under this Additional Coverage, we will not pay for:
 - (a)** The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
 - (b)** Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet rot or dry rot.
- (6)** The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000.

If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

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

- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage 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 to dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains loss or damage 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 under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated 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, communication 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 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- (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 any ordinance or law that:

- (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.

n. Glass Expenses

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

o. Fire Extinguisher Systems Recharge Expense

- (1) We will pay:
- (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
- (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

p. Electronic Data

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

- (2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

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 – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.

(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) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

(3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit of Insurance is shown 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 policy year.

A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

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

(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 or damage 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 or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

(1) The coverage described in Paragraphs r.(2) and r.(6) only applies when the "fungi", wet rot or dry rot are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

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

- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot are present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

loss will be subject to the terms of this Limited Coverage.

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

6. Coverage Extensions

In addition to the Limits of Insurance of Section I – Property, you may extend the insurance provided by this policy as provided below.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Business Personal Property

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

- (a)** Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (b)** Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (c)** Business Personal Property that you newly acquire, located at the described premises.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

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

(3) Period Of Coverage

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

- (a)** This policy expires;
- (b)** 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c)** You report values to us.

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

b. Personal Property Off-premises

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

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

e. Valuable Papers And Records

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale; and
- (b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

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

(5) Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.2.m.(2), Errors Or Omissions; and
- (g) Paragraph B.3.

f. Accounts Receivable

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. 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 loss or damage; and
- (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

- (3) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:
 - (a) Paragraph **B.1.c.**, Governmental Action;
 - (b) Paragraph **B.1.d.**, Nuclear Hazard;
 - (c) Paragraph **B.1.f.**, War And Military Action;
 - (d) Paragraph **B.2.f.**, Dishonesty;
 - (e) Paragraph **B.2.g.**, False Pretense;
 - (f) Paragraph **B.3.**; and
 - (g) Paragraph **B.6.**, Accounts Receivable Exclusion.

B. Exclusions

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance Or Law

- (1) The enforcement of or compliance with any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
 - (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (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 Paragraphs (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

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

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

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

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and 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.

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

e. Utility Services

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

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

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

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

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

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

This exclusion does not apply to loss or damage to "computer(s)" and "electronic data".

f. War And Military Action

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

g. Water

- (1)** Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2)** Mudslide or mudflow;
- (3)** Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4)** Water under the ground surface pressing on, or flowing or seeping through:
 - (a)** Foundations, walls, floors or paved surfaces;
 - (b)** Basements, whether paved or not; or
 - (c)** Doors, windows or other openings; or
- (5)** Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1)**, **(3)** or **(4)**, or material carried or otherwise moved by mudslide or mudflow.

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

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

h. Certain Computer-related Losses

- (1)** The failure, malfunction or inadequacy of:
 - (a)** Any of the following, whether belonging to any insured or to others:

- (i)** "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
- (ii)** "Computer" application software or other "electronic data" as may be described elsewhere in this policy;
- (iii)** "Computer" operating systems and related software;
- (iv)** "Computer" networks;
- (v)** Microprocessors ("computer" chips) not part of any "computer" system; or
- (vi)** Any other computerized or electronic equipment or components; or

- (b)** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **(a)** above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- (2)** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **(1)** above. However, if excluded loss or damage, as described in Paragraph **(1)** above results in a "specified cause of loss" under Section I – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph **(1)(a)** or **(1)(b)** to correct any deficiencies or change any features.

i. "Fungi", Wet Rot Or Dry Rot

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

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

This exclusion does not apply:

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

j. Virus Or Bacteria

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.;
- (3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

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

a. Electrical Apparatus

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.

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

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

e. Frozen 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 do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. 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.

h. Exposed Property

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

i. Collapse

- (1) Collapse, including any of the following conditions of property or any part of the property:

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

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

- (2) This Exclusion i., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. 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.

I. Other Types 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) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of "computer(s)";

- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

However, we will pay for direct loss or damage caused by lightning.

p. Continuous Or Repeated Seepage Or Leakage Of Water

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

- 3. We will not pay for loss or damage caused by or resulting from any of the following Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. through c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1. above to produce the loss or damage.

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
- of part or all of any property on or off the described premises.

4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion.

Loss Or Damage To Products

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

5. Business Income And Extra Expense Exclusions

a. We will not pay for:

(1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

(1) The partial slowdown or complete cessation of your business activities; and

(2) That a part or all of the described premises is rendered untenantable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

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

b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits of Insurance of Section I – Property shown in the Declarations.

2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Section I – Property:

a. Fire Department Service Charge;

b. Pollutant Clean-up And Removal;

c. Increased Cost Of Construction;

d. Business Income From Dependent Properties;

e. Electronic Data; and

f. Interruption Of Computer Operations.

4. Building Limit – Automatic Increase

a. In accordance with Paragraph **C.4.b.**, the Limit of Insurance for Buildings will automatically increase by 4%, unless a different percentage of annual increase is shown in the Declarations.

b. The amount of increase is calculated as follows:

(1) Multiply 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 by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .04, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with **b.(1)** by 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 4%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .04 \times 146 \div 365 = \$1,600.$$

5. Business Personal Property Limit – Seasonal Increase

a. Subject to Paragraph **5.b.**, the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph **5.a** will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The 12 months immediately preceding the date the loss or damage occurs; or

(2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

But this Optional Coverage 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. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority; and

e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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

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

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

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- (9) 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 two years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage 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 Paragraph **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 Paragraphs **(2)** through **(7)** 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:
 - (i)** The Limit of Insurance under Section I – Property that applies to the lost or damaged property;
 - (ii)** The cost to replace, on the same premises, the lost or damaged property with other property:
 - i.** Of comparable material and quality; and
 - ii.** Used for the same purpose; or
 - (iii)** 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 the 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:
 - (i)** The actual cash value of the lost or damaged property; or
 - (ii)** 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 cost of repair or replacement.
- (c)** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d)** We will not pay on a replacement cost basis for any loss or damage:
 - (i)** Until the lost or damaged property is actually repaired or replaced; and
 - (ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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 any ordinance or law regulating the construction, use or repair of any property.
- (2)** If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3)** The following property at actual cash value:
 - (a)** Used or secondhand merchandise held in storage or for sale;
 - (b)** 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 or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c)** Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d)** Manuscripts; and
 - (e)** Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (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:
 - (i)** Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii)** Divide the amount determined in **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c)** Nothing if others pay for repairs or replacement.
- (6)** Applicable only to the Optional 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 Accounts Receivable:
 - (a)** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i)** We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii)** We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to reestablish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable

policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance of Section I – Property.

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 described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. Vacancy

a. Description Of Terms

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

- (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in Paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage 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 Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this 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 or damage 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 or damage 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. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraph A.3., Covered Causes Of Loss, and Paragraph B., Exclusions in Section I – Property, do not apply to this Optional Coverage, except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

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

- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

- a. 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 having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

- b. In addition to the Limitations and Exclusions applicable to Section I – Property, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- c. The most we will pay for loss in any one occurrence is:

- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and

- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
 - d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
 - e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- 3. Employee Dishonesty**
- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
 - b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
 - c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
 - d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts;
 is considered one occurrence.
 - e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) 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.
 - f. This Optional Coverage is cancelled as to any employee 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 before or after being hired by you.
 - g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
 - h. If you (or any predecessor in interest) sustained loss or damage during the 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 Optional Coverage, provided:

- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, employee means:
- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent employee as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term workload conditions;
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Equipment Breakdown Protection Coverage

- a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush; or
- (4) The functioning of any safety or protective device.

- b. Paragraphs **A.4.a.(1)** and **A.4.a.(2), Limitations**, do not apply to this Optional Coverage.

- c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:

- (1) Paragraph **B.2.a. Electrical Apparatus**;
- (2) Paragraph **B.2.d. Steam Apparatus**; and
- (3) Paragraph **B.2.i.(6) Mechanical Breakdown**.

d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5) of the Outdoor Sign Optional Coverage** does not apply.

e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no optional deductible is chosen for this Optional Coverage, the Property Deductible shown in the Declarations applies.

f. With respect to **Additional Coverages 5.f. Business Income** and **5.g. Extra Expense**, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.

As respects the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supersedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.

g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" includes those used to operate production type machinery or equipment.

h. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may suspend coverage provided by this Optional Coverage for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment.

However, coverage provided by this Optional Coverage may be reinstated for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment if the reasons for the suspension are found by any of our representatives to no longer exist.

We may suspend or reinstate this Optional coverage by mailing or delivering a written notification regarding the suspension or reinstatement to:

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

This notification will indicate the effective date of the suspension or reinstatement.

If the coverage provided by this Optional Coverage is not reinstated, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

- 1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.
- "Computer" does not include those used to operate production type machinery or equipment.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
 4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
 5. "Manager" means a person serving in a directorial capacity for a limited liability company.
 6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
 7. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
 8. "Operations" means your business activities occurring at the described premises.
 9. "Period of restoration":
 - a. Means the period of time that:
 - (1) Begins:

- (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
- caused by or resulting from any Covered Cause of Loss at the described premises; and

- (2) Ends on the earlier of:
 - (a) The date when the property at the described 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. 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".

10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
12. "Specified causes of loss" means the following:

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

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
13. "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.
14. "Valuable papers and records" means inscribed, printed or written:
- a. Documents;
 - b. Manuscripts; and
 - c. Records;
- including abstracts, books, deeds, drawings, films, maps or mortgages.
- But "valuable papers and records" does not mean "money" or "securities".

SECTION II – LIABILITY

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 Paragraph **D.** – Liability And Medical Expenses Limits Of Insurance in Section **II** – Liability; and
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **f.** 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 policy period, no insured listed under Paragraph **C.1.** Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or

- "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**f. Coverage Extension –
Supplementary Payments**

- (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
- (a) All expenses we incur.
 - (b) Up to \$250 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.
 - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
 - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - (e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
- (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (f) The indemnitee:
 - (i) Agrees in writing to:
 - i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (ii) Provides us with written authorization to:
 - i. Obtain records and other information related to the "suit"; and
 - ii. Conduct and control the defense of the indemnitee in such "suit".
- (3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in Section II – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.
- Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
 - (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above are no longer met.

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:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II – Liability. 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" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (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. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing

operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are
- to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.
- g. Aircraft, Auto Or Watercraft**
- "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".
- This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an 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 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 or motor vehicle registration law where it is licensed or principally garaged; or
 - (b) The operation of any of the following machinery or equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing 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 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 government 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. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (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 allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an 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 or failure to render of 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 the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit Of Insurance in Section II – Liability.

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

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 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 of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of websites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under Paragraph **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.

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (10) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants".
 - (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
 - (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".
- However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

- (13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. 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.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

r. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

s. Recording And Distribution Of Material Or Information In Violation Of Law

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

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit 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.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** in Section II – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D. Liability And Medical Expenses Limits of Insurance** in Section II – Liability.

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 a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion

This insurance does not apply:

a. Under 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 or Nuclear Insurance Association of Canada, 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 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 Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "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" include radioactive, toxic or explosive properties;

(3) "Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for:

(i) Separating the isotopes of uranium or plutonium;

(ii) Processing or utilizing "spent fuel"; or

(iii) 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" as a consequence of Paragraph **(a)** above;
 - (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(a)** or **(b)**; or
 - (d)** Arising out of his or her providing or failing to provide professional health care services.
- (2)** "Property damage" to property:
 - (a)** Owned, occupied or used by,
 - (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c.** Any person or organization having proper temporary custody of your property if you die, but only:
 - (1)** With respect to liability arising out of the maintenance or use of that property; and
 - (2)** Until your legal representative has been appointed.
- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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 of Section II – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a.** Insureds;
 - b.** Claims made or "suits" brought; or
 - c.** Persons or organizations making claims or bringing "suits".
- 2.** The most we will pay for the sum of all damages because of all:
 - a.** "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
 - b.** "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.
- 3.** The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.
- 4. Aggregate Limits**

The most we will pay for:

 - a.** All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
 - b.** All:
 - (1)** "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2)** Plus medical expenses;
 - (3)** Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

Subject to Paragraph **a.** or **b.** above, whichever applies, the Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability 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.

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 an offense which may result in a claim. To the extent possible, notice should include:
 - (1)** How, when and where the "occurrence" or offense took place;
 - (2)** The names and addresses of any injured persons and witnesses; and
 - (3)** The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b.** If a claim is made or "suit" is brought against any insured, you must:
 - (1)** Immediately record the specifics of the claim or "suit" and the date received; and
 - (2)** Notify us as soon as practicable.
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c.** You and any other involved insured must:

- (1)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2)** Authorize us to obtain records and other information;
 - (3)** Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4)** Assist us, upon our request, in the enforcement of any right against any person or organization that 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. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, 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.

F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "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 or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (2) Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification

of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

- 13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other 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.

17. "Property damage" means:

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

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

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 21. "Your product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY)

A. Cancellation

- 1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- 2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy;

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (a) Seasonal unoccupancy; or
- (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a Covered Cause of Loss, permanent repairs to the building:

- (a) Have not started, and
- (b) Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:

- (a) An outstanding order to vacate;
- (b) An outstanding demolition order; or
- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

- (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

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

B. Changes

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

C. 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 and 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. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I – Property.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. 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.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.

2. 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 the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

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.
- b. After a loss to your Covered Property 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 Businessowners Liability Coverage:

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.

L. Transfer Of Your Rights And Duties Under This Policy

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

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):

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

A. Section I – Property and Section II – Liability are amended as follows:

1. Applicability Of The Provisions Of This Endorsement

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

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

(2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

- (c) **Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.**
 - b. **If the provisions of this endorsement become applicable, such provisions:**
 - (1) **Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and**
 - (2) **Remain applicable unless we notify you of changes in these provisions, in response to federal law.**
 - c. **If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.**
- 2. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

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

- a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. When one or both of the following applies:

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

B. Section I – Property is amended as follows:

- 1. The following exclusion is added:

EXCLUSION OF TERRORISM

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

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

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

With respect to this Item **1.e.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

2. Exception Covering Certain Fire Losses

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

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

3. Application Of Other Exclusions

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph **1.a.** or **1.b.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

C. Section II – Liability is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is enclosed in quotation marks:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury", as may be defined under this Coverage Form or any applicable endorsement.

2. The following exclusion is added:

EXCLUSION OF TERRORISM

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

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism

exclusions; or

- f. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - (1) Physical injury that involves a substantial risk of death; or
 - (2) Protracted and obvious physical disfigurement; or
 - (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph **2.e.** or **2.f.** are exceeded.

With respect to this Exclusion, Paragraphs **2.e.** and **2.f.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

D. The following provision is added to Section **I - Property** and **Section II - Liability**:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF POLICY PROVISIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following condition is added:

Extended Renewal Premium Payment Period Condition

If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period, subject to our premiums, rules and forms then in effect. All renewal premiums are due and payable on or before 12:01 A.M. (Standard Time) on the first day of each policy period. If the premium is received at the Home Office in Pekin, Illinois, or by an authorized representative of the Company on or before the 20th day following the first day of each policy period, the policy shall remain in full force. If the premium is not paid when due or within the 20 day extended period, then coverage under the policy shall cease at 12:01 A.M. (Standard Time) on the first day of each policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS

**EXCLUSION - TOBACCO AND
TOBACCO-RELATED PRODUCTS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph **B., Exclusions of Section II – Liability:**

B. Exclusions

1. Applicable To Business Liability Coverage-

This insurance does not apply to:

TOBACCO AND TOBACCO-RELATED PRODUCTS

- a.** Actual or alleged "bodily injury", "property damage", or "personal and advertising injury" arising out of, resulting from, caused by, or contributed to by the use of, consumption of, inhalation of, ingestion of, contact with or exposure to any "tobacco product and/or products used with tobacco" that was grown, manufactured, assembled, sold, handled or distributed by, for, or on behalf of any insured.

This exclusion also applies to:

- (1)** Any actual or alleged negligence in hiring, training, supervision, instructions, recommendations, warnings or advice given or which should have been given to employees, customers, or others in connection with the use of any "tobacco product and/or products used with tobacco"; or
- (2)** Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

- b.** Any obligation to defend any "suit" or claim against the insured alleging "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising out of, resulting from, caused by, or contributed to by the use of, consumption of, inhalation of, ingestion of, contact with or exposure to any "tobacco product and/or products used with tobacco" that was grown, manufactured, assembled, sold, handled or distributed by, for, or on behalf of any insured.

