



AMERICAN FAMILY INSURANCE COMPANY  
925 HIGHWAY 55 STE 101  
HASTINGS MN 55033-3735

AmFam.com

1-800-MY AMFAM® (692-6326)

June 16, 2021

SEVEN PONDS HOMEOWNERS ASSOCIATION, INC.  
PO BOX 47892  
PLYMOUTH MN 55447-0892

*Regarding your Businessowners Policy*

## **Our offer to renew your insurance policy is enclosed**

Your renewal bill will be sent separately

Policy number	Billing account number	Renewal Date
91001-16134-40	638-413-813-61	8/21/2021

Thank you for choosing American Family Insurance. We truly value you as our customer. Enclosed is our offer to renew the policy noted above.

For a summary of the policy coverage and limits provided, please see the enclosed Renewal Declarations. If you would like a more detailed explanation of the coverage, please refer to your policy and endorsements. We have also included other important and/or state specific notices relating to this policy.

Please review all of the enclosed information carefully. Contact your agent if you would like to make changes to your policy.

This renewal offer is only available to you if the premium for the prior term has been paid in full. To accept our renewal offer and to maintain continuous coverage, we must receive payment by the date shown on your renewal billing notice. **Your renewal bill will be sent separately from this notice.**

Thank you for placing your trust in American Family Insurance. If you have questions about this information, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326).

Commercial - Farm/Ranch Division  
1-800-MY AMFAM (1-800-692-6326)

*AMERICAN FAMILY INSURANCE COMPANY*

### **Your American Family Agent is:**

Anthony Ciro

aciro@amfam.com

925 Highway 55 Ste 101  
Hastings MN 55033-3735  
651-438-3646

## You may elect to purchase terrorism insurance coverage



No action is required if you do not want to add this coverage

American Family Insurance Company  
6000 American Parkway  
Madison WI 53783  
For customer service and claims service  
24 hours a day, 7 days a week  
**1-800-MY AMFAM (1-800-692-6326)**  
**amfam.com**

Policy number	Renewal date
91001-16134-40	8/21/2021

The Terrorism Risk Insurance Reauthorization Act (TRIA) of 2015 was signed into law in January, 2015. This law extended the Terrorism Risk Insurance Program, which is effective through 2020. To comply with the provisions of TRIA and guidelines of the United States Treasury, we are enclosing a new Terrorism Insurance Coverage and Disclosure of Premium form. This disclosure contains the updated provisions of the 2015 reauthorization of the federal program. The premium rate is unchanged.

Under this program, you have a right to purchase insurance coverage for loss resulting from "Certified Acts of Terrorism," as defined by TRIA. Our records indicate you have not elected to purchase this coverage on the policy listed above. If you do not wish to change your current election, no further action is required.

If you want to add coverage for Certified Acts of Terrorism, complete the Coverage Options section on page 2 of the enclosed Disclosure Form, sign, date and return the attached form. Please use one of the following methods to return the form:

- **Mail:** Use the enclosed addressed envelope or mail to American Family Insurance Company, 6000 American Parkway, Madison, WI 53783-0001.
- **Fax\*:** 1-866-656-1032 or 1-866-656-1033.

An additional premium will be charged. The premium cost is shown on page 2 of the Disclosure Form. We will endorse the coverage to your policy, effective on the renewal date indicated above.

All other terms and conditions of your policy remain unchanged.

Thank you again for being our customer. If you have questions about this notice, please contact your agent listed below.

Commercial Lines  
1-800-MY AMFAM (1-800-692-6326), ext. 76000

*American Family Insurance Company*

### Your American Family Agent is:

Anthony Ciro

aciro@amfam.com

925 Highway 55 Ste 101  
Hastings MN 55033-3735  
651-438-3646

**\* Before choosing to FAX the completed form, please note:**

Data transmitted by FAX cannot be guaranteed to be secure, timely, or free from computer virus or other damaging code. American Family takes great pride in ensuring a positive customer experience and takes great care to keep your personal data secure. By submitting the completed form by FAX, you acknowledge that American Family cannot ensure or guarantee that any information transmitted will be secure.

# OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM



American Family Insurance Company  
6000 American Parkway  
Madison WI 53783

For customer service and claims service  
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**  
**amfam.com**

Dear Policyholder:

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2015. Please read the information below about the act and notify American Family if you wish to change your previous decision regarding acceptance or rejection of the coverage for "certified acts of terrorism."