This exclusion does not apply to damages caused by a "hostile fire" resulting from the use of any "tobacco product and/or products used with tobacco" by an insured.

B. The following definition is added to Paragraph **F. Liability And Medical Expense Definitions:**

- 1.** "Tobacco product and/or products used with tobacco" means:
- a.** Raw or cured tobacco, cigars and cigar wrappers, pipe tobacco, chewing tobacco, snuff;
- b.** Cigarettes and cigarette paper, cigarette filters, electronic cigarette, electronic vaporizer, personal vaporizer, electronic nicotine-delivery system or device which simulates tobacco smoking through the delivery of chemical ingredients;

- c. Any chemical, mineral or other product sprayed on, applied to or customarily found within or used in conjunction with any "tobacco product and/or products used with tobacco";
- d. Smoke, vapor, fumes, suspended particle matter, gaseous or solid residues or by-products from the use or consumption of tobacco or any other material or substance whatsoever created, produced or released directly or indirectly by any "tobacco product and/or products used with tobacco"; or
- e. Any other product, material, chemical, item or device identified as a tobacco product by the Food and Drug Administration.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTAH CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

A. Section I - Property is amended as follows:

1. Paragraphs E.3.a.(2) and E.3.a.(7) Duties In The Event Of Loss Or Damage

Property Loss Conditions are replaced by the following:

- (2)** Give prompt notice of the loss or damage to us or our agent. Include a description of the property involved.

One means you may use to fulfill this requirement is mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

- (7)** Send us a signed, sworn proof of loss containing the information we request to investigate the claim. We will supply you with the necessary forms.

You must send the proof of loss within 60 days after our request. Failure to send the requested proof of loss within 60 days does not invalidate your claim, if you show that it was not reasonably possible to do so and also show that you submitted the proof of loss to us as soon as reasonably possible.

One means you may use to send the requested proof of loss is mailing it to us, postage prepaid, through first class mail deposited in a United States Post Office.

2. Paragraph E.4. Legal Action Against Us Property Loss Conditions is replaced by the following:

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless the action is brought within three years after the date on which the direct physical loss or damage occurred.

B. Section II - Liability is amended as follows:

1. Paragraph E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit Liability And Medical Expenses General Conditions is amended as follows:

- a.** The following is added to Paragraphs **a.** and **b.:**

Notice to our agent is considered notice to us.

- b.** The following is added to Paragraphs **a., b.** and **c.(1):**

One means you may use to send written notice or other material is mailing it to us, postage prepaid, through first class mail deposited in a United States Post Office.

2. Paragraph E.3. Legal Action Against Us Liability And Medical Expenses General Conditions does not apply.

C. Section III - Common Policy Conditions is amended as follows:

1. Paragraph A.2. Cancellation is replaced by the following:

2. Cancellations of Policies in Effect

a. 60 Days or Less

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

- (1)** The first Named Insured;
(2) Each assignee of the first Named Insured, if the assignee is named in the policy; and
(3) Each loss payee or mortgagee or lienholder under property insurance of the first Named Insured, if the loss payee, mortgagee, or lienholder is named in the policy;

at least 10 days before the effective date of cancellation. Notice of cancellation will be mailed or delivered to an agent of record of the first Named Insured on or before the day notice is provided to the first Named insured.

b. More than 60 Days

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

- (1) By mailing or delivering written notice of cancellation to:
 - (a) The first Named Insured;
 - (b) Each assignee of the first Named Insured, if the assignee is named in the policy; and
 - (c) Each loss payee or mortgagee or lienholder under property insurance of the first Named Insured, if the loss payee, mortgagee, or lienholder is named in the policy;

at least 10 days before the effective date of cancellation if we cancel for nonpayment of premium. Notice of cancellation for nonpayment of premium will be mailed or delivered to an agent of record of the first Named Insured on or before the day the notice is provided to the first Named Insured; or

- (2) By mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation if we cancel for any other reason.

2. The following is added to Paragraph A. Cancellation:

7. If this Policy has been in effect for 60 days or more, or if this is a renewal of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. Material misrepresentation;
 - c. Substantial change in the risk assumed unless we should reasonably have foreseen the change or contemplated the risk when entering the contract; or
 - d. Substantial breaches of contractual duties, conditions or warranties.

If we cancel for nonpayment of premium, notice of cancellation must state the reason for cancellation.

8. Notice of cancellation must be delivered or mailed by first class mail.

3. Paragraph C. Concealment, Misrepresentation Or Fraud is replaced by the following:

C. Fraud Or Misrepresentation

Subject to Utah Code Section 31A-21-105, this Policy may be voided in the event of fraud or misrepresentation by you relating to:

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

4. Paragraph H.1. Other Insurance is replaced by the following:

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance. But we will not pay more than the applicable Limit of Insurance.

5. The following is added and supersedes any provision to the contrary:

M. Nonrenewal

1. If we elect to not renew this Policy, we will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to us, at least 30 days before the expiration or anniversary date of this Policy.
2. We need not mail this notice if:
 - a. You have accepted replacement coverage;
 - b. You have requested or agreed to nonrenewal; or
 - c. This Policy is expressly designated as nonrenewable.
3. If notice is mailed, proof of mailing is sufficient proof of notice.

D. The following changes apply only to Information Security Protection Endorsement BP 15 07 if it is attached to this Policy:

1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1)**.

2. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

- (1)** Civil or criminal fines or penalties imposed by law;
- (2)** Punitive or exemplary damages;
- (3)** The multiplied portion of multiplied damages;
- (4)** Taxes;
- (5)** Royalties;
- (6)** The amount of any disgorged profits; or
- (7)** Matters that are uninsurable pursuant to law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTAH CHANGES - DELUXE CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.1.a. Building in Section I — Property is replaced by the following:

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

- (1)** Completed additions;
- (2)** Fixtures, outside of individual units, including outdoor fixtures;
- (3)** Permanently installed:
 - (a)** Machinery; and
 - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a)** Fire extinguishing equipment;
 - (b)** Outdoor furniture;
 - (c)** Floor coverings; and
 - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5)** If not covered by other insurance:
 - (a)** Additions under construction, alterations and repairs to the building or structure;
 - (b)** Materials, equipment, supplies, and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
- (6)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

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

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

(7) Any fixture, improvement or betterment installed at any time to a unit or to a limited common area associated with a unit, whether installed in the original construction or in any remodel or later alteration, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a unit or to a limited common element associated with a unit.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** or **(7)** above.

B. Paragraph A.1.b. Business Personal Property in Section I — Property is replaced by the following:

b. Business Personal Property located in or on the buildings or structures described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the buildings or structures or within 1,000 feet of the premises described in the Declarations, whichever distance is greater, consisting of the following:

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

- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

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

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**.

C. The following is added to the **Loss Payment Condition in Section I - Property:**

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

D. Paragraphs **E.5.d.(1)** through **(3)** of the **Property Loss Conditions in Section I - Property** are replaced by the following:

- (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) The Limit of Insurance on the lost or damaged property must be 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:
 - (i) The Limit of Insurance under Section I - Property that applies to the lost or damaged property;
 - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or

- (iii) 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) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (c) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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 Paragraph **d.(1)(a)** above whether or not the actual repair or replacement is complete.

- (d) 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.
- (2) The Actual Cash Value - Buildings option cannot be applied to this condominium association coverage.

- (3) Replacement cost does not apply to:
- (a) Used or secondhand 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 or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Contents of a residence; or
 - (d) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of replacement cost, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** or **A.1.a.(7)** of this endorsement, are not considered to be the personal property of others.

- E. The following is added to the **Property Loss Conditions** in **Section I - Property**:

9. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary for the amount of a covered loss above this policy's deductible and not to contribute with such other insurance. The unit-owners' insurance applies to the portion of the loss attributable to the Association's deductible. The amount of a unit-owner's responsibility will be determined by applying the unit damage percentage to the amount of said deductible.

- F. The following is added to Paragraph **C. Who Is An Insured** in **Section II - Liability**:

- 3. Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

- G. The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us** in **Section III - Common Policy Conditions**:

3. Waiver Of Rights Of Recovery

We waive our rights to recover payment from;

- a. Any person residing with the unit-owner, if the unit-owner resides in the unit; and
- b. Any unit-owner of the condominium that is shown in the Declarations

- H. The following is added:

No act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the Association.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

A. CAP ON CERTIFIED TERRORISM LOSSES

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Coverage provided under this endorsement is subject to the provisions applying to **SECTION I - PROPERTY** and **SECTION III - COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I - PROPERTY AND SECTION II - LIABILITY)** of the **BUSINESSOWNERS COVERAGE FORM** unless otherwise noted.

A. The following is added to 3. Covered Causes of Loss in SECTION I - PROPERTY:

Additional Coverage - Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident". As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. The following coverages also apply to the direct result of an "accident". These

coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$50,000.

b. Hazardous Substances

We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is \$50,000.

c. Spoilage

(1) We will pay:

- (a) For physical damage to "perishable goods" due to spoilage;
- (b) For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;

(c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data".

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is \$50,000.

e. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(2) Coverage for any loss of Business Income you sustain resulting from

the interruption of utility services will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the deductible applicable to Business Income will apply.

(3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage.

f. Business Income and Extra Expense

Any insurance provided under this policy for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense.

B. With respect to coverage provided by this endorsement, all exclusions in **SECTION I - PROPERTY** in the **BUSINESSOWNERS COVERAGE FORM** apply except as indicated or modified below and to the extent that coverage is specifically provided by this endorsement.

1. The following exclusions are modified:

a. The following is added to **Exclusion B.1.g. Water**:

However, if electrical "covered equipment" requires drying out because of water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. As respects to this endorsement only, the next to the last paragraph in **Exclusion B.1.h. Certain Computer-related Losses** is deleted and replaced with the following:

However, if excluded loss or damage, as described in Paragraph **1.h.(1)** above results in an "accident", we will pay only for the loss, damage or expense caused by such "accident".

c. As respects to this endorsement only, the last paragraph of **Exclusion B.2.I. Other Types Of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in Paragraphs 2.1.(1) through (7) results in an "accident", we will pay for the loss, damage or expense caused by that "accident".

d. The following is added to **Exclusions B.2.m. Errors Or Omissions** and **B.2.n. Installation, Testing, Repair**:

We will also pay for direct physical loss or damage caused by an "accident".

2. The following exclusions are added:

a. We will not pay for loss, damage or expense caused by or resulting from:

(1) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(2) Any of the following:

(a) Defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" of any kind; or

(b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

b. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your

customer or supplier.

C. The following definitions are added:

1. "Covered equipment"

a. "Covered equipment" means

Covered Property:

(1) That generates, transmits or utilizes energy; or

(2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

b. None of the following is "covered equipment":

(1) Structure, foundation, cabinet or compartment;

(2) Insulating or refractory material;

(3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;

(4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

(5) "Vehicle" or any equipment mounted on a "vehicle";

(6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

(7) Dragline, excavation or construction equipment; or

(8) Equipment manufactured by you for sale.

2. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

3. "One accident" means: If an initial "accident" causes other "accidents", all will be considered "one accident". All "accidents" that are the result of the same event will be considered "one accident".

4. "Perishable goods" means personal property maintained under controlled conditions for its preservation and

susceptible to loss or damage if the controlled conditions change.

5. "Vehicle" means, as respects to this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

- D. The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

E. **CONDITIONS**

The following conditions are in addition to the Conditions in **SECTION I - PROPERTY** and **SECTION III - COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I - PROPERTY AND SECTION II - LIABILITY)** in the Businessowners Coverage Form:

Applicable to Businessowners Property Coverage:

1. **Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

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

2. **Jurisdictional Inspections**

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

3. **Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident", we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

- F. **Optional Coverage G.4. Equipment Breakdown Protection Coverage** is deleted from **SECTION I - PROPERTY** of the **BUSINESSOWNERS COVERAGE FORM**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELUXE BUSINESSOWNERS PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Coverages provided by this endorsement are subject to the provisions applying to the **Businessowners Coverage Form** unless otherwise noted. All policy provisions not in conflict with this endorsement shall apply. This endorsement is a valid part of the policy only when the form number is shown in the Declarations. The policy's deductible provisions will apply unless otherwise noted.

Coverages provided by this endorsement are in excess of any other coverages that are provided in other Coverage Forms, Endorsements or other Policies unless otherwise stated.

The following changes apply to **Section I - Property**:

1. Premises Boundary

The distance limitation of within 100 feet of the described premises is amended to read 1,000 feet of the described premises in the following Paragraphs in **A.1.a.(6)(b) Buildings or A.1.a.(5)(b) if Condominium Association Coverage** is applicable; **A.1.b. Business Personal Property; A.5.f. (1)(a) Business Income; A.5.g. (1) Extra Expense; A.5.o.(1)(a) Fire Extinguisher System Recharge Expense and A.6. Coverage Extensions.**

2. Under A.2. Property Not Covered, Paragraph b. is removed and replaced by:

b. "Money" or "securities" except as provided in the:

(1) Money and Securities Additional Coverage; or

(2) Employee Dishonesty Additional Coverage;

3. Under A.2. Property Not Covered, Paragraph e. is removed and replaced by:

e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs, or plants (other than "stock" of trees, shrubs, or plants) all except as provided in the:

(1) Outdoor Property Coverage Extension;

(2) Outdoor Sign (Attached To Building) Coverage Extension;

(3) Outdoor Sign (Detached From Building) Coverage Extension; or

(4) Outdoor Fence Coverage Extension;

4. Under A.4. Limitations, Paragraph b. is removed and replaced by:

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

(1) Animals, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:

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

(b) Containers of property held for sale;

(c) Photographic or scientific instrument lenses; or

(d) Fine Arts Coverage Extension.

5. Under A. Coverage, 5. Additional Coverages, Paragraphs (4) and (5) under a. Debris Removal are replaced by:

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

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

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

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

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

Example #2

Limit of Insurance	\$120,000
Amount of Deductible	\$500
Amount of Loss	\$105,000
Amount of Loss Payable	\$104,500
	(\$105,000 - \$500)
Debris Removal Expense	\$58,800
Debris Removal Expense Payable	
	Basic Amount \$15,500
	Additional Amount \$25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$105,000 (\$104,500 + \$500) x .25= \$26,250; capped at \$15,500.

The cap applies because the sum of the loss payable (\$104,500) and the basic amount payable for debris removal expense (\$15,500) cannot exceed the Limit of Insurance (\$120,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$58,800) exceeds 25% of the loss payable plus the deductible (\$58,800 is 56% of \$105,000), and because the sum of the loss payable and debris removal expense (\$104,500 + \$58,800 = \$163,300), would exceed the Limit of Insurance (\$120,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$40,500; \$18,300 of the debris removal expense is not covered.

6. Under **A. Coverage, 5. Additional Coverages, b. Preservation Of Property** is removed and replaced by:

b. Preservation Of Property

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

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

7. Under **A. Coverage, 5. Additional Coverages, c. Fire Department Service Charge** is removed and replaced by:

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$15,000, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

8. Under **A. Coverage, 5. Additional Coverages, Paragraph (2)(a) Extended Business Income** under **f. Business Income** is removed and replaced by:

(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 incur during the period that:
- (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
 - (ii) Ends on the earlier of:
 - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - ii. 90 consecutive days after the date determined in Paragraph (a)(i) above.

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

9. Under **A. Coverage, 5. Additional Coverages, h. Pollutant Clean-up And Removal** is removed and replaced by:

h. Pollutant Clean-up And Removal

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

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

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

10. Under **A. Coverage, 5. Additional Coverages, i. Civil Authority** is removed and replaced by:

i. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the premises described in the Declarations, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the premises described in the Declarations, 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 described in the Declarations are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

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

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 described in the Declarations and will end:

- (1) Four consecutive weeks after the date of that action; or

- (2) When your Civil Authority coverage for Business Income ends;

whichever is later.

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. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of **Section I - Property**.

11. Under **A. Coverage, 5. Additional Coverages, j. Money Orders And "Counterfeit Money"** is removed and replaced by:

j. Money Orders And "Counterfeit Money"

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank that are not paid upon presentation; or
- (2) United States or Canadian "counterfeit money" that is acquired during the regular course of business.

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

12. Under **A. Coverage, 5. Additional Coverages, Paragraphs (3) and (4) under k. Forgery Or Alteration** are removed and replaced by:

- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act 12 U.S.C. 5001, et seq., and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000, unless a higher Limit of Insurance is shown in the Declarations.
- (5) A \$500 deductible will apply to this Additional Coverage.

13. Under **A. Coverage, 5. Additional Coverages, I. Increased Cost of Construction** is removed and replaced by:

I. Ordinance Or Law Coverage

- (1) If Replacement Cost Coverage is provided for a covered Building damaged by a Covered Cause of Loss, we will pay:

(a) Coverage 1 - Coverage For Loss To The Undamaged Portion Of The Building

If a Covered Cause of Loss occurs to covered building property at the premises described in the Declarations, we will pay under **Coverage 1** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with any building ordinance or law that:

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

(b) Coverage 2 - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered building property at the premises described in the Declarations, we will pay the cost to demolish and clear the site of undamaged parts of the same building caused as a consequence of a requirement to comply with any building, zoning, or land use ordinance or law which were in force at the time of the loss that requires demolition of such undamaged property.

Paragraph **E.5.d.** of the **Loss Payment** Property Loss Condition does not apply to the **Demolition Cost Coverage**.

(c) Coverage 3 - Increased Cost Of Construction Coverage

If a Covered Cause of Loss occurs to the covered building property at the premises described in the Declarations, we will pay for the increased cost to:

- (i) Repair or reconstruct damaged portions of that building property; and/or
- (ii) Reconstruct or remodel undamaged portions of that building property, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of a building, zoning or land use ordinance or law regulating the construction or repair of buildings, which was in force at the time of loss.

However:

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

Paragraph **E.5.d.** of the **Loss Payment** Property Loss Condition does not apply to the **Increased Cost Of Construction Coverage**.

- (2) We will not pay under **Coverage 1- Coverage For Loss To The Undamaged Portion Of The Building, Coverage 2- Demolition Cost Coverage** or **Coverage 3 - Increased Cost Of Construction Coverage** 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 of any activity of "fungi", wet rot or dry rot; or

- (b) The cost 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 rot or dry rot.

(3) Loss Payment

With respect to coverage afforded under this Additional Coverage, the following loss payment provisions apply:

(a) Coverage 1- Coverage For Loss To The Undamaged Portion Of The Building

When there is a loss in value of an undamaged portion of a building to which **Coverage 1- Coverage For Loss To Undamaged Portion Of The Building** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (i) If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - i 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
 - ii The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
 - i The actual cash value of the building at the time of loss; or
 - ii The Limit of Insurance shown in the Declarations as applicable to the covered building.

The insurance provided by **Coverage 1- Coverage For Loss To The Undamaged Portion Of The Building** does not increase **Section C. Limits Of Insurance**.

(b) Coverage 2 - Demolition Cost Coverage

Loss payment under **Coverage 2- Demolition Cost Coverage** will be determined as follows:

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

- (i) The amount you actually spend to demolish and clear the site of the premises described in the Declarations; or
- (ii) \$25,000.

(c) Coverage 3- Increased Cost Of Construction Coverage

Loss payment under **Coverage 3- Increased Cost Of Construction Coverage** will be determined as follows:

- (i) We will not pay under **Coverage 3 - Increased Cost Of Construction Coverage**:
 - i Until the property is actually repaired or replaced, at the same or another premises; and
 - ii Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under **Coverage 3- Increased Cost Of Construction Coverage** is the lesser of:

- i The increased cost of construction at the same premises; or

ii \$25,000.

- (iii) If the ordinance or law requires relocation to another premises, the most we will pay under **Coverage 3- Increased Cost Of Construction Coverage** is the lesser of:

- i The increased cost of construction at the new premises; or

ii \$25,000.

- (4) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.

- (5) Under this Additional Coverage, 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 was undamaged; and

- (b) You failed to comply with.

- (6) Coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions and standards that exceed actual requirements are not covered under this Additional Coverage.

- (7) This Additional Coverage shall apply only when the **Ordinance Or Law Coverage Endorsement (BP0446)** is not included in or part of this policy issued to you by us.

- (8) This Additional Coverage is not subject to the terms of the **Ordinance Or Law Exclusion, B.1.a.** in **Section I-Property**, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.

- 14. Under **A. Coverage, 5. Additional Coverages, Paragraphs (1) and (5) under m. Business Income From Dependent Properties** are removed and replaced by:

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage 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 to dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains loss or damage 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 under this Additional Coverage is \$10,000, unless a higher Limit of Insurance is indicated in the Declarations.

- (5) The coverage period for Business Income under this Additional Coverage:
 - (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
 - (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.
- 15. Under **A. Coverage, 5. Additional Coverages, Paragraph (3)** under **o. Fire Extinguisher Systems Recharge Expense** is removed and replaced by:
 - (3) The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.
- 16. Under **A. Coverage, 5. Additional Coverages**, the following are added:
 - s. Utility Services- Time Element**
 - (1) You may extend the insurance provided under **f. (1) Business Income** and **g. Extra Expense** to apply for the actual loss of Business Income or Extra Expense you sustain due to the necessary suspension of your "operations" during the "period of restoration" caused by interruption in utility service to a covered premises described in the Declarations. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to property described in Paragraph (2) **Utility Services**.

(2) Utility Services

- (a) **Water Supply Property**, meaning the following types of property supplying water to the premises described in the Declarations:
 - (i) Pumping stations; and
 - (ii) Water mains.
- (b) **Communication Supply Property**, meaning property supplying communication services, including telephone, radio, microwave, or television services to the premises described in the Declarations, such as:
 - (i) Communication transmission lines including fiber optic transmission lines, excluding above ground or overhead transmission and distribution lines;
 - (ii) Coaxial cables; and
 - (iii) Microwave radio relays, excluding satellites.
- (c) **Power Supply Property**, meaning the following types of property supplying electricity, steam, or natural gas to the premises described in the Declarations:
 - (i) Utility generating plants;
 - (ii) Switching stations;
 - (iii) Substations;
 - (iv) Transformers; and
 - (v) Transmission lines, excluding above ground or overhead transmission and distribution lines.
- (3) This Additional Coverage does not apply to Business Income or Extra Expense loss related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

- (4) With respect to this Additional Coverage, we will not pay for the actual loss of business income you sustain during the first 24 normal business hours immediately following the direct physical loss or damage.
- (5) The most we will pay under this Additional Coverage is \$25,000.
- (6) This Additional Coverage shall only apply when **Utility Services - Direct Damage Endorsement (BP0456)** or **Utility Services- Time Element Endorsement (BP0457)** is not included in this policy issued to you by us.
- (7) This Additional Coverage is not subject to the terms of **Utility Services Exclusion B.1.e.** to the extent such exclusion would be in conflict with this Additional Coverage.
- (8) With respect to coverage provided in this Additional Coverage, suspension means:
 - (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (9) **Utility Services - Time Element Additional Coverage** is subject to the Limits of Insurance applicable to that Additional Coverage. **Business Income and Extra Expense** Limits of Insurance are subject to the terms and limitations indicated in those Additional Coverages.

t. 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 having use and custody of the property, at the premises described in the Declarations, 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 the Limitations and Exclusions applicable to **Section I - Property**, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) 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 under this Additional Coverage for loss in any one occurrence is \$15,000, unless a higher Limit of Insurance is shown in the Declarations.
- (4) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (5) As a condition to this coverage, you must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) A \$500 deductible will apply to this Additional Coverage.

u. Inventory Or Appraisal Expense

- (1) If loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss occurs, we will pay the necessary and reasonable expenses you incur to prepare claim information in:
 - (a) Taking inventories;
 - (b) Making appraisals; and
 - (c) Preparing a statement of loss and other supporting exhibits
 when we make a written request for such information to assist us to determine the amount of loss.
- (2) We will not pay any expenses:

- (a) Incurred to prove that the loss is covered;
- (b) Incurred for examinations under oath;
- (c) Directed or billed by and payable to independent or public adjusters;
- (d) Directed or billed by and payable to attorneys, legal counsel or their affiliates or subsidiaries;
- (e) To prepare claims not covered by this policy; or
- (f) Any cost provided in or incurred under **Section E. Property Loss Conditions, 2. Appraisal.**

(3) The most we will pay under this Additional Coverage is \$10,000.

v. Lock Replacement

- (1) We will pay up to \$2,500 in any one occurrence for repair or replacement of your door locks or tumblers at the premises described in the Declarations due to "theft" of your door keys.
- (2) For the purpose of this Additional Coverage, "theft" means any act of stealing. "Theft" does not mean mysterious or unexplained disappearance of property.
- (3) A \$100 deductible will apply to this Additional Coverage.

w. Employee Dishonesty

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partners, "members", "managers", officers, or directors) 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:
 - (i) Any employee; or
 - (ii) Any other person or organization.
- (2) We will not pay for loss or damage:
 - (a) Resulting from any dishonest or

criminal act that you or any of your partners, "members", "managers", officers or directors whether performing services for you or not commit whether acting alone or in collusion with other persons; or

- (b) The only proof of which as to its existence or amount is:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.

(3) The most we will pay for loss or damage in any one occurrence under this Additional Coverage is \$25,000, unless a higher Limit of Insurance is shown in the Declarations.

- (4) All loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of acts;
 is considered one occurrence.

- (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) As soon as you or any of your partners, "members", "managers", officers or directors discover any dishonest act or omission by any employee, this Additional Coverage shall not apply to any further or future acts or omissions by that employee.
- (7) We will pay only for covered loss or damage sustained during the policy period that is discovered and reported to us 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 immediately upon the cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) We will pay for loss or damage sustained during the prior insurance period as part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and recovery 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) A \$500 deductible will apply to this Additional Coverage.
- (11) With respect to this Additional Coverage, employee means:
- (a) Any natural person:
 - (i) While in your service or for 30 days after termination of service;
 - (ii) Who you compensate directly by salary, wages or commissions; and
 - (iii) Who you have the right to direct and control while performing services for you;
 - (b) Any natural person who is furnished temporarily to you by a third party:
 - (i) To substitute for a permanent employee as defined in Paragraph (a) above, who is on leave; or
 - (ii) To meet seasonal or short-term work load conditions;
 - (c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business who is not a temporary employee as defined in Paragraph (b) above;
 - (d) Any natural person who is a former employee, director, partner, "member", "manager", representative, or trustee retained as a consultant while performing services for you; or
 - (e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.
- But employee does not mean:
- (a) Any agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
 - (b) Any of your partners, "members", "managers", officers or directors.
- (12) This Additional Coverage is not subject to the terms of exclusion **B.2.f., Dishonesty**, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
- x. Rewards**
- (1) We will pay an eligible person up to \$10,000 for information which leads to an arson conviction of the person(s) who caused a fire loss covered under this policy. Regardless of the number of eligible persons involved in providing information, our liability under this Additional Coverage will not exceed \$10,000 for any one fire loss.
 - (2) This Additional Coverage applies subject to the following conditions:
 - (a) The amount of reward to be paid to each eligible person will be determined by us.
 - (b) The information which leads to an arson conviction of the person(s) who caused a fire loss must be disclosed to a law enforcement agency prior to an arson conviction.

(c) An eligible person means that person designated by a law enforcement agency as voluntarily providing information leading to an arson conviction of the person(s) who caused a fire loss, and who is not:

- (i) You or your family members;
- (ii) Your partners or their family members;
- (iii) Your "members" or "managers" or their family members;
- (iv) Your officers or their family members;
- (v) Your employees or independent contractors or their family members;
- (vi) Law enforcement or fire department employees or officials; or
- (vii) Any person involved in a crime.

(3) No deductible applies to this Additional Coverage.

17. The **Coverage Extensions** Section, **A.6.** is removed and replaced by:

6. Coverage Extensions

In addition to the Limits of Insurance of **Section I - Property**, you may extend the insurance provided by this policy as provided below.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

- (a) Your new buildings while being built on the premises described in the Declarations; and
- (b) Buildings you acquire at premises other than the one described in the Declarations, intended for:
 - (i) Substantially the same use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

(2) Business Personal Property

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

- (a) Business Personal Property, including such property that you newly acquire, at any premises you acquire;
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the premises described in the Declarations; or
- (c) Business Personal Property that you newly acquire, located at the premises described in the Declarations.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 90 days elapse after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

b. Business Personal Property Off Premises

- (1) You may extend the insurance provided by this policy to apply to loss or damage to your covered Business Personal Property while it is temporarily at a premises you do not own, lease or operate.
- (2) This Coverage Extension does not apply to:
 - (a) Business Personal Property in transit or in or on a vehicle;
 - (b) "Money" and "securities";
 - (c) Records of accounts receivables;
 - (d) "Valuable papers and records"; or
 - (e) "Fine arts", as defined under the **Fine Arts Coverage Extension**.
- (3) Insurance under this Coverage Extension will end when any of the following first occurs:
 - (a) This policy expires; or
 - (b) 90 days elapse after your covered Business Personal Property is temporarily at a location you do not own, lease or operate.
- (4) The most we will pay for loss or damage under this Coverage Extension is \$25,000.
- (5) The Limit of Insurance provided by this Coverage Extension does not apply per location.

c. Business Personal Property While In Transit

- (1) You may extend the insurance provided by this policy to apply to loss or damage to your covered Business Personal Property while in transit between points in the coverage territory and more than 1,000 feet from the premises described in the Declarations.
- (2) This Coverage Extension does not apply to:
 - (a) "Money" and "securities";
 - (b) Records of accounts receivables;
 - (c) "Valuable papers and records"; or

(d) "Fine arts", as defined under the **Fine Arts Coverage Extension**.

- (3) The most we will pay for loss or damage under this Coverage Extension is \$25,000.
- (4) The Limit of Insurance provided by this Coverage Extension does not apply per location.

d. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Coverage Extension is \$10,000, unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

e. Outdoor Sign (Attached To Building)

- (1) You may extend the insurance provided by this policy to apply to loss or damage to your outdoor signs that are permanently attached on a building at the premises described in the Declarations. Loss or damage must be caused by or result from a Covered Cause of Loss.
- (2) Paragraph **A.3., Covered Causes Of Loss**, and Paragraph **B., Exclusions** in **Section I - Property**, do 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.**
- (3) With respect to coverage afforded under this Coverage Extension, we will not pay for loss or damage caused by or resulting from:
- (a) Wear and tear;
 - (b) Hidden or latent defect;
 - (c) Rust;
 - (d) Corrosion; or
 - (e) Mechanical breakdown.
- (4) Insurance provided by this Coverage Extension is subject to the Limit of Insurance stated in the Declarations for the building at the premises described in the Declarations where the outdoor sign is permanently attached or Business Personal Property limit at the premises described in the Declarations, if no building coverage is afforded.
- (5) With respect to coverage afforded under this Coverage Extension, the Limit of Insurance for Outdoor Signs attached to Buildings (Item **C.2. of Limits Of Insurance**) is deleted.
- f. Outdoor Sign (Detached From Building)**
- (1) You may extend the insurance provided by this policy to apply to loss or damage to your outdoor signs detached from a building at the premises described in the Declarations that are permanently fixed in place. Loss or damage must be caused by or result from a Covered Cause of Loss.
- (2) Paragraph **A.3., Covered Causes Of Loss,** and Paragraph **B., Exclusions** in **Section I - Property,** do 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.**
- (3) With respect to coverage afforded under this Coverage Extension, we will not pay for loss or damage caused by or resulting from:
- (a) Wear and tear;
 - (b) Hidden or latent defect;
 - (c) Rust;
 - (d) Corrosion; or
 - (e) Mechanical breakdown.
- (4) The most we will pay for loss or damage under this Coverage Extension is \$10,000 at each premises described in the Declarations where a covered loss occurs, unless a higher Limit of Insurance is shown in the Declarations.
- (5) A \$500 deductible will apply to this Coverage Extension.
- g. Outdoor Fence**
- (1) You may extend the insurance provided by this policy to apply to loss or damage to your outdoor fence which is permanently fixed in place at the premises described in the Declarations. Loss or damage must be caused by or result from a Covered Cause of Loss.
- (2) The most we will pay for loss or damage under this Coverage Extension is \$10,000 at each premises described in the Declarations where a covered loss occurs, unless a higher Limit of Insurance is shown in the Declarations.
- h. Personal Effects**
- (1) You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees. This extension does not apply to:

- (a) Tools or equipment used in your business; or
 - (b) Loss or damage by theft.
- (2) The most we will pay for loss or damage under this Extension is \$25,000 at each premises described in the Declarations where a covered loss occurs.

i. Valuable Papers And Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) We will pay for a covered loss under this Coverage Extension to "valuable papers and records":
- (a) While at a premises described in the Declarations; or
 - (b) While in transit or temporarily at a premises you do not own, lease, rent or operate. This off premises coverage applies for a period of up to 90 days.
- (3) This Coverage Extension does not apply to:
- (a) Property held as samples or for delivery after sale; or
 - (b) Property that cannot be replaced with other property of like kind and quality.
- (4) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at a premises described in the Declarations is \$100,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" in transit or temporarily at a premises you do not own, lease, rent or operate, the most we will pay is \$25,000.