## **Some Background**

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This law has been reauthorized since then, and the latest reauthorization occurred in January of 2015 when President Obama signed the Terrorism Risk Insurance Program Reauthorization Act of 2015 into law. The most recent reauthorization extends the current program for six years.

As an American Family customer, you have the right, under the recently reauthorized law, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of \$5 million; and
- The act 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.

## **Further Explanation**

Where coverage is provided under the act for losses resulting from "certified acts of terrorism," such losses may be partially reimbursed by the United States Government as established by the act. You should also understand that your policy may contain exclusions (not part of the act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the act.

You should also be aware that the reauthorized act contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to \$100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds \$100 billion, your coverage may be reduced due to the cap.

Per the act, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the act.

**Disclosure of premium**

<b>Policy</b>	<b>Premium Charge for Certified Acts of Terrorism</b>	<b>*Fire Following Exposure Charge</b>
Businessowners Policy	1.76% of the total premium	0.45% of the total premium

**\* Please note a coverage exception for the locations and policy types listed below.**

Certain states have mandated that even if you elect to reject the "certified acts of terrorism" coverage, your rejection does not apply to fire losses resulting from an act of terrorism, and the coverage in your policy for such fire losses will continue. Therefore, the "fire following exposure charge" (listed in the chart above) applies in this case.

For Businessowners Policies, the following states mandate coverage for fire losses that result from acts of terrorism - \*\*Arizona, Georgia, Illinois, Iowa, Missouri, Oregon, Washington and Wisconsin.

\*\*In Arizona, the exception applies to building coverage if it is a 1-4 unit dwelling.

**TERRORISM INSURANCE COVERAGE OPTIONS**

Our records indicate you previously elected not to purchase coverage for "certified acts of terrorism" for the policy referenced above. If you do not wish to make any changes regarding this coverage, you do not need to do anything, and the coverage will continue to be excluded throughout the renewal term of your policy.

However, if you want to add coverage for "certified acts of terrorism," please indicate your decision to accept coverage, and sign and return this notice in the provided envelope.

\_\_\_\_ I wish to purchase coverage for "certified acts of terrorism." I understand that I will be charged an additional premium for this coverage.

*If you choose this option, you must notify us before your policy's effective date by signing and returning this letter in the enclosed envelope. (Exception: If we send you a new disclosure form after your policy's effective date, and you wish to change your election, we will endorse your policy to reflect your new coverage election.)*

Your decision to accept coverage for "certified acts of terrorism" applies to the term of this policy. You will receive an offer and disclosure at each renewal as required by the Act.

**Please sign and return this notice only if you are accepting coverage.**

<b>Insured's Signature</b>		
<b>Named Insured</b> Seven Ponds Homeowners Association, Inc.		<b>Date</b>
<b>Policy Number</b> 91001-16134-40	<b>Producer ID</b> 23587	<b>Policy Expiration Date</b> 08/21/2021

## Renewal Declarations Businessowners Policy

Please read your policy



American Family Insurance Company  
6000 American Parkway  
Madison WI 53783

For customer service and claims service  
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**  
**amfam.com**

### Named Insured And Mailing Address

Seven Ponds Homeowners Association, Inc.  
PO Box 47892  
Plymouth MN 55447-0892

### Policy Information

Policy number	Policy period	Billing account number
91001-16134-40	8/21/2021 to 8/21/2022 12:01 A.M. Standard Time at your mailing address shown above.	638-413-813-61

### Business and Operations Information

Year Started: 1991  
Description of Business and Operations: HOA  
Form of Business: Corporation

Insurance applies only for coverages for which a limit of insurance or the word "Included" is shown unless coverage is provided by an endorsement. Blanket Insurance applies only for coverages for which a Blanket Limit of Insurance is shown.

As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

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

Policy Number: 91001-16134-40

**Premium Information**

<b>Total Advance Premium Per Term (Excluding Surcharges and Terrorism):</b>	\$1,475.41
<b>Minnesota Fire Safety Surcharge:</b>	\$2.24
<b>Minnesota Firefighter Relief Surcharge:</b>	\$3.13
<b>Certified Acts of Terrorism Premium:</b>	\$0.00
<b>Total Advance Premium Per Term:</b>	\$1,480.78
<b>Premium with Customer Full Pay Discount (not available on policies billed to a Third Party):</b>	\$1,406.74

This premium may be subject to adjustment. You may be charged a fee when: (a) you pay less than the full amount due; (b) your payment is late; and/or (c) when your bank does not honor your check or electronic payment. Refer to your Billing Notice for fee amounts.