- (5) With respect to coverage afforded under this Coverage Extension, the following is added to Paragraph **d.** under **E. 5. Loss Payment:**

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

- (6) Paragraph **B., Exclusions in Section I - Property**, does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c., Governmental Action;**
- (b) Paragraph **B.1.d., Nuclear Hazard;**
- (c) Paragraph **B.1.f., War And Military Action;**
- (d) Paragraph **B.2.f., Dishonesty;**
- (e) Paragraph **B.2.g., False Pretense;**
- (f) Paragraph **B.2.k., Neglect;**
- (g) Paragraph **B.2.m.(2), Errors Or Omissions;** and
- (h) Paragraph **B.3.**

j. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to your records of accounts receivables. 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 loss or damage; and

- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) We will pay for a covered loss under this Coverage Extension to your records of accounts receivables:

- (a) While at a premises described in the Declarations; or
- (b) While in transit or temporarily at a premises you do not own, lease, rent or operate. This off premises coverage applies for a period of up to 90 days.

- (3) In addition to the Limitations and Exclusions applicable to **Section I - Property**, we will not pay under this Coverage Extension for:

- (a) Loss or damage caused by or resulting from unauthorized instructions to transfer property to any person or to any place.
- (b) Loss or damage caused by or resulting from electrical or magnetic injury, disturbance, or erasure of "electronic data". But we will pay for direct loss or damage caused by lightning.

- (4) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at a premises described in the Declarations is \$100,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable in transit or temporarily at a premises you do not own, lease, rent or operate, the most we will pay is \$25,000.

- (5) Paragraph **B., Exclusions** in **Section I - Property**, does not apply to this Coverage Extension except for:

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

- (c) Paragraph **B.1.f., War And Military Action**;
- (d) Paragraph **B.2.f., Dishonesty**;
- (e) Paragraph **B.2.g., False Pretense**;
- (f) Paragraph **B.2.k., Neglect**;
- (g) Paragraph **B.2.m., Errors Or Omissions**;
- (h) Paragraph **B.2.n., Installation, Testing, Repair**;
- (i) Paragraph **B.3.**; and
- (j) Paragraph **B.6., Accounts Receivable Exclusion**.

k. Water Back-Up Of Sewers Or Drains

- (1) We will pay for direct physical loss or damage to Covered Property, covered under **Section I - Property**, caused by:

- (a) Water or waterborne material which backs up through or overflows from a sewer or drain; or
- (b) Water or waterborne material which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **k. (1)(b)** above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- (2) We will not pay for loss or damage if:

- (a) Loss or damage is caused by or results from your acts or omissions;
- (b) Loss or damage is caused by or results from an insured's failure to:
 - (i) Keep a sump pump or its related equipment in proper working condition; or
 - (ii) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or

- (c) Any other cause or event, which is not a Covered Cause of Loss, contributes concurrently or in any sequence to loss or damage.
 - (3) With respect to insurance provided by this Coverage Extension, the coverage provided by the Additional Coverages and Coverage Extensions are not additional insurance. They are subject to the Limit of Insurance stated in this Coverage Extension.
 - (4) The most we will pay for the coverage provided under this Coverage Extension for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance. That limit is \$25,000 per premises described in the Declarations where a covered loss occurs.
The Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this Coverage Extension for the total of all direct physical loss or damage sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
 - (5) **Business Income Additional Coverage** or **Extra Expense Additional Coverage** do not apply to this Coverage Extension.
 - (6) This Coverage Extension shall apply only when the **Water Back-Up And Sump Overflow Endorsement (BP0453)** is not included in or part of this policy.
 - (7) Under **B., Exclusions** in **Section I - Property, Exclusion B.1.g.(3)** is removed and replaced by the following:
 - (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment, except as provided in the **Water Back-Up Of Sewers Or Drains Coverage Extension**;
- I. Spoilage (Power Outage)**
- (1) We will pay for direct physical loss or damage to "perishable stock" at the premises described in the Declarations caused by "power outage", if the "perishable stock" is:
 - (a) Owned by you and used in your business; or
 - (b) Owned by others and in your care, custody or control as a part of your business.
 - (2) As used in this Coverage Extension:
 - (a) "Power Outage" means: change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the premises described in the Declarations, due to conditions beyond your control.
 - (3) With respect to coverage afforded under this Coverage Extension, we will not cover property located:
 - (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.

- (4) In addition to the exclusions under Paragraph **B., Exclusions** in **Section I - Property**, we will not pay for loss or damage caused by or resulting from:
 - (a) The disconnection of any refrigerating, cooling or humidity control system from the source of its power;
 - (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
 - (c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (i) Lack of fuel; or
 - (ii) Governmental order;
 - (d) The inability of a power source at the premises described in the Declarations to provide sufficient power due to lack of generating capacity to meet demand; or
 - (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- (5) With respect to coverage afforded under this Coverage Extension, **5.d. Loss Payment** under **E. Property Loss Conditions** is deleted in its entirety and replaced by the following:
 - (a) We will determine the value of Covered Property as follows:
 - (i) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
 - (ii) For other "perishable stock", at actual cash value.
 - (6) The most we will pay for loss or damage under this Coverage Extension is \$10,000 at each premises described in the Declarations where a covered loss occurs.
 - (7) This Coverage Extension shall apply only when loss or damage is not covered by **Equipment Breakdown Coverage Endorsement (BP6028)** or **Spoilage Coverage Endorsement (BP0415)** under this policy, or by any other part of this policy issued to you by us.
 - (8) **Business Income Additional Coverage** or **Extra Expense Additional Coverage** do not apply to this Coverage Extension.
 - (9) This Coverage Extension is not subject to the terms of the exclusions listed below under **B., Exclusions**, in **Section I - Property**, to the extent such exclusions would be in conflict with this Coverage Extension:
 - (a) **B.1.e., Utility Services**; and
 - (b) **B.2.I.(7)(b)**, Changes in or extremes of temperature.

m. Fine Arts

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage caused by a Covered Cause of Loss to your "Fine Arts" at the premises described in the Declarations.

- (2) As used in this Coverage Extension:
- (a) "Fine Arts" means: paintings, etchings, pictures, tapestries, art glass windows, rare or art glass, valuable rugs, statuary, sculptures, porcelains and other bona fide works of art of rarity, historical value or artistic merit.
- (3) In addition to the limitations and exclusions applicable under **B. Exclusions**, in **Section I - Property**, we will not pay for loss or damage to "Fine Arts" caused by or that results from a process to repair, retouch, restore, adjust, service or maintain the covered "Fine Arts".
- (4) With respect to coverage afforded under this Coverage Extension, **5.d. Loss Payment** under **E. Property Loss Conditions**, is deleted and replaced by the following:
- The value of "Fine Arts" will be the least of the following amounts:
- (a) The "Fair Market Value" of that property;
- (b) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- (c) The cost of replacing that property with substantially identical property.
- In the event of loss or damage to "Fine Arts", the value of property will be determined as of the time of loss or damage.
- (5) As used in this Coverage Extension,
- (a) "Fair Market Value" means the reasonable price at which property would change hands between a willing buyer and seller, each having reasonable knowledge of all the pertinent facts and neither being under pressure to buy or sell.
- (6) When the damaged article is part of a pair or set, we may choose one of the following methods of loss payment:

- (a) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- (b) Pay the difference between the value of the pair or set before and after the loss or damage.
- (7) The most we will pay for loss or damage in any one occurrence under this Coverage Extension is \$25,000, but not more than \$5,000 for any one "Fine Arts" item.

n. Utility Services - Direct Damage

- (1) We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by an interruption in utility service to the premises described in the Declarations. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to property described in Paragraph (3) **Utility Services**.
- (2) The following is added to Paragraph **A.2., Property Not Covered**, in **Section I - Property**, with respect to this Coverage Extension:
- (a) "Perishable stock"; or
- (b) "Electronic data".
- (3) **Utility Services**
- (a) **Water Supply Property**, meaning the following types of property supplying water to the premises described in the Declarations:
- (i) Pumping stations; and
- (ii) Water mains.
- (b) **Communication Supply Property**, meaning property supplying communication services, including telephone, radio, microwave or television services to the premises described in the Declarations, such as:
- (i) Communication transmission lines, including fiber optic transmission lines, excluding above ground or overhead transmission

and distribution lines;

- (ii) Coaxial cables; and
- (iii) Microwave radio relays, except satellites.

(c) **Power Supply Property**, meaning the following types of property supplying electricity, steam or natural gas to the premises described in the Declarations:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines, excluding above ground or overhead transmission and distribution lines.

(4) The most we will pay for loss or damage under this Coverage Extension is \$25,000 in any one occurrence. This limit is part of, not in addition to, the applicable Limit Of Insurance stated in the Declarations for the Covered Property.

(5) **Business Income Additional Coverage** or **Extra Expense Additional Coverage** do not apply to this Coverage Extension.

(6) This Coverage Extension shall apply only when **Utility Services-Direct Damage Endorsement (BP0456)** is not included in this policy issued to you by us.

(7) This Coverage Extension is not subject to the terms of the **Utility Services Exclusion, B.1.e.**, in **Section I - Property**, to the extent that such exclusion would be in conflict with this Coverage Extension.

18. Under **C. Limits Of Insurance**, in **Section I - Property, C.3.** is removed and replaced by:

3. Each amount of insurance applicable to the Coverage Extensions applies in accordance with the terms of such coverage and is additional insurance unless otherwise indicated.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such

coverages and are separate from the Limits(s) of Insurance shown in the Declarations of **Section I - Property**.

- a. **Fire Department Service Charge;**
- b. **Pollutant Clean-up And Removal;**
- c. **Business Income From Dependent Properties;**
- d. **Electronic Data;**
- e. **Interruption Of Computer Operations;**
- f. **Money Orders And "Counterfeit Money";**
- g. **Forgery Or Alteration;**
- h. **Ordinance Or Law - Coverage 2 - Demolition Cost Coverage;**
- i. **Ordinance Or Law - Coverage 3 - Increased Cost Of Construction Coverage;**
- j. **Fire Extinguisher System Recharge Expense;**
- k. **Utility Services - Time Element;**
- l. **Money And Securities;**
- m. **Inventory Or Appraisal Expense;**
- n. **Lock Replacement;**
- o. **Employee Dishonesty;** and
- p. **Rewards.**

19. Under **C. Limits Of Insurance**, in **Section I - Property, C.5. Business Personal Property Limit - Seasonal Increase** is removed and replaced by:

5. **Business Personal Property Limit - Seasonal Increase**

a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:

- (1) The Business Personal Property - Seasonal Increase percentage shown in the Declarations; or
- (2) 30% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph 5.a. will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.
20. Under **D. Deductibles**, in **Section I - Property**, Paragraphs **D.2.** and **D.3.** are removed and replaced by:
- 2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Additional Coverages or Coverage Extensions is \$500:
 - a. **Money and Securities;**
 - b. **Employee Dishonesty;**
 - c. **Outdoor Signs (Detached From Building);** and
 - d. **Forgery or Alteration.**

But this 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. No deductible applies to the following Additional Coverages:
 - a. **Fire Department Service Charge;**
 - b. **Business Income;**
 - c. **Extra Expense;**
 - d. **Civil Authority;**
 - e. **Fire Extinguisher System Recharge Expense;**
 - f. **Utility Services-Time Element;** and
 - g. **Rewards.**
21. Under **E. Property Loss Conditions, 5. Loss Payment**, Paragraph **d.(6)** is removed and replaced by:
- (6) Applicable only to the Optional Coverages and the Deluxe Businessowners Property Enhancement Endorsement:
 - (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.
22. **G. Optional Coverages** is deleted.
23. Under **H. Property Definitions**, in **Section I-Property**, Paragraph **9.a.(1)(a)** of the "Period of restoration" definition is removed and replaced by:
- (a) Immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises described in the Declarations; or
24. Under **H. Property Definitions**, in **Section I-Property**, the **H.14.** "Valuable papers and records" definition is removed and replaced by:
14. "Valuable papers and records" means inscribed, printed or written:
- a. Documents;
 - b. Manuscripts; and
 - c. Records;
- including abstracts, books, deeds, drawings, films, maps or mortgages.
- But "valuable papers and records" does not mean "money", "securities", "electronic data" or records of accounts receivable.
25. The following definition is added under **H. Property Definitions**, in **Section I - Property**:
15. "Perishable stock" means business personal property:
- a. Maintained under controlled temperature or humidity conditions for preservation; and
 - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DATA COMPROMISE COVERAGE RESPONSE EXPENSES AND DEFENSE AND LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Coverage under this endorsement is subject to the following SCHEDULE:

SECTION 1 - RESPONSE EXPENSES	
Data Compromise	
Response Expenses Limit:	\$ 50,000 Annual Aggregate
Sublimits	
Named Malware (Sec. 1)	\$ 50,000
Forensic IT Review:	\$ 5,000
Legal Review:	\$ 5,000
PR Services:	\$ 5,000
	Any one "Personal Data Compromise"
Response Expenses Deductible:	\$ 500
	Any one "Personal Data Compromise"
SECTION 2 - DEFENSE AND LIABILITY	
Data Compromise	
Defense and Liability Limit:	\$ 50,000 Annual Aggregate
Sublimits	
Named Malware (Sec. 2)	\$ 50,000
	Any one "Personal Data Compromise"
Defense and Liability Deductible:	\$ 500
	Each "Data Compromise Suit"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following is added to Paragraph **A.5. Additional Coverages of SECTION I - Property**:

SECTION 1 - RESPONSE EXPENSES

DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and

2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

COVERAGE - SECTION 1

If the three conditions listed above in DATA COMPROMISE - COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages **4** and **5** apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under coverage **3**.

1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;
- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

2. Legal Review

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

3. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

4. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals".

a. The following services apply to any "personal data compromise".

1) Informational Materials

A packet of loss prevention and customer support information.

2) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in **b. 1) and 2)**.

b. The following additional services apply to "personal data compromise" events involving "personally identifying information".

1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

2) Identity Restoration Case Management

As respects to any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5. PR Services

Professional public relations firm review of and response to the potential impact of the "personal data compromise" on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with "affected individuals". However, we will not pay for promotions:

a. Provided to any of your directors or employees; or

b. Costing more than \$25 per "affected individual".

LIMITS - SECTION 1

The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under **Section 1** arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any "malware-related compromise" is the Named Malware (**Sec. 1**) sublimit indicated for this endorsement. For the purpose of the Named Malware (**Sec. 1**) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise".

The most we will pay under Forensic IT Review, Legal Review and PR Services coverages for loss arising from any one "personal data compromise" is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per "affected individual" as described in 5. PR Services.

Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE - SECTION 1

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects to each "personal data compromise" covered under this endorsement.

The following is added to Paragraph **A. Coverages** of **Section II - Liability**:

SECTION 2 - DEFENSE AND LIABILITY

DEFENSE AND LIABILITY COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE - COVERED CAUSE OF LOSS are met.

Only with regard to **Section 2 - Defense and Liability** coverage, the following conditions must also be met:

1. You have provided notifications and services to "affected individuals" in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a "data compromise suit" brought by one or more "affected individuals" or by a governmental entity on behalf of one or more "affected individuals"; and

3. Notice of such "data compromise suit" is received by you within two years of the date that the "affected individuals" are notified of the "personal data compromise"; and

4. Such "data compromise suit" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

COVERAGE - SECTION 2

If all of the conditions listed above in DEFENSE AND LIABILITY - COVERED CAUSE OF LOSS have been met, then we will provide coverage for "data compromise defense costs" and "data compromise liability" directly arising from the covered cause of loss.

LIMITS - SECTION 2

The most we will pay under Defense and Liability coverage (other than post-judgment interest) is the Data Compromise Defense and Liability Limit indicated for this endorsement.

The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under **Section 2** (other than post-judgment interest) arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" (other than post-judgment interest) will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any "malware-related compromise" is the Named Malware (**Sec. 2**) sublimit indicated for this endorsement. For the purpose of the Named Malware (**Sec. 2**) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Defense and Liability Limit.