**Policy Level Coverages****Property Causes Of Loss**

Causes Of Loss ..... Risks of Direct Physical Loss

**Per Occurrence Property Deductible**

Deductible ..... \$10,000

**General Liability**

Liability And Medical Expense Limit ..... \$2,000,000 Per Occurrence

Medical Expense Limit ..... \$5,000

Other Than Products/Completed Operations Aggregate ..... \$4,000,000

Products/Completed Operations Aggregate ..... \$4,000,000

**Computer Fraud And Funds Transfer Fraud Coverage**

Limit ..... \$50,000

**Directors And Officers Liability**

Level ..... Platinum

Named Association ..... Seven Ponds Homeowners Association, Inc.

Directors And Officers Liability Annual Aggregate

Limit Of Insurance ..... \$1,000,000

Claims Expense Annual Aggregate Limit Of Insurance ..... \$1,000,000

Deductible ..... \$1,000

Retroactive Date .....

Extended Reporting Period ..... No

Third Party Discrimination Coverage ..... Yes

**Employee Dishonesty**

Includes Forgery Or Alteration

Limit ..... \$50,000 Per Occurrence

Deductible ..... \$1,000

**Hired Auto And Non-Owned Auto Liability** ..... Refer to BP 04 04

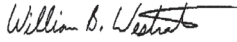
**Homeowners Association Enhancement** ..... Refer to BPF 84 62

Policy Number: 91001-16134-40

**Policy Level Coverages (continued)****Identity Fraud Expense** ..... Refer to BP 14 01**Agent Information**

Anthony Ciro

aciro@amfam.com

925 Highway 55 Ste 101  
Hastings MN 55033-3735  
651-438-3646AUTHORIZED  
REPRESENTATIVE  
President  
Secretary



Policy Number: 91001-16134-40

**Location 1 - Location Details**

**Program:** Homeowners Associations

**Location Address:** 3485 HOLLY LN N PLYMOUTH MN 55447-1259

**Location Description:** 3485 HOLLY LN N

Policy Number: 91001-16134-40

Location 1 Structures	
Location 1 - Structure Level Coverages	
Valuation Method .....	Replacement Cost
Unscheduled Structures	
Limit Of Insurance .....	\$1,000
Equipment Breakdown Protection Coverage .....	Refer to BP 00 03

Policy Number: 91001-16134-40

Forms And Endorsements		
Form Number	Edition Date	Title
BP 00 03	07 13	Businessowners Coverage Form
BP 04 04	01 10	Hired Auto And Non-Owned Auto Liability
BP 04 17	01 10	Employment-Related Practices Exclusion
BP 04 39	07 02	Abuse Or Molestation Exclusion
BP 04 93	01 06	Total Pollution Exclusion With A Building Heating Equipment Exception And A Hostile Fire Exception
BP 05 01	07 02	Calculation of Premium
BP 05 17	01 06	Exclusion - Silica Or Silica-Related Dust
BP 05 24	01 15	Exclusion Of Certified Acts Of Terrorism
BP 05 41	01 15	Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside The United States
BP 05 47	07 13	Computer Fraud And Funds Transfer Fraud
BP 05 77	01 06	Fungi Or Bacteria Exclusion (Liability)
BP 05 98	07 13	Amendment Of Insured Contract Definition
BP 15 04	02 19	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
BP 85 04	07 10	Exclusion - Lead Liability
BP 85 05	07 98	Exclusion - Punitive Damages
BP 85 10	07 98	Other Insurance Limitation Liability And Medical Expenses
BP 85 12	01 06	Asbestos Exclusion
BP IN 01	07 13	Businessowners Coverage Form Index
BPF 80 01	08 18	Businessowners Policy Jacket
BPF 80 03	08 18	Businessowners Coverage Form Changes
BPF 81 02	08 18	Property Coverage Changes
BPF 81 11	08 18	Minnesota Changes
BPF 84 11	08 18	Building Limit Inflation Protection Coverage
BPF 84 62	08 18	Homeowners Association Enhancement Endorsement
BPF 84 71	08 18	Employee Dishonesty - Property Manager(s)
BPF 84 72	08 18	Employee Dishonesty Board Of Directors Member(s)
BPF 85 25	08 18	Marijuana Exclusion
BPF 86 03	08 18	Roof Surfacing Loss Payment Schedule
BPF 89 03	08 18	Directors And Officers Liability Endorsement - Platinum (Condominiums, Co-Ops, Associations)
BPF 89 07	08 18	Minnesota Changes Directors And Officers Liability Endorsement (Condominiums, Co-Ops, Associations) Platinum
PLCF 28833	08 18	TRIA 2015 Terrorism Coverage Rejected - Disclosure