DEDUCTIBLE - SECTION 2

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects to each "data compromise suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2

EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "personal data compromise".
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Coverage endorsement or any coverage substantially similar to that described in this endorsement.
4. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise".
5. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions.
6. Any criminal investigations or proceedings.
7. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
8. Any "personal data compromise" involving data that is being transmitted electronically, unless such data is encrypted to protect the security of the transmission.
9. Your reckless disregard for the security of "personally identifying information" or "personally sensitive information" in your care, custody or control.
10. That part of any "data compromise suit" seeking any non-monetary relief.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Data Compromise Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may reasonably require.

2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "data compromise suit", after the Data Compromise Defense and Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Data Compromise Defense and Liability Limit which accrues:
 - a. after entry of judgment; and
 - b. before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Defense and Liability Limit.

B. Duties in the Event of a "Data Compromise Suit"

1. If a "data compromise suit" is brought against you, you must:
 - a. Immediately record the specifics of the "data compromise suit" and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "data compromise suit" is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";
 - d. Authorize us to obtain records and other information;

- e. Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit".
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
 3. If you become aware of a claim or complaint that may become a "data compromise suit", you shall promptly inform us of such claim or complaint.

C. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.

D. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

E. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Data Compromise Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition **F. Service Providers**. You must provide the following at our pre-notification consultation with you:

1. The exact list of "affected individuals" to be notified, including contact information.
2. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
3. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Response Expenses Limit.

F. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition **E.** above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - a. Such alternate service provider must be approved by us;
 - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and

- c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

G. Services

The following conditions apply as respects to any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Affected Individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:

- 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
- 2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
- 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this policy.

- c. An "affected individual" may reside anywhere in the world.
2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.
3. "Data Compromise Liability"
 - a. "Data compromise liability" means the following, when they arise from a "data compromise suit":
 - 1) Damages, judgments or settlements to "affected individuals";

- 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Data compromise liability" does not mean:
- 1) Damages, judgments or settlements to anyone who is not an "affected individual";
 - 2) Civil or criminal fines or penalties imposed by law;
 - 3) Punitive or exemplary damages;
 - 4) The multiplied portion of multiplied damages;
 - 5) Taxes; or
 - 6) Matters which may be deemed uninsurable under the applicable law.
4. "Data Compromise Suit"
- a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:
- 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
 - 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
 - 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- b. "Data Compromise Suit" does not mean any demand or action brought by or on behalf of someone who is:
- 1) Your director or officer;
 - 2) Your owner or part-owner; or
 - 3) A holder of your securities;
- in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".
- c. "Data compromise suit" does not mean any demand or action brought by or on behalf of an organization, business, institution or any other party that is not an "affected individual" or governmental entity.
5. "Identity Theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
6. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.
7. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects to one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
- 1) You; or

- 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
 - b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
 - c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
 - d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".
8. "Personally Identifying Information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.

"Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
 9. "Personally Sensitive Information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.

"Personally sensitive information" does not mean or include "personally identifying information".

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBERONE COVERAGE COMPUTER ATTACK AND NETWORK SECURITY LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Coverage under this endorsement is subject to the following SCHEDULE:

SECTION 1 - COMPUTER ATTACK	
Computer Attack Limit	\$ 100,000 Annual Aggregate
Sublimits	
Data Re-creation	\$ 5,000
Loss of Business	\$ 10,000
Public Relations	\$ 5,000 Per Occurrence
Computer Attack Deductible	\$ 10,000 Per Occurrence
SECTION 2 - NETWORK SECURITY LIABILITY	
Network Security Liability Limit	\$ 100,000 Annual Aggregate
Network Security Liability Deductible	\$ 10,000 Per Occurrence
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following is added to Paragraph **A.5. Additional Coverages** of **SECTION I - Property**:

SECTION 1 - COMPUTER ATTACK

SECTION 1 - COVERED CAUSE OF LOSS

This Computer Attack coverage applies only if all of the following conditions are met:

1. There has been a "computer attack"; and
2. Such "computer attack" is first discovered by you during the policy period for which this endorsement is applicable; and
3. Such "computer attack" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

SECTION 1 - COVERAGES PROVIDED

If all three of the conditions listed above in SECTION 1 - COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such "computer attack".

1. Data Restoration

We will pay your necessary and reasonable "data restoration costs".

2. Data Re-creation

We will pay your necessary and reasonable "data re-creation costs".

3. System Restoration

We will pay your necessary and reasonable "system restoration costs".

4. Loss of Business

We will pay your actual "business income loss" and your necessary and reasonable "extra expenses".

5. Public Relations

If you suffer a covered "business income loss", we will pay for the services of a professional public relations firm to assist you in communicating your response to the "computer attack" to the media, the public and your customers, clients or members.

SECTION 1 - LIMITS

The most we will pay under Computer Attack coverage is the Computer Attack Limit indicated for this endorsement. If no limit is shown or is shown as Excluded on the SCHEDULE at the top of this endorsement, then the Computer Attack coverage will be considered to have a limit of \$0.

The most we will pay under Data Re-creation coverage for loss (including "business income loss" and "extra expense" related to data re-creation activities) arising from any one "computer attack" is the Data Re-creation Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit.

The most we will pay under Loss of Business coverage for loss arising from any one "computer attack" is the Loss of Business Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit.

The most we will pay under Public Relations coverage for loss arising from any one "computer attack" is the Public Relations Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack Limit.

The Computer Attack Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all "computer attack" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "computer attack" events occurring during that period.

A "computer attack" may be first discovered by you in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "computer attack" will be subject to the Computer Attack Limit applicable to the policy period when the "computer attack" was first discovered by you.

SECTION 1 - DEDUCTIBLE

The Computer Attack coverage is subject to the Computer Attack Deductible indicated in the SCHEDULE for this endorsement. You shall be responsible for the applicable deductible amount as respects to loss arising from each "computer attack" covered under this endorsement.

The following is added to Paragraph **A. Coverages of Section II - Liability**:

SECTION 2 - NETWORK SECURITY LIABILITY

SECTION 2 - COVERED CAUSE OF LOSS

This Network Security Liability coverage applies only if all of the following conditions are met:

1. You first receive notice of a "network security liability suit" during the policy period for which this endorsement is applicable or any Extended Reporting Periods; and
2. Such "network security liability suit" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

SECTION 2 - COVERAGES PROVIDED

If both of the conditions listed above in **SECTION 2 - COVERED CAUSE OF LOSS** have been met, then we will provide you the following coverages for loss directly arising from such "network security liability suit".

1. Defense

We will pay your necessary and reasonable "network security liability defense costs".

2. Settlement Costs

We will pay your necessary and reasonable "network security liability settlement costs".

SECTION 2 - LIMITS

Except for post-judgment interest, the most we will pay under Network Security Liability coverage is the Network Security Liability Limit indicated for this endorsement. If no limit is shown or is shown as Excluded on the SCHEDULE at the top of this endorsement, then the Network Security Liability coverage will be considered to have a limit of \$0.

The Network Security Liability Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 2 (other than post-judgment interest) arising out of all "network security liability suits" of which you first receive notice during the present annual policy period or any Extended Reporting Periods. This limit applies regardless of the number of "network security liability suits" of which you first receive notice during that period.

You may first receive notice of a "network security liability suit" in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "network security liability suit" (other than post-judgment interest) will be subject to the Network Security Liability Limit applicable to the policy period when notice of the "network security liability suit" was first received by you.

The Network Security Liability Limit for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Network Security Liability Limit for the immediately preceding policy period.

SECTION 2 - DEDUCTIBLE

The Network Security Liability coverage is subject to the Network Security Liability Deductible indicated in the SCHEDULE for this endorsement. You shall be responsible for the applicable deductible amount as respects to loss arising from each "network security liability suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS EXCLUSIONS

The following additional exclusions apply to this coverage:

We will not pay for costs or loss arising from the following:

1. Loss to the internet, an internet service provider, or any computer or computer system that is not owned or leased by you and operated under your control.
 2. Costs to research or correct any deficiency.
 3. Any fines or penalties.
 4. Any criminal investigations or proceedings.
 5. Any threat, extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
 6. Your intentional or willful complicity in a covered loss event or your reckless disregard for the security of your computer system or data.
 7. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
 8. Any "computer attack" occurring prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.
 9. That part of any "network security liability suit" seeking any non-monetary relief.
 10. Any "network security liability suit" arising from a propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data that occurred prior to the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement.
 11. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
- a. Immediately record the specifics of the "network security liability suit" and the date received; and
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "network security liability suit" is first received by you.
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "network security liability suit";
 - d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the "network security liability suit";
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "network security liability suit".

C. Extended Reporting Periods

1. You shall have the right to the Extended Reporting Periods described in this section, in the event that:
 - a. You or we cancel this CyberOne coverage;
 - b. You or we refuse to renew this CyberOne coverage; or
 - c. We renew this CyberOne coverage on an other than a claims-made basis or with a retroactive date later than the date of the first inception of this CyberOne coverage endorsement or any coverage substantially similar to that described in this endorsement;
2. If an event as specified in Paragraph 1. has occurred, you shall have the right to the following:
 - a. An Automatic Extended Reporting Period of 30 days after the effective date of cancellation or nonrenewal at no additional premium in which to give to us written notice of a "network security liability suit" of which you first receive

ADDITIONAL CONDITIONS

The following additional conditions apply to all coverages under this endorsement.

A. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate computer and internet security; and
2. Maintaining and updating at appropriate intervals backups of computer data.

B. Duties in the Event of a "Network Security Liability Suit"

1. If a "network security liability suit" is brought against you, you must:

notice during said Automatic Extended Reporting Period for any propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage; and

- b. Upon payment of an additional premium of 100% of the full annual premium applicable to this CyberOne coverage, a Supplemental Extended Reporting Period of 1 year immediately following the effective date of cancellation or nonrenewal in which to give to us written notice of a "network security liability suit" of which you first receive notice during said Supplemental Extended Reporting Period for any propagation of malware, denial of service attack, or if applicable, loss, release or disclosure of business data occurring before the end of the coverage period for this CyberOne coverage and which is otherwise covered by this CyberOne coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

D. Network Security Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable "network security liability suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "network security liability suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "network security liability suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "network security liability suit", after the Network Security Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Network Security Liability Limit which accrues:
 - a. After entry of judgment; and
 - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Network Security Liability Limit or, in any case, before we pay or offer to pay the entire Network Security Liability Limit.

These interest payments shall be in addition to and not part of the Network Security Liability Limit.

E. Other Data Coverage in This Policy

Some elements of this CyberOne coverage may also be covered under the policy to which this endorsement is attached. If so, this CyberOne coverage will apply as excess, additional coverage. If loss payment has been made under the policy for the same event, the amount of such payment will count towards the deductible that applies to this CyberOne coverage.

F. Services

The following conditions apply as respects to any services provided to you by any service firm provided or paid for in whole or in part under this endorsement:

1. The effectiveness of such services depends on your cooperation and assistance.
2. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Business Income Loss" means the sum of the:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal and necessary operating expenses incurred, including employee payroll,
actually lost by you during the "period of restoration".
2. "Computer Attack" means one of the following involving a computer or other electronic hardware that is owned or leased by you and operated under your control:
 - a. Unauthorized Access - meaning the gaining of access to your computer system by an unauthorized person or persons; or
 - b. Malware Attack - meaning damage to your computer system or data arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your computer system during the manufacturing process.
 - c. Denial of Service Attack - meaning a deliberate act to prevent third parties from gaining access to your computer system through the internet in a manner in which they are legally entitled.
3. "Data Re-creation Costs"
 - a. "Data Re-creation Costs" means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.

- b. "Data Re-creation Costs" also means your actual "business income loss" and your necessary and reasonable "extra expenses" arising from the lack of the lost or corrupted data during the time required to research, re-create and replace such data.
 - c. "Data Re-creation Costs" does not mean costs to research, re-create or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.
4. "Data Restoration Costs"
 - a. "Data Restoration Costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs," such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
 - b. "Data Restoration Costs" does not mean costs to research, restore or replace:
 - 1) Software programs or operating systems that are not commercially available; or
 - 2) Data that is obsolete, unnecessary or useless to you.
 5. "Extra Expense" means the additional cost you incur to operate your business during the "period of restoration" over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.
 6. "Network Security Liability Defense Costs"
 - a. "Network Security Liability Defense Costs" means reasonable and necessary expenses resulting solely from the investigation, defense and appeal of any "network security liability suit" against you. Such expenses may be incurred by us. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
 - b. "Network Security Liability Defense Costs" does not mean your salaries or your loss of earnings.
 7. "Network Security Liability Settlement Costs"
 - a. "Network Security Liability Settlement Costs" means the following, when they arise from a "network security liability suit":

- 1) Damages, judgments or settlements; and
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Network Security Liability Settlement Costs" does not mean:
- 1) Civil or criminal fines or penalties imposed by law;
 - 2) Punitive or exemplary damages;
 - 3) The multiplied portion of multiplied damages;
 - 4) Taxes; or
 - 5) Matters which may be deemed uninsurable under the applicable law.
8. "Network Security Liability Suit"
- a. "Network Security Liability Suit" means a civil proceeding against you in which damages are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. Such proceeding must be based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed one or more of the following to happen:
- 1) The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code.
 - 2) The unintended abetting of a denial of service attack against one or more other systems.
 - 3) The loss, release or disclosure of business data that is owned by or proprietary to a third party. This does not include personally identifying information or other information that is sensitive or personal to individuals.
- b. "Network Security Liability Suit" includes the following:
- 1) An arbitration or alternative dispute resolution proceeding that you are required to submit to or which we agree you should submit to; or
 - 2) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- c. "Network Security Liability Suit" does not mean any demand or action alleging or arising from property damage or bodily injury.
- d. "Network Security Liability Suit" does not mean any demand or action brought by or on behalf of someone who is:
- 1) Your director or officer;
 - 2) Your owner or part-owner; or
 - 3) A holder of your securities;
- in their capacity as such, whether directly, derivatively, or by class action.
9. "Period of Restoration" means the period of time that begins at the time that the "computer attack" is discovered by you and continues until the earlier of:
- a. The date that all data restoration, data re-creation and system restoration directly related to the "computer attack" has been completed; or
 - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
10. "System Restoration Costs"
- a. "System Restoration Costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre-"computer attack" level of functionality:
- 1) Replace or reinstall computer software programs;
 - 2) Remove any malicious code; and
 - 3) Configure or correct the configuration of your computer system.
- b. "System Restoration Costs" does not mean:
- 1) Costs to increase the speed, capacity or utility of your computer system;
 - 2) Labor of your employees;
 - 3) Any costs in excess of the actual cash value of your computer system; or
 - 4) Costs to repair or replace hardware.
- All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY RECOVERY COVERAGE

IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Paragraph **A.5. Additional Coverages of SECTION I - Property:**

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery Coverage is applicable; and
3. Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. Expense Reimbursement

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.

2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
3. An "identity theft" that is not reported in writing to the police.

LIMITS

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement Coverage.

Expense Reimbursement Coverage is subject to an Expense Reimbursement Limit of \$15,000 annual aggregate per "identity recovery insured." The Expense Reimbursement Limit shall apply separately to each 12 month period within the policy period. For policy periods greater than 12 months, this coverage will be subject to a new and separate Expense Reimbursement Limit upon each 12 month anniversary of the beginning of the policy period. Regardless of the number of claims, the Expense Reimbursement Limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during the applicable 12 month period. If an "identity theft" is first discovered in one 12 month period and continues into other 12 month periods, all loss and expense arising from such "identity theft" will be subject to the aggregate Expense Reimbursement Limit applicable to the 12 month period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.

Item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item h. (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expenses Reimbursement Coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement Coverage is subject to a deductible of \$100. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

CONDITIONS

The following additional conditions apply to this coverage:

A. Help Line

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line at 1-877-800-5027**.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

1. Information and advice for how to respond to a possible "identity theft"; and
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects to Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

B. Services

The following conditions apply as respects to any services provided by us or our designees to any "identity recovery insured" under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.

2. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
 - c. Costs for credit reports from established credit bureaus.
 - d. Fees and expenses for an attorney approved by us for the following:
 - (1) The defense of any civil suit brought against an "identity recovery insured."
 - (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured."
 - (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
 - (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
 - (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."
 - e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
 - f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
 - g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
 - h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft."
 - (1) Such costs include:
 - (A) Costs by the "identity recovery insured" to recover control over his or her personal identity.
 - (B) Deductibles or service fees from financial institutions.
 - (2) Such costs do not include:
 - (A) Costs to avoid, prevent or detect "identity theft" or other loss.
 - (B) Money lost or stolen.
 - (C) Costs that are restricted or excluded elsewhere in this endorsement or policy.
3. **"Identity Recovery Insured"** means the following:
- a. A full time employee of the entity insured under this policy; or
 - b. An owner of the entity insured under this policy who meets any of the following criteria:
 - (1) A sole proprietor of the insured entity;
 - (2) A partner in the insured entity; or
 - (3) An individual having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:
 - (A) The chief executive of the insured entity; or

(B) As respects to a religious institution, the senior ministerial employee.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

4. **"Identity Theft"** means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS PROPERTY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I - Property is amended as follows:

A. The following is added to Paragraph **A.2. Property Not Covered:**

a. "Cannabis".

B. For the purpose of this endorsement, the following applies to Business Income and Extra Expense:

Coverage under this Policy does not apply to that part of Business Income loss or Extra Expense incurred, due to a suspension of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".

C. For the purpose of this endorsement, the following definition is added:

"Cannabis":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

b. Any compound, byproduct, extract, derivative, mixture or combination, such as:

(1) Resin, oil or wax;

(2) Hash or hemp; or

(3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

The following definitions are added to all coverage under all coverage forms and endorsements that comprise this Coverage Part or Policy:

“Actual Cash Value” means replacement cost less depreciation. In determining actual cash value, depreciation is applied to the full cost to replace or repair the damaged property or part thereof with property of like kind and quality, including but not limited to material costs, labor costs, equipment costs, contractor’s overhead and profit, sales tax, and permit fees. The cost to replace or repair is determined at the time of the loss.

“Depreciation” means the reduction in value of property or a component thereof due to or resulting from age, wear, deterioration, use, condition, or obsolescence.

All other terms and conditions of this policy not in conflict with the terms and conditions of this Endorsement shall continue to apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I - Property is amended as follows:

A. The following exclusion is added to Paragraph B. Exclusions:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including "electronic data").
2. 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.
3. 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.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage - Electronic Data; or
- b. Additional Coverage - Interruption Of Computer Operations.

3. Computer Fraud And Funds Transfer Fraud Endorsement

The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

4. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

5. Information Security Protection Endorsement

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

6. Data Compromise Coverage Endorsement

The exclusion in Paragraph **A.** does not apply to the Data Compromise Coverage endorsement when attached to your policy.

7. CyberOne Coverage Endorsement

The exclusion in Paragraph **A.** does not apply to the CyberOne Coverage endorsement when attached to your policy.

8. Identity Recovery Coverage

The exclusion in Paragraph **A.** does not apply to the Identity Recovery Coverage endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Description Of Rental Unit
1	1	
2	1	
2	2	
3	1	
4	1	

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

Section I - Property is amended as follows:

- A.** The terms of this endorsement apply to the rental unit(s) described in the Schedule, and to the building(s) in which such unit(s) are located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s) described in the Schedule. This exclusion applies regardless of whether such operations are:
1. Legally permitted or prohibited;
 2. Permitted or prohibited under the terms of the lease; or
 3. Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

- C.** If the loss or damage described in Paragraph **B.** of this endorsement results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the Business Income or Extra Expense Additional Coverages.
- D.** The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
1. Legally permitted or prohibited;
 2. Permitted or prohibited under the terms of the lease; or
 3. Usual to the intended occupancy of the premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage	Additional Premium
A. Hired Auto Liability	\$
B. Non-owned Auto Liability	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. Hired Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in **Section II - Liability** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-owned Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in **Section II - Liability** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions under Paragraph **B.1. Applicable To Business Liability Coverage** in **Section II - Liability**, other than Exclusions **a., b., d., f.** and **i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

a. "Bodily injury" to:

- (1)** An "employee" of the insured arising out of and in the course of:
- (a)** Employment by the insured; or
 - (b)** Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

- (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. Paragraph **C. Who Is An Insured** in **Section II - Liability** is replaced by the following:

- 1.** Each of the following is an insured under this endorsement to the extent set forth below:
 - a.** You;
 - b.** Any other person using a "hired auto" with your permission;
 - c.** For a "non-owned auto":

- (1) Any partner or "executive officer" of yours; or
 - (2) Any "employee" of yours; but only while such "non-owned auto" is being used in your business;
 - d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.
2. 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 a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee; or
 - e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
- C. For the purposes of this endorsement only, Paragraph **H. Other Insurance** in **Section III-Common Policy Conditions** is replaced by the following:
- This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".
- D. The following additional definitions apply:
- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
 - 2. "Hired auto" means any "auto" you lease for less than six months, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers" or members of their households.
 - 3. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", 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.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Premises: 970 N HARBOR VILLAGE EAST DR GARDEN CITY, UT 84028-7704
B. Project Or Operation:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II —Liability is amended as follows:

A. Paragraph A.1.b.(1) is replaced by the following:

- (1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
 - (a)** The "bodily injury" or "property damage":
 - (i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (ii)** Arises out of the project or operation shown in the Schedule;
 - (b)** The "bodily injury" or "property damage" occurs during the policy period; and

- (c)** Prior to the policy period, no insured listed under Paragraph **C.1.** Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph A.1.b.(2) is replaced by the following:

- (2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (a)** The offense arises out of your business:
 - (i)** Performed on the premises shown in the Schedule; or
 - (ii)** In connection with the project or operation shown in the Schedule; and
 - (b)** The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a) False arrest, detention or imprisonment; or
- (b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Premises: 815 N HARBOR DR GARDEN CITY, UT 84028
B. Project Or Operation:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II —Liability is amended as follows:

A. Paragraph A.1.b.(1) is replaced by the following:

- (1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
 - (a)** The "bodily injury" or "property damage":
 - (i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (ii)** Arises out of the project or operation shown in the Schedule;
 - (b)** The "bodily injury" or "property damage" occurs during the policy period; and

- (c)** Prior to the policy period, no insured listed under Paragraph **C.1.** Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph A.1.b.(2) is replaced by the following:

- (2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (a)** The offense arises out of your business:
 - (i)** Performed on the premises shown in the Schedule; or
 - (ii)** In connection with the project or operation shown in the Schedule; and
 - (b)** The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a) False arrest, detention or imprisonment; or
- (b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Premises: 866 N HARBOR VILLAGE EAST DR GARDEN CITY, UT 84028-7872
B. Project Or Operation:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II —Liability is amended as follows:

A. Paragraph A.1.b.(1) is replaced by the following:

(1) To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

(a) The "bodily injury" or "property damage":

(i) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(ii) Arises out of the project or operation shown in the Schedule;

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph **C.1.** Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph A.1.b.(2) is replaced by the following:

(2) To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

(a) The offense arises out of your business:

(i) Performed on the premises shown in the Schedule; or

(ii) In connection with the project or operation shown in the Schedule; and

(b) The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a) False arrest, detention or imprisonment; or
- (b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Premises: 929 N HARBOR VILLAGE EAST DR GARDEN CITY, UT 84028-7704
B. Project Or Operation:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II —Liability is amended as follows:

A. Paragraph A.1.b.(1) is replaced by the following:

- (1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
 - (a)** The "bodily injury" or "property damage":
 - (i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (ii)** Arises out of the project or operation shown in the Schedule;
 - (b)** The "bodily injury" or "property damage" occurs during the policy period; and

- (c)** Prior to the policy period, no insured listed under Paragraph **C.1.** Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph A.1.b.(2) is replaced by the following:

- (2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (a)** The offense arises out of your business:
 - (i)** Performed on the premises shown in the Schedule; or
 - (ii)** In connection with the project or operation shown in the Schedule; and
 - (b)** The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

- (a) False arrest, detention or imprisonment; or
- (b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

- (1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
- (2) Arises out of the project or operation shown in the Schedule;

provided that:

- (a) The accident takes place during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B.1. Exclusions - Applicable To Business Liability Coverage** in **Section II - Liability**:

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraph (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

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:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- (a)** The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (b)** The negligent:
 - (i)** Employment;

(ii) Investigation;

(iii) Supervision;

(iv) Reporting to the proper authorities, or failure to so report; or

(v) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by **(a)** above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - SILICA OR SILICA-RELATED DUST

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph **B. Exclusions** in **Section II – Liability**:

B. Exclusions

This insurance does not apply to:

SILICA OR SILICA-RELATED DUST

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions** in **Section II – Liability**:

1. "Silica" means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. 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.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

 - C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.
 - D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B.**,
Exclusions in Section II – Liability:

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction, or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

(a) Computer hardware, including microprocessors or other Electronic Data Processing Equipment as may be described elsewhere in the policy;

(b) Computer application software or other Electronic Media and Records as may be described elsewhere in the policy;

(c) Computer operating systems and related software;

(d) Computer networks;

(e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **1.a.(1)** of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **1.a.** of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** The following exclusion is added to Paragraph **B.1. Exclusions Applicable To Business Liability Coverage** in **Section II – Liability:**

EXTERIOR INSULATION AND FINISH SYSTEMS

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:

1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.

- B.** For the purposes of this endorsement, Paragraph **F. Liability And Medical Expenses Definitions** is amended by the addition of the following:

"Exterior insulation and finish system" means a non-load-bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:

1. A rigid or semirigid insulation board made of expanded polystyrene and other materials;
2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
3. A reinforced or unreinforced base coat;
4. A finish coat providing surface texture to which color may be added; and
5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - LIMITED BODILY INJURY EXCEPTION NOT INCLUDED

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** Exclusion **B.1.q.** of **Section II - Liability** is replaced by the following:

This insurance does not apply to:

q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

- (1)** Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, personal identifiers, "biometric identifiers", "biometric data", or any other type of nonpublic information; or
- (2)** Damages arising out of 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.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

- B.** The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II - Liability**:

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, personal identifiers, "biometric identifiers", "biometric data", or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

C. The following are added to Paragraph F. Liability And Medical Expenses Definitions:

1. "Biometric identifiers" means DNA, written signature, computer navigation (mouse or touch-pad) patterns, keystroke patterns, behavioral patterns, retinal, eyeball or iris scan, fingerprints, footprints, voiceprints, vascular scans, scans of hand or face geometry, or any other personally identifiable measurable biological characteristic of a natural person.
2. "Biometric data" means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual and personal data relating to the physical, physiological, or behavioral characteristics of a natural person which allow or confirm the unique identification of that natural person.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDOMINIUMS, CO-OPS, ASSOCIATIONS
- DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Named Association: INN CONDOMINIMUM ASSOCIATION	
Directors And Officers Liability Annual Aggregate Limit Of Insurance: \$ 2,000,000	
Deductible:	\$ 1,000
Pending Or Prior Litigation Date: 05/01/2012	Retroactive Date: 05/01/2012
<input type="checkbox"/> Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

For the purposes of the coverage provided by this endorsement, **Section II - Liability** is amended as follows:

A. The following are added to Paragraph **A. Coverages:**

1. Insuring Agreement - Management Liability

- a.** We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**, except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

- b.** If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1) Such spousal status; or
(2) Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the spouse will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

c. This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

- (1)** The estate, heirs or legal representatives of a deceased "insured person"; and
- (2)** The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement - Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement - Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions, Sub-paragraph 1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

- a.** Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.
- b.** For "bodily injury".
- c.** For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".
- d.** For "property damage".
- e.** Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.
- f.** Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.

- g. Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
 - (1) During a prior policy period of this policy; or
 - (2) Under any insurance policy of which this policy is a replacement.
- h. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
- i. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.
- j. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.
- k. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:
 - (1) A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
 - (2) A "claim" arising out of a "wrongful employment practices act".
- l. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
- m. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:
 - (1) The "association" would have been liable in the absence of such contract or agreement; or
 - (2) Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act";
- n. Arising out of "personal and advertising injury".
- o. Arising out of:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2) Any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (3) A "claim" made or "suit" brought by or on behalf of any 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";

including without limitation any "claim" by or on behalf of the "association".
- p. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph B.
- C. For the purposes of the coverage provided by this endorsement, Paragraph C. **Who Is An Insured** is replaced by the following:
 - 1. The "association" is an insured.
 - 2. "Insured persons" are insureds.
- D. For the purposes of the coverage provided by this endorsement, Paragraph D. **Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Annual Aggregate Limit Of Insurance

The most we will pay for the sum of all "loss" under Paragraphs **A.1.**, **A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

- a. Insureds;
- b. "Claims" made or "suits" brought; or
- c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

- E.** For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

1. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:

- a. How, when and where the "wrongful act" took place;
- b. The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;
- c. Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
- d. The nature of the alleged or potential damages arising from such specific "wrongful act"; and
- e. The circumstances by which the insureds first became aware of the specific "wrongful act" .

2. If a "claim" is received by any insured, you must:

- a. Immediately record the specifics of the "claim" and the date received; and
- b. Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" as soon as practicable.

3. You and any other involved insured must:

- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation or settlement of the "claim"; and
- d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "wrongful acts" to which this insurance may also apply.

4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent.

- F.** For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period from us if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to "wrongful acts" on a claims-made basis.
2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts three years and is available only for an additional premium.
3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - a. The "claim" is first made during the Extended Reporting Period;
 - b. The "wrongful act" occurs before the end of the policy period; and
 - c. The "wrongful act" did not commence before the Retroactive Date.
4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.

6. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limit of Insurance available under this endorsement for future payment of damages; and
 - d. Other related factors.

The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.

7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.

H. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions of Section II - Liability:**

1. "Association" means the entity named in the Schedule as the named association.
2. "Claim" means:
 - a. A written demand for monetary damages against any insured;
 - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
 - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;

for a "wrongful act", including any appeal therefrom.

3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
4. "Financial insolvency" means the status of the "association" resulting from:
 - a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
 - b. The "association" becoming a debtor in possession.
5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".
6. "Interrelated wrongful act" means all causally connected "wrongful acts".
7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.
8. "Wrongful act" includes a "wrongful employment practices act" and means:
 - a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
 - b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".
9. "Wrongful employment practices act" means any actual or alleged:
 - a. Wrongful dismissal, discharge or termination of employment;
 - b. Breach of any implied employment contract;
 - c. Employment-related misrepresentation;
 - d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
 - e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;
 - f. Wrongful failure to employ or promote;
 - g. Wrongful reference, discipline or deprivation of a career opportunity;
 - h. Failure to adopt adequate workplace or employment policies and procedures; or
 - i. Illegal retaliatory treatment.
- I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:

 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS

EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** The following exclusion is added to Paragraph **B., Exclusions of Section II - Liability:**

B. Exclusions

1. Applicable To Business Liability Coverage -

This insurance does not apply to:

LEAD

- a.** Actual or alleged "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising out of the presence, ingestion, inhalation, absorption, manufacture of, storage of, use of, sale of, installation of, handling of, removal of, disposal of, distribution of, exposure to or failure to disclose or warn the presence of lead in any form, good, product or structure containing lead;
- b.** Any obligation of the insured to indemnify any party because of damages arising out of such "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising out of the presence, ingestion, inhalation, absorption, manufacture of, storage of, use of, sale of, installation of, handling of, removal of, disposal of, distribution of, exposure to or failure to disclose or warn the presence of lead in any form, good, product or structure containing lead; or
- c.** Any obligation to defend any "suit" or claim against the insured alleging "bodily injury", "property damage",

"personal and advertising injury" or any other loss, cost or expense arising out of the presence, ingestion, inhalation, absorption, manufacture of, storage of, use of, sale of, installation of, handling of, removal of, disposal of, distribution of, exposure to or failure to disclose or warn the presence of lead in any form, good, product or structure containing lead.