Policy Number: 91001-16134-40

The complete policy consists of these declarations and the forms and endorsements at the time of issue.

Each paid claim under **Section II - Liability** and **Medical Expenses** coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to **Section II - Liability** in the BUSINESSOWNERS COVERAGE FORM and any attached endorsements.

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

### **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

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):

Georgia, Illinois, Iowa, Missouri, Oregon, Washington, Wisconsin

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

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

**1.** The following definition is added with respect to the provisions of this endorsement:

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

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

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

**B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

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

#### **CERTIFIED ACT OF TERRORISM EXCLUSION**

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

**2. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.

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

**C.** The following provision is added to the Businessowners Liability Coverage Form **BP 00 06** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

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

This insurance does not apply to:

**TERRORISM**

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

**2.** The following definition is added:

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.

POLICY NUMBER: 91001-16134-40

BUSINESSOWNERS  
BPF 89 03 08 18**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.**

**CLAIMS EXPENSES INCURRED ARE SUBJECT TO AN ADDITIONAL SEPARATE CLAIMS EXPENSES LIMIT OF LIABILITY. HOWEVER, IF THE ADDITIONAL SEPARATE LIMIT OF LIABILITY FOR CLAIMS EXPENSES IS EXHAUSTED, CLAIMS EXPENSES WILL REDUCE AND MAY EXHAUST THE REMAINING LIMITS OF LIABILITY AVAILABLE UNDER THE POLICY.**

### **DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT - PLATINUM (CONDOMINIUMS, CO-OPS, ASSOCIATIONS)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

#### **SCHEDULE**

<b>Named Association:</b>		
<b>Directors And Officers Liability Annual Aggregate Limit Of Insurance:</b>		<b>\$</b>
<b>Claims Expenses Annual Aggregate Limit of Insurance:</b>		<b>\$</b>
<b>Deductible:</b>		<b>\$</b>
<b>Retroactive Date:</b>		
<b>Extended Reported Period</b>	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
<b>Third Party Discrimination Coverage</b>	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
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 Automatic Extended Reporting Period or Optional Extended Reporting Period, 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 Automatic Extended Reporting Period or Optional 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 Automatic Extended Reporting Period or Optional 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

- a. 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".

### b. Mediation

If, prior to institution of arbitration proceedings or service of suit or within 60 days of the institutions of such proceedings or service of suit, we and the "association" agree to use a process of non binding intervention by a neutral third party to resolve any "claim" reported to us, and if such "claim" is resolved through such process, we will reduce the deductible applicable to such "claim" by 50%.

- c. Our obligation to defend any "claim" or pay any "loss", including "claims expenses" shall be completely fulfilled and extinguished if the Directors and Officers Limit of Insurance set forth in the schedule of this endorsement, has been exhausted, even if any Limit of Insurance applicable to "claims expenses" set forth in the schedule of this endorsement, remains.

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, Subparagraph 1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

### a. Dishonest, Malicious, Fraudulent, Or Criminal Act

Arising out of any dishonest, fraudulent, criminal or malicious act or omission or any willful violation of the law by the insured.

This exclusion applies only if:

- (1) a judgment or other final adjudication, including pleas, adverse to the insured establishes such an act, omission or willful violation by the insured; or
- (2) an "insured person" is not convicted or convicted of a lesser charge due to mental incapacity, disease, or defect.



This exclusion applies even if an "insured person" lacks the mental capacity to govern his or her conduct.