- d.** Any loss, cost or expense arising out of any:
 - (1)** Request, demand, order or statutory or regulatory requirement, that any insured or others test for, monitor, clean up, remove, abate, contain, treat, detoxify or neutralize, remediate, dispose of, or in any way respond to, or assess the effects of lead, lead paint or lead compounds in any form, good, product or structure containing lead.
 - (2)** Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying or neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of lead, lead paint or lead compounds in any form, good, product or structure containing lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS

EXCLUSION - ASBESTOS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** The following exclusion is added to Paragraph
B., Exclusions of Section II - Liability:

B. Exclusions

1. Applicable To Business Liability Coverage -

This insurance does not apply to:

ASBESTOS

- a.** Actual or alleged "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising out of the presence, ingestion, inhalation, absorption, manufacture of, storage of, use of, sale of, installation of, handling of, removal of, disposal of, distribution of, exposure to or failure to disclose or warn the presence of asbestos in any form, good, product or structure containing asbestos;
- b.** Any obligation of the insured to indemnify any party because of damages arising out of such "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising out of the presence, ingestion, inhalation, absorption, manufacture of, storage of, use of, sale of, installation of, handling of, removal of, disposal of, distribution of, exposure to or failure to disclose or warn the presence of asbestos in any form, good, product or structure containing asbestos; or
- c.** Any obligation to defend any "suit"

or claim against the insured alleging "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising out of the presence, ingestion, inhalation, absorption, manufacture of, storage of, use of, sale of, installation of, handling of, removal of, disposal of, distribution of, exposure to or failure to disclose or warn the presence of asbestos in any form, good, product or structure containing asbestos.

- d.** Any loss, cost or expense arising out of any:
 - (1)** Request, demand, order or statutory or regulatory requirement, that any insured or others test for, monitor, clean up, remove, abate, contain, treat, detoxify or neutralize, remediate, dispose of, or in any way respond to, or assess the effects of asbestos in any form, good, product or structure containing asbestos.
 - (2)** Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying or neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of asbestos in any form, good, product or structure containing asbestos.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNDERGROUND STORAGE TANK POLLUTION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph **B., Exclusions of Section II - Liability:**

B. Exclusions

1. Applicable to Business Liability Coverage -

This insurance does not apply to:

Underground Storage Tank

a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged spilling, leaking, emitting, discharging, escaping, leaching, or disposing of petroleum, fuel oil, gasoline, ethanol, or kerosene or any other pollutant at or from any storage tank or other container, pump, ducts, or piping into the ground water, surface water, soil or subsurface soils which is owned, rented, leased or loaned by any insured and is below or partially below the surface of the ground or water or which, at any time, has been buried under the surface of the ground or water and then subsequently exposed by erosion, excavation or any other means.

b. Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, cleanup, remove, abate, contain, treat, detoxify, neutralize, remediate, or dispose of, or in any way respond to, or assess the effects of, petroleum, fuel oil, gasoline, ethanol, kerosene or any other pollutant at or from a storage tank or other container, pump, ducts, or piping owned, rented, leased or loaned by any insured; or

(2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying, neutralizing, remediating, or disposing, or in any way responding to, or assessing the effects of, the spilling, leaking, emitting, discharging, escaping, or leaching, of petroleum, fuel oil, gasoline, ethanol, kerosene or any other pollutant at or from a storage tank or other container, pump, ducts, or piping owned, rented, leased or loaned by any insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to **Section II - Liability**:

A. The following exclusion is added to Paragraph B.1., Exclusions - Applicable To Business Liability Coverage:

This insurance does not apply to:

Fungi Or Bacteria

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for edible consumption.

B. The following definition is added to Paragraph F. Liability And Medical Expenses Definitions:

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COORDINATION OF COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following condition is added to **Section II - Liability** under **E. Liability And Medical Expenses General Conditions**:

1. If the coverage provided by any provision within this coverage form, and any other endorsement, coverage form, or policy issued to you by us or any company affiliated with us applies to the same "occurrence", the maximum applicable limits of insurance available under all coverage forms, endorsements, or policies shall not exceed the highest applicable limit of insurance under any one coverage form, endorsement, or policy.
2. This condition does not apply to any coverage form or policy issued by us or an affiliated company to apply specifically as excess insurance over the applicable coverage afforded under this coverage form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AUDIT CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Paragraph **J. Premium Audit** in **Section III-Common Policy Conditions (Applicable To Section I - Property And Section II - Liability)** is replaced by the following:

Premium Audit

- 1.** We will compute all premiums for this Coverage Form in accordance with our rules and rates.
- 2.** We have the right but are not obligated to audit this policy. The first Named Insured must keep records of the information we may need for premium computation, and send us copies at such times as we may request.
- 3.** Premium shown in this policy as advance premium is a deposit premium only. If we do audit your policy, at the close of that audit period, we will compute the earned premium for that period and the final premium due based upon your actual exposures. If a premium payment is due, we will 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 the sum of the advance and audit premiums paid for the policy period is greater than the earned premium we will return the excess to the first Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PUNITIVE DAMAGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph **B.1., Exclusions - Applicable To Business Liability Coverage** in **Section II - Liability**:

B. Exclusions

1. Applicable to Business Liability Coverage -

This insurance does not apply to:

Damages awarded as punitive damages, exemplary damages, or statutory multiple damages. If a "suit" is filed against the insured to which this insurance applies alleging both compensatory damages and punitive damages, exemplary damages, or statutory multiple damages, we will afford a defense against the "suit", subject to the limitations and provisions stated in the policy. However, we will not have any obligation to pay for any costs, interest, or damages, attributable to punitive damages, exemplary damages, or statutory multiple damages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELUXE BUSINESSOWNERS LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Coverages provided by this endorsement are subject to the provisions applying to the **Businessowners Coverage Form** unless otherwise noted. All policy provisions not in conflict with this endorsement shall apply. This endorsement is a valid part of the policy only when the form number is shown in the Declarations.

The following changes apply to **Section II - Liability**:

1. Broadened Supplementary Payments

- a. Under **A.1.f. Coverage Extension-Supplementary Payments**, Paragraph **(1)(b)** is removed and replaced by:
 - (b) Up to \$3,000 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.
- b. Under **A.1.f. Coverage Extension-Supplementary Payments**, Paragraph **(1)(d)** is removed and replaced by:
 - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$350 a day because of time off work.

2. Voluntary Property Damage

- a. The following is added to Paragraph **A. Coverages** under **1. Business Liability**:
 - (1) At your request, we will pay for unintentional "property damage" to property of others in your possession. The "property damage" must be caused by an "occurrence" resulting from "your work" that is incidental to your business operations which are covered by this policy and that take place away from the premises you own, rent, lease or occupy. The "occurrence" must take place in the "coverage territory".
 - (2) With respect to coverage provided by this section of the endorsement, under **B., Exclusions**,

1. Applicable To Business Liability Coverage, (4) and (5) of Exclusion k. Damage To Property are deleted.

- (3) With respect to coverage provided by this section of the endorsement, the following exclusions apply in addition to the Exclusions under **B. Exclusions, 1. Applicable To Business Liability Coverage**:

This insurance does not apply to:

- (a) "Property damage" to property which is rented, leased or borrowed by an insured;
- (b) "Property damage" caused by or resulting from ownership, maintenance or use of any aircraft, "auto" or watercraft or transportation of property, including "loading or unloading" of property, from any aircraft, "auto" or watercraft;
- (c) "Property damage" caused by or arising out of work performed for you or on your behalf by a subcontractor;
- (d) "Property damage" arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate "electronic data";
- (e) "Property damage" caused by or arising out of "your work" included in the "products-completed operations hazard"; or
- (f) Mysterious disappearance, abstraction or loss of use of property.

(4) With respect to coverage provided by this section of the endorsement, **Section D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

- (a) The Limits of Insurance shown below fix the most we will pay regardless of the number of:
 - (i) Insureds;
 - (ii) Claims made or "suits" brought; or
 - (iii) Persons or organizations making claims or bringing "suits".
- (b) Subject to (c) below, \$2,500 is the most we will pay for the sum of all "property damage" as the result of any one "occurrence" under this coverage extension.
- (c) \$5,000 is the most we will pay for the sum of all "property damage" as the result of all "occurrences" under this coverage extension.
- (d) These limits of insurance for this coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations that this endorsement was added to the policy, 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.

(5) Our obligation to pay for covered "property damage" on your behalf applies only to the amount of "property damage" in excess of the greater of:

- (a) \$250; or
- (b) the deductible as stated in the Businessowners Liability and Medical Expenses Supplemental Declarations Page.

This deductible amount applies to all damages sustained by any one person or organization because of "property damage" as the result of any one "occurrence".

The limit of insurance will not be reduced by the application of the deductible amount.

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.

(6) The coverage provided under this section of the endorsement shall be excess over any other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this endorsement.

(7) In the event of "property damage" covered by this endorsement, you shall, if requested by us, replace the property or furnish the labor and materials necessary for repairs at your actual cost, excluding any profit or overhead charges.

(8) With respect to this section of the endorsement, the following definition is added under **F. Liability And Medical Expenses Definitions**:

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and application software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

3. Newly Acquired Organizations

- a. With respect to coverage afforded under this section of the endorsement, the following is added to Paragraph **C. Who Is An Insured**:

(1) Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Paragraph **A.1. Business Liability** does not apply to:
 - (1) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - (2) "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.

This provision does not apply to newly formed or acquired organizations if coverage is excluded either by the provisions of the Coverage Form or by endorsement.

4. Additional Insured - Lessor of Leased Equipment

- a. With respect to coverage afforded under this section of the endorsement, the following is added to Paragraph **C. Who Is An Insured**:
 - (1) Any person or organization from whom you lease equipment is an insured when you and such person or organization have agreed in a written contract that is currently in effect or becomes effective during the policy period stated on the Declarations Page and executed prior to the "bodily injury", "property damage" or "personal and advertising injury" for which coverage is sought, that you must add such person or organization as an additional insured on a policy

of liability insurance such as afforded by this policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising solely out of the maintenance, operation or use of such leased equipment by you which may be imputed from any insured to that person or organization as the lessor of equipment. A person's or organization's status as an insured under this section of the endorsement ends when their contract with you for such leased equipment ends.

(2) With respect to coverage afforded to this additional insured, the following additional exclusion applies:

This insurance does not apply:

- (a) To any "occurrence" which takes place after the equipment lease expires.
- (3) Insurance afforded to this additional insured will not be broader than that which you are required by the written contract to provide the additional insured.

(4) With respect to insurance afforded to this additional insured, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (a) Required in the written contract for that person or organization to be added as an Additional Insured; or
- (b) Available under the applicable Limits of Insurance shown in the Businessowners Liability and Medical Expenses Supplemental Declarations of this policy;

whichever is less.

These Limits of Insurance are inclusive of, and not in addition to the Limits of Insurance shown in the Businessowners Liability and Medical Expenses Supplemental Declarations Page.

- (5) If an endorsement is attached to this coverage form that specifically names a person or organization as an insured or additional insured, then coverage under this endorsement does not apply to that entity.

5. Additional Insured - State or Governmental Agency or Subdivision or Political Subdivision - Permits or Authorizations Relating To Premises

a. With respect to coverage afforded under this section of the endorsement, the following is added to Paragraph **C. Who Is An Insured**:

- (1) Any state or governmental agency or subdivision or political subdivision is an insured, when you and such state or governmental agency or subdivision or political subdivision have agreed in a written contract or agreement that is currently in effect or becomes effective during the policy period stated on the Declarations Page and executed prior to the "bodily injury", "property damage" or "personal and advertising injury" for which coverage is sought, that you must add such state or governmental agency or subdivision or political subdivision as an additional insured on a policy of liability insurance such as is afforded by this policy. Such state or governmental agency or subdivision or political subdivision is an additional insured with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising solely out of 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:

- (a) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners or decorations and similar exposures; or
- (b) The construction, erection or removal of elevators; or
- (c) The ownership, maintenance or use of any elevators covered by this insurance.

- (2) Insurance afforded to this additional insured will not be broader than that which you are required by the written contract or agreement to provide the additional insured.

(3) With respect to insurance afforded to this additional insured, the following is added to Paragraph **D. Liability and Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (a) Required by the written contract or agreement for the state or governmental agency or subdivision or political subdivision to be added as an Additional Insured; or
- (b) Available under the applicable Limits of Insurance shown in the Businessowners Liability and Medical Expenses Supplemental Declarations of this policy;

whichever is less.

These Limits of Insurance are inclusive of, and not in addition to the Limits of Insurance shown in the Businessowners Liability and Medical Expenses Supplemental Declarations Page.

- (4) If an endorsement is attached to this coverage form that specifically names a state or governmental agency or subdivision or political subdivision as an insured or additional insured, then coverage under this endorsement does not apply to that entity.

6. Additional Insured - Managers Or Lessors Of Premises

a. With respect to coverage afforded under this section of the endorsement, the following is added to Paragraph **C. Who Is An Insured**:

- (1) Any person or organization from whom you lease a premises is an insured when you and such person or organization have agreed in a written contract that is currently in effect or becomes effective during the policy period stated on the Declarations Page and executed prior to the "bodily injury", "property damage" or "personal and advertising injury" for which coverage is sought,

that you must add such person or organization as an additional insured on a policy of liability insurance such as is afforded by this policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising solely out of the ownership, maintenance or use of that part of the premises leased to you which is the subject of the written contract for adding that person or organization as an additional insured.

- (2) With respect to coverage afforded to this additional insured, the following additional exclusions apply:

This insurance does not apply to:

- (a) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured; or
 - (c) Any premises for which coverage is excluded by endorsement.
- (3) Insurance afforded to this additional insured will not be broader than that which you are required by the written contract to provide the additional insured.
- (4) With respect to insurance afforded to this additional insured, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

- (a) Required by the written contract for that person or organization to be added as an Additional Insured; or
- (b) Available under the applicable Limits of Insurance shown in the Businessowners Liability and Medical Expenses Supplemental Declarations of this policy;

whichever is less.

These Limits of Insurance are inclusive of, and not in addition to the Limits of Insurance shown in the Businessowners Liability and Medical Expenses Supplemental Declarations Page.

- (5) If an endorsement is attached to this coverage form that specifically names a person or organization as an insured or additional insured, then coverage under this endorsement does not apply to that entity.

7. Broadened Notice of an Occurrence

- a. Under **E. Liability And Medical Expenses General Conditions**, Paragraphs **2.a.** and **2.b.** of **Duties In The Event Of Occurrence, Offense, Claim Or Suit** are removed and replaced by:

- 2.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 condition applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) An "executive officer" of your corporation, if you are a corporation;
- (4) A member or manager, if you are a limited liability company;
- (5) Your insurance manager; or
- (6) Your elected or appointed officials, trustees or board members, if you are an organization other than a partnership, joint venture or limited liability company.

- 2.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.

This condition will not be considered breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) An "executive officer" of your corporation, if you are a corporation;
- (4) A member or manager, if you are a limited liability company;
- (5) Your insurance manager; or
- (6) Your elected or appointed officials, trustees or board members, if you are an organization other than a partnership, joint venture or limited liability company.

8. Broadened Bodily Injury Definition

- a. Under **F. Liability And Medical Expenses Definitions**, definition 3. "Bodily injury", is removed and replaced by:
 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time, and, if arising out of the foregoing, mental anguish, mental injury, shock or fright.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS

**EXCLUSION - RELEASE AT OR FROM
WELLS/HYDRAULIC FRACTURING**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph **B., Exclusions of Section II - Liability:**

B. Exclusions

1. Applicable To Business Liability Coverage -

This insurance does not apply to:

Release at or from Wells

- a.** "Bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising, in whole or in part, out of the emission, venting, flaring, discharge, spillage, seepage, migration, flow, release, blowout or escape of any solid, liquid or gas, including but not limited to drilling fluid, rock cuttings, "hydraulic fracturing fluid", "hydraulic fracturing additives", oil, gas, "stray gas", "produced water", or "flowback" at or from any active, inactive or abandoned well, including but not limited to exploratory, test, oil, gas, coal, mineral, water, geothermal or injection well;
- b.** Any obligation of the insured to indemnify any party because of damages or any other loss, cost or expense arising, in whole or in part, out of or in any way related to item **B.1.a.** above; or
- c.** Any obligation to defend any "suit" or claim against the insured alleging "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising, in whole or in part, out of or in any way related to item **B.1.a.** above.

d. Any loss, cost or expense arising, in whole or in part, out of any:

- (1)** Request, demand, order or statutory or regulatory requirement, that any insured or others test for, monitor, clean up, remove, abate, contain, treat, detoxify or neutralize, remediate, dispose of, or in any way respond to, or assess the effects of, any and all solids, liquids or gases, including but not limited to drilling fluid, rock cuttings, "hydraulic fracturing fluid", "hydraulic fracturing additives", oil, gas, "stray gas", "produced water", or "flowback" at or from any active, inactive or abandoned well, including but not limited to exploratory, test, oil, gas, coal, mineral, water, geothermal or injection well.
- (2)** Claim or "suit" by or on behalf of any governmental authority for damages resulting, in whole or in part, from testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying or neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of, the emission, venting, flaring, discharge, spillage, seepage, migration, flow, release, blowout or escape of any and all solids, liquids or gases, including but not limited to drilling fluid, rock cuttings, "hydraulic fracturing fluid", "hydraulic fracturing additives", oil, gas, "stray gas",

"produced water", or "flowback" at or from any active, inactive or abandoned well, including but not limited to exploratory, test, oil, gas, coal, mineral, water, geothermal or injection well.