**b. Bodily Injury, Property Damage, Or Personal And Advertising Injury**

Arising out of "bodily injury", "property damage" or "personal and advertising injury".

**c. Illegal Financial Gain**

Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

**d. Prior Acts**

Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.

**e. Pending And Prior Claims**

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.

**f. Failure To Maintain Insurance**

Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.

This exclusion does not apply to "claims expenses".

**g. Service To Other Entities**

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.

**h. Insured vs Insured**

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"

**i. ERISA**

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.

**j. Breach Of Contract**

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

This exclusion does not apply to "claims expenses".

**k. Pollution**

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".

**l. Construction Defect**

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.

**m. Workers Compensation Or Similar Laws**

Arising out of an obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar, rule, regulation or law.

**n. Asbestos**

Arising out of asbestos including but not limited to any injury or damage related to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of asbestos or any other duty involving asbestos;

**o. Lead**

Arising out of lead including but not limited

to any injury or damage treated to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of lead or any other duty involving lead.

**p. Fungi Or Bacteria**

Arising out of "fungi" or bacteria including but not limited to any injury or damage treated to, arising or alleged to have arisen out of any use, exposure, existence, detection, removal, elimination, avoidance, act, error, omission, failure to disclose or warn of the presence of lead or any other duty involving "fungi" or bacteria.

**q. Employment-Related Practices**

Arising out of employment related practices, policies, acts or omissions including, but not limited to, refusal to employ; termination of employment; employment related coercion, demotion, evaluation, reassignment, discipline, workplace conditions, false imprisonment, defamation, harassment, humiliation, or discrimination of employment; other employment related practices, policies, acts or omissions; or sexual harassment by the insured against any person(s) or entity; or negligence involving any of the above.

**r. Salaries Or Remuneration**

Arising out of the payment or administration of salaries, bonuses, or other remuneration of an "insured person"

**s. Securities**

Arising under statutory or common law relating to the purchase, sale, or disposition of securities.

**t. Civil Rights Laws**

Arising out of any federal, state, county, municipal or local law, ordinance, order, directive or regulation barring discrimination, including but not limited to those based on race, color, national origin, ancestry, citizenship, gender, sexual orientation, marital status, religion or religious belief, age, economic status, income, medical condition, pregnancy, parenthood or mental or physical disability. This exclusion does not apply to "Third Party Discrimination" if the schedule on page one is checked "YES" next to Third Party Discrimination Coverage.

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 Directors and Officers Liability Annual Aggregate Limit of Insurance and the Claims Expenses Annual Aggregate Limit of Insurance shown in the Schedule. These limits apply 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 Directors and Officers Liability Annual 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.

Payments for "claims expenses" are in addition to the Limit of Insurance for Directors and Officers Liability. All "claims expenses" shall first be applied to the Claims Expenses Annual Aggregate Limit of Insurance. If and when such limit of liability for "claims expenses" is exhausted by payment of "claims expenses", then and in that event only shall any remaining "claims expenses" be applied to the applicable Limit of Insurance for Directors and Officers Liability.

Our obligation to defend any "claim" or pay any "loss", including "claims expenses" shall be completely fulfilled and extinguished if the Directors and Officers Limit of Insurance set forth in the schedule of this endorsement, has been exhausted, even if any Limit of Insurance applicable to "claims expenses" set forth in the schedule of this endorsement, remains.

**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**

- a. 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:

- (1) How, when and where the "wrongful act" took place;
- (2) The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;
- (3) Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
- (4) The nature of the alleged or potential damages arising from such specific "wrongful act"; and
- (5) The circumstances by which the insureds first became aware of the specific "wrongful act".

- b. If a "claim" is received by any insured, you must:

- (1) Immediately record the specifics of the "claim" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" 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";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "wrongful acts" to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our 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. Automatic Extended Reporting Period**

An Automatic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for (90) days for "claims" arising out of "wrongful acts" not previously reported to us.

The Automatic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such "claims".

**2. Optional Extended Reporting Period**

You will have the right to purchase an Optional 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.

3. An Optional Extended Reporting Period, as specified in Paragraph **G.2.** of this endorsement, lasts three years and is available only for an additional premium.

4. The Optional Extended Reporting Period starts with the end of the Automatic Extended Reporting 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 Optional 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.

5. You must give us a written request for the Optional Extended Reporting Period within 90 days after the end of the policy period or the effective date of cancellation, whichever

comes first.

6. The Optional 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 Optional Extended Reporting Period may not be cancelled.
  7. 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 Optional Extended Reporting Period will be deemed fully earned as of the date it is purchased.
  8. There is no separate or additional Limit of Insurance for the Automatic or Optional Extended Reporting Period. The Limit of Insurance available during the Automatic or Optional 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;
    - e. A written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding.

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. "Fungi" means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, or by products produced by, released by, or arising out of the current or past presence of fungi.
6. "Insured person" means
  - a. any former, present or future director, officer, trustee, employee or volunteer of the "association".
  - b. The association's property or real estate manager; but only while acting at the direction and within the scope of their duties for the association. However, the property or real estate manager is not an "insured person" for "claims" brought against them by the association.
7. "Interrelated wrongful act" means all causally connected "wrongful acts".
8. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments, and punitive or exemplary damages where permitted by law. "Loss" does not include civil or criminal fines or penalties imposed by law, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law, and the cost, other than defense costs, of any non-monetary relief.
9. "Third Party Discrimination" means any actual or alleged discrimination by any "insured person" against, or any actual or alleged sexual harassment by any "insured person" of, any person who at the time of such discrimination or sexual harassment was neither an employee of the "association" nor an applicant for employment with the "association".
10. "Wrongful act" 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 including "Third Party Discrimination" if the schedule on page one is checked "YES" next to Third Party Discrimination Coverage. 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" including "Third Party Discrimination" if the schedule on page one is checked "YES"

next to Third Party Discrimination Coverage.

- 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.**

## **PROPERTY COVERAGE CHANGES**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**A. Paragraph A.1. Covered Property in Section I - Property is replaced by the following:**

**1. Covered Property**

Covered Property includes Buildings as described under Paragraph **a.** below, Scheduled Structures as described under Paragraph **b.** below, Unscheduled Structures as described under Paragraph **c.** below, and Business Personal Property as described under Paragraph **d.** below, or any combination thereof, 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, Scheduled Structures, Unscheduled Structures, and Business Personal Property, or any combination thereof, there is no coverage for property described under Paragraph **2. Property Not Covered.**

**a.** Buildings, meaning the buildings at the premises described in the Declarations, including:

- (1) Your personal property furnished by you as landlord in:
  - (a) Common areas, or
  - (b) Apartments or rooms, only when a signed lease agreement describes the apartments or rooms as furnished.

This does not include:

- (1) Scheduled Structures; or
- (2) Unscheduled Structures.

**b.** Scheduled Structures, meaning the listed structures at the premises described in the Declarations.

This does not include:

- (1) Buildings; or
- (2) Unscheduled Structures.

Buildings as described in Paragraph **a.** above or Scheduled Structures as described in Paragraph **b.** above that are damaged by a Covered Cause of Loss include:

- (1) Completed additions;
- (2) Fixtures, 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 Buildings, Scheduled Structures or the premises, including:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings;
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
- (e) Maintenance equipment

But the most we will pay for the loss of maintenance equipment caused by or resulting from any Covered Cause of Loss is \$25,000 for any one occurrence.

**(5)** If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the Buildings or Scheduled Structures; and
- (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 Scheduled Structures.

**c.** Unscheduled Structures, meaning any structures at the premises not otherwise described in the Declarations that are:

- (1) Permanently affixed to the land; and
- (2) Have a replacement cost value of less than \$25,000 at the time of loss.

This does not include:

- (1) Buildings;
- (2) Scheduled Structures;
- (3) Any structure with a permanent:
  - (a) Roof; and
  - (b) Exterior walls enclosing at least three sides of the structure;
 Including but not limited to detached garages, maintenance buildings, sheds and pool houses;
- (4) Any outdoor signs;
- (5) Any street lights;

- (6) Any streets, sidewalks, curbs or other paved surfaces; or
- (7) Any underground pipes, pump houses, wells or related equipment that are not Buildings or Scheduled Structures.
- d. Business Personal Property located in or on the Buildings, Scheduled Structures or Unscheduled Structures at the described premises or in the open (or in a vehicle) within 100 feet of the Buildings, Scheduled Structures or Unscheduled Structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, 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 Buildings, Scheduled Structures or Unscheduled Structures 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 **A.1.d.(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.