B. The following exclusion is added to Paragraph B., Exclusions of Section II - Liability:

B. Exclusions

1. Applicable To Business Liability Coverage -

This insurance does not apply to:

Hydraulic Fracturing Operations

- a. "Bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising, in whole or in part, out of any gas or oil operation, "hydraulic fracturing operation", "underground injection operation", the actual, alleged, threatened or suspected contact with, exposure to, existence of or presence of any "hydraulic fracturing fluid", "hydraulic fracturing additive", "stray gas", "produced water", or "flowback" or the handling, transporting, storage, spillage, release or disposal of any "hydraulic fracturing fluid", "hydraulic fracturing additive", "produced water", "flowback" or "hydraulic fracturing waste" by any insured or by any other person or entity; or
- b. "Bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense caused, directly or indirectly, or in whole or in part, by the movement, in any direction, of earth or land arising, in whole or in part, out of any gas or oil operation, "hydraulic fracturing operation" or "underground injection operation".
- c. Any obligation of the insured to indemnify any party because of damages or any other loss, cost or expense arising, in whole or in part, out of or in any way related to items **B.1.,a.** or **b.** above.

d. Any obligation to defend any "suit" or claim against the insured alleging "bodily injury", "property damage", "personal and advertising injury" or any other loss, cost or expense arising, in whole or in part, out of or in any way related to items **B.1.,a.** or **b.** above.

e. Any loss, cost or expense arising, in whole or in part, out of any:

(1) Request, demand, order or statutory or regulatory requirement, that any insured or others test for, monitor, clean up, remove, abate, contain, treat, detoxify or neutralize, remediate, dispose of, or in any way respond to, or assess the effects of, any gas or oil operation, "hydraulic fracturing operation" or "underground injection operation".

(2) Claim or "suit" by or on behalf of any governmental authority for damages resulting, in whole or in part, from testing for, monitoring, cleaning up, removing, abating, containing, treating, detoxifying or neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of, any gas or oil operation, "hydraulic fracturing operation" or "underground injection operation".

C. Additional Definitions

As used in this endorsement:

- 1. "Hydraulic fracturing" means the process by which "hydraulic fracturing fluid" is injected at high pressure into underground geologic formations to create or propagate fractures to facilitate or enhance the extraction or production of any underground natural resource, including but not limited to gas, oil, water or geothermal energy.
- 2. "Flowback" means "hydraulic fracturing fluid" and all other solids, liquids and gases, including but not limited to heavy metals, radioactive materials, and volatile organic

compounds, that flow to the surface after a "hydraulic fracturing treatment" has been completed and prior to the well being placed in production.

3. "Proppant" means particles that are used to keep fractures open after a "hydraulic fracturing treatment".
4. "Base fluid" means the continuous phase fluid type, including but not limited to water, used in any "hydraulic fracturing treatment".
5. "Hydraulic fracturing additive" means any chemical, substance or material that is combined with a "base fluid" to prepare a "hydraulic fracturing fluid".
6. "Hydraulic fracturing fluid" means the mixture of a "base fluid", "proppants" and "hydraulic fracturing additives" to be used in a "hydraulic fracturing treatment".
7. "Hydraulic fracturing operation" means the "hydraulic fracturing treatment" and all activities preceding a "hydraulic fracturing treatment", including water acquisition and the handling, transporting, storage and mixing of "proppants" and "hydraulic fracturing additives" and all post "hydraulic fracturing treatment" activities, including but not limited to handling, transporting, storage and disposal of "hydraulic fracturing waste".
8. "Hydraulic fracturing treatment" means the application of "hydraulic fracturing fluid" under pressure to create or propagate fractures in a geological formation to facilitate or enhance the extraction or production of any underground natural resource, including but not limited to gas, oil, water or geothermal energy.
9. "Hydraulic fracturing waste" means any solid, liquid or gas substance, material or byproduct of any gas or oil operation or "hydraulic fracturing operation", that is, or intended to be, discarded, disposed of, treated, or recycled including but not limited to drilling mud, rock cuttings, "produced water", "flowback", vented gas, flared gas, naturally occurring radioactive materials, volatile organic compounds, heavy metals, and sludge.
10. "Produced water" means water and all other solids, liquids and gases, including but not limited to heavy metals, radioactive materials, and volatile organic compounds, that is produced in conjunction with oil and gas after the well is in production.
11. "Stray gas" means any gas, including but not limited to thermogenic or biogenic hydrocarbons, in the gaseous or dissolved phase that migrates from any source to any body of water, including but not limited to groundwater and surface water, soil, atmosphere or building.
12. "Underground injection operation" means the injection of any solid, liquid or gas, including but not limited to "flowback" and "produced water", in any Class II injection well for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Exclusion B.1.g. Aircraft, Auto Or Watercraft in **SECTION II - Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
 - (i)** Less than 51 feet long; and
 - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

(ii) The operation of any of the following machinery or equipment:

i. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

ii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

B. The following exclusion is added to **B.1.p. Personal And Advertising Injury** in **SECTION II – Liability**:

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

a. The use of another's advertising idea in your "advertisement"; or

b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to Paragraph **F. Liability And Medical Expenses Definitions** in **SECTION II - Liability**:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

A. The following exclusion is added to Section II – Liability:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
 - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
 - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. "Property damage" to "cannabis".

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 that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

B. The exclusion in Paragraph A. does not apply to "personal and advertising injury" arising out of the following offenses:

1. False arrest, detention or imprisonment; or
2. 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.

C. The following changes apply only to Electronic Data Liability – Broad Coverage Endorsement BP 05 96 if it is attached to this Policy:

The following exclusion is added to **Section II - Liability:**

This insurance does not apply to:

"Loss of electronic data":

1. Arising out of:
 - a. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
 - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or
2. With respect to any "electronic data" that is used in the design, manufacture, distribution, sale, serving, furnishing, use or possession of "cannabis".

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 "electronic data incident" which caused the "loss of electronic data" involved that which is described in Paragraph **C.1.** or **C.2.** above.

However, Paragraph **C.1.b.** does not apply to "loss of electronic data" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible;

but only if the "loss of electronic data" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

- D.** For the purpose of this endorsement, the following definition is added:

"Cannabis":

- 1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

- 2.** Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

- a.** Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
- b.** Any compound, by-product, extract, derivative, mixture or combination, such as:

- (1) Resin, oil or wax;

- (2) Hash or hemp; or

- (3) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B. Exclusions** in **Section II – Liability**:

Communicable Disease

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:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.



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Plan Now for the Future of **YOUR BUSINESS**

Key Employee Insurance

It's taken years of hard work and sacrifice to build your business. Jim has been with you almost since you started so many years ago, and he's become your go-to guy. He knows your business almost as well as you do. Your other employees respect him, and your customers appreciate his easy-going manner. He is always looking for ways to do things better and more efficiently, which makes your business more profitable. He's even brought in a number of new clients. When you took that much-needed vacation last year, your business ran as smoothly as if you were here because he was in charge. It's clear that your business wouldn't be as successful as it is without him.

But what would happen to your business if Jim didn't show up tomorrow? Whether a key employee dies unexpectedly, or suddenly leaves for a different position, the disruptive effect on your business is the same, affecting production, sales, and possibly even your credit rating. Replacing that key individual takes time and money—and could cost you valuable clients during the transition. It may even put the survival of your business at risk.

Now is the time to protect your business and make sure you're successful in the future, even if you lose your Jim. We can help explain the options available so your business will have the funds necessary to recover from the loss of top talent. It's more affordable than you think.

Key person life insurance can help cover the financial losses that occur at the unexpected death of a key employee. It can also help you recognize the contribution a key individual makes to your business and reward him or her for staying with your business rather than moving to a competitor.



AUTO | HOME | BUSINESS | LIFE

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

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

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

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

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

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

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

FRAUD STATEMENT

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTAH PERSONAL INJURY PROTECTION

For a covered "hired auto" or "non-owned auto" licensed or principally garaged in Utah used in the course of your business, this endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured: INN CONDOMINIUM ASSOCIATION

Endorsement Effective Date: 11/25/2024

SCHEDULE

Benefits	Limit Per Person
Medical Expenses	\$3,000
Work Loss	(a) 85% of any loss of gross income and earning capacity, not to exceed the total of \$250 per week; and (b) \$20 per day for inability to perform services for the household.
Funeral Expenses	\$1,500
Survivor Loss	\$3,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

We agree with you, subject to all of the provisions in this endorsement and to all of the provisions of the Policy except as modified herein, as follows:

A. Coverage

We will pay Personal Injury Protection benefits in accordance with Title 31A, UTAH CODE ANNOTATED to or for an "insured" who sustains "bodily injury" caused by an "accident" arising out of the use of a "hired auto" or "non-owned auto" as an auto.

Subject to the limits shown in the Schedule, these Personal Injury Protection benefits consist of:

1. Medical Expenses

Reasonable expenses incurred for necessary medical, surgical, x-ray, dental

and rehabilitation services, including prosthetic devices, necessary ambulance, hospital and nursing services, and any nonmedical remedial care and treatment rendered in accordance with a recognized religious method of healing; however, it does not include expenses in excess of those for a semiprivate room, unless more intensive care is medically required.

2. Work Loss

a. Loss of income and loss of earning capacity by the "insured" during his or her lifetime, from inability to work during a period commencing three days after the date of the loss of income and earning capacity resulting from the "bodily injury" and continuing for

a maximum of 52 consecutive weeks thereafter. If such "insured's" inability to work continues in excess of a total of two consecutive weeks after the date of the loss of income and earning capacity resulting from the "bodily injury", this three-day elimination period shall not be applicable; and

- b. An allowance for services actually rendered or reasonably incurred that, but for the "bodily injury", the "insured" would have performed during his or her lifetime for his or her household commencing three days after the date of the "bodily injury" and continuing for a maximum of 365 consecutive days thereafter. If such "insured's" inability to perform such services continues in excess of 14 consecutive days after the date of the "bodily injury", this three-day elimination period shall not be applicable.

3. Funeral Expenses

Funeral, burial or cremation expenses incurred.

4. Survivor Loss

Compensation on account of the death of the "insured" and is payable only to natural persons who are the "insured's" heirs.

B. Who Is An Insured

1. You, unless you are injured in an "accident" which resulted from the use or operation of any motor vehicle which is owned by you or which is not a covered "hired auto" or "non-owned auto".
2. If you are an individual, any "family member", unless the "family member" is injured in an "accident" which resulted from the use or operation of any motor vehicle which is owned by such "family member" or which is not a covered "hired auto" or "non-owned auto".
3. Any person while "occupying" any "hired auto" or "non-owned auto" other than a public or livery conveyance, operated by you or a "family member". Public or livery conveyance as used in this provision includes, but is not limited to, any period of time an "auto" is being used by any person who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the "auto" but does not apply to business activities

performed by such person that are directly related to the Named Insured(s) listed in the Declarations.

4. A "pedestrian" if the "accident" involves the use of a covered "hired auto" or "non-owned auto".

C. Exclusions

We will not pay Personal Injury Protection benefits for "bodily injury":

1. Sustained by the "insured" while "occupying" an "auto" that is not a covered "hired auto" or "non-owned auto".
2. Sustained by any person while operating the covered "hired auto" or "non-owned auto" without the express or implied consent of the "insured" or while not in lawful possession of the covered "hired auto" or "non-owned auto".
3. Sustained by a "pedestrian" if the "accident" occurs outside the state of Utah. This exclusion does not apply, if you are an individual, to you or any "family member".
4. Sustained by any person if such person's conduct contributed to his injury under either of the following circumstances:
 - a. Causing injury to himself or herself intentionally; or
 - b. While committing a felony.
5. Sustained by any person arising out of the use of any "auto" while located for use as a residence or premises.
6. Arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
7. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.

D. Limit Of Insurance

1. Regardless of the number of "insureds", policies or bonds applicable, claims made, premiums paid or covered "hired autos" or

"non-owned autos" to which this coverage applies, the most we will pay for Personal Injury Protection benefits for "bodily injury" sustained by an "insured" in any one "accident" is the Limit Per Person amount shown in the Schedule.

2. Any amount payable under this coverage will be reduced by the amount paid, payable or required to be provided for "bodily injury":
 - a. Under any workers' compensation plan or any similar statutory plan; or
 - b. By the United States or any of its agencies because of his or her being on active duty in the military services.

E. Changes In Conditions

The Conditions of the Policy are changed for Personal Injury Protection as follows:

The following is added to **Duties In The Event Of Occurrence, Offense, Claim, or Suit**:

- d. If an "insured" or his or her legal representative or survivor institutes legal action to recover damages for "bodily injury", he or she must promptly give us a copy of the summons and complaint or other process served in connection with the legal action.
- e. The "insured" or someone on his or her behalf must promptly give us written proof of claim, under oath if required, including:
 - (1) Full particulars of the nature and extent of the "bodily injury", treatment and rehabilitation received and contemplated; and
 - (2) Such other information that will help us determine the amount due and payable.

The following conditions are added:

Reimbursement And Trust

1. If we make any payment to any "insured" under this coverage and that person recovers from another party, he or she shall hold the proceeds in trust for us and pay us back the amount we have paid. We will have a lien against such payment, and may give notice of the lien to the person or organization causing "bodily injury", his or her agent or insurer or a court having jurisdiction in the matter.
2. Any "insured" receiving payment must hold in trust for our benefit all rights of recovery he or she has against the party causing "bodily injury".

3. That person must do everything necessary to secure such rights and must do nothing to impair them.
4. That person must execute and deliver to us instruments and papers that may be appropriate to secure his or her and our rights and obligations established by this provision.

Coordination And Nonduplication

1. No "insured" may recover duplicate payments for the same elements of "loss" under this or any other insurance.
2. This insurance is excess over any primary insurance covering the use of a "hired auto" or "non-owned auto".
3. If an "insured" is entitled to Personal Injury Protection benefits under more than one policy, the maximum recovery under all policies combined will not exceed the amount payable under the policy with the highest dollar limit of benefits. Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits covering on the same basis.
4. Personal Injury Protection benefits paid or payable under this Coverage Form or any other Coverage Form or policy providing auto insurance because of "bodily injury" sustained by an "insured" shall be primary to any Auto Medical Payments Coverage provided under this Coverage Form.

Premium Recomputation

The premium for this Policy is based on rates which have been established in reliance upon the limitations on the right to recover for damages imposed by the provisions of Title 31A, UTAH CODE ANNOTATED. If a court declares any of these provisions unenforceable, we have the right to recompute the premium, and the provisions of this endorsement are voidable or subject to amendment at our option.

F. Additional Definitions

As used in this endorsement:

1. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
2. "Auto" means every self-propelled vehicle and every vehicle which is propelled by electric power obtained from overhead wires but not operated on rails. However, an "auto" does not include vehicles moved solely by human power, motorized wheelchairs, an electric personal assistive mobility device, an electric assisted bicycle, a motor assisted

scooter, a personal delivery device, as defined in UTAH CODE ANN. § 41-6A-1119, or a mobile carrier, as defined in UTAH CODE ANN. § 41-6a-1120.

3. "Family member" means a person related to you by blood, marriage or adoption, including a ward or foster child, who is a resident of your household, whether or not temporarily residing elsewhere.
4. "Hired auto" means any "auto" you lease for less than six months, hire, rent or borrow in connection with your business. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers" or members of their households.
5. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", or members of their households, but only while used in your business or your personal affairs.
6. "Occupying" means being in or upon an "auto" as a passenger or operator or engaged in the immediate acts of entering, boarding or alighting from an "auto".
7. "Pedestrian" means any person not "occupying" or riding upon an "auto".
8. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II - Liability is amended as follows:

A. The following is added to Paragraph **B. Exclusions:**

This insurance does not apply to:

Perfluoroalkyl And Polyfluoroalkyl Substances

- a. "Bodily injury" or "property damage" which would not have occurred, or "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

B. The following is added to Paragraph **F. Liability And Medical Expenses Definitions:**

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance 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; or
2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph **B.1.**