**B. Paragraph A.2.e. Property Not Covered in Section I - Property** is replaced by the following:

- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in:

- (1) Paragraph **A.1.b. Scheduled Structures**;
- (2) Paragraph **A.1.c. Unscheduled Structures**;
- (a) Outdoor fences; and
- (b) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- (3) Outdoor Property Coverage Extension; or
- (4) Outdoor Signs Optional Coverage;

**C. The following applies to outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers when coverage is provided under Paragraph A.1.b. Scheduled Structures:**

- 1. We will pay for direct physical loss of or damage to all outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers at the described premises:
  - a. Owned by you; or
  - b. Owned by others but in your care, custody or control.
- 2. Paragraph **A.2.e. Property Not Covered in Section I - Property** does not apply to this coverage.
- 3. Paragraph **B.1. Exclusions in Section I - Property** does not apply to this coverage except for:
  - a. Paragraph **B.1.c. Governmental Actions**;
  - b. Paragraph **B.1.d. Nuclear Hazard**; and
  - c. Paragraph **B.1.f. War and Military Action**.
- 4. Paragraphs **B.2. and B.3. Exclusions in Section I - Property** do not apply to this coverage except for Paragraph **B.2.I.** which is replaced by the following:
  - I. Other Types Of Loss**  
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;
    - (5) Deterioration;
    - (6) "Fungi";
    - (7) Decay; or
    - (8) Mechanical Breakdown.
- 5. The provisions of this coverage supersede all other references to outdoor fences, radio or television antennas (including satellite dishes) and their

lead-in wiring, masts or towers in this policy.



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

**BUILDING LIMIT INFLATION PROTECTION COVERAGE**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

**Section I - Property** is amended as follows:

**C. Limits Of Insurance**

Paragraph **4. Building Limit - Automatic Increase** is replaced by the following:

**4. Building Limit - Inflation Protection Coverage.** We may increase limits at each renewal for Buildings and Scheduled Structures only as shown in the Declarations. We base increases on inflation cost indexes. We will round any increases in limits to the next highest \$100. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.

We will not reduce the Limit of Insurance to less than that previously specified without your consent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****HOMEOWNERS ASSOCIATION ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

Except for the coverages provided by this endorsement, this endorsement will not result in expanded or additional covered causes of loss.

Your Deductible as specified in Paragraph **D. Deductibles** of **Section I - Property** will apply for enhancement coverages, unless otherwise specified in this endorsement. If two or more deductibles apply to a loss for a single occurrence, then only the largest of the applicable deductibles will apply.

**A. Section I - Property** is amended as follows:**1. Accounts Receivable**

The additional limit of \$10,000 shown in Paragraph **f. Accounts Receivable** under **6. Coverage Extensions** for loss or damage in any one occurrence at the described premises is replaced by \$100,000. For accounts receivable not at the described premises, the limit of \$5,000 is replaced by \$100,000.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**2. Arson Reward**

We will provide a reward in the amount of up to \$5,000 for information which leads to an arson conviction in connection with a covered fire loss.

No deductible applies to this coverage.

This is additional insurance.

**3. Debris Removal**

a. The limit of \$25,000 shown in Paragraph **a. Debris Removal** under **5. Additional Coverages** is replaced by \$50,000.

b. We will also pay up to \$2,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**4. Described Premises**

The limitation of being within 100 feet of the described premises shown in Paragraph **b.** under **1. Covered Property** for Business Personal Property is replaced by 1,000 feet.

**5. Electronic Data**

The limit of \$10,000 shown in Subparagraph **(3)** of Paragraph **p. Electronic Data** under **5. Additional Coverages** is replaced by \$25,000.

**6. Fine Arts**

a. We will pay for direct loss of or damage to fine arts, whether owned by:

- (1)** You; or
- (2)** Others, while in your care, custody or control.

b. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures, and fragile property such as porcelains, china and marble.

c. The most we will pay for loss in any one occurrence under this Coverage Extension is \$25,000 at each described premises. Our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.

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

- (1)** The actual cash value of that property at the time of loss;
- (2)** The cost of reasonably restoring that property to its condition immediately before the loss; or
- (3)** The cost of replacing that property with substantially identical property.

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

f. You must arrange for fine arts to be packed and unpacked by competent packers.

g. The following is added to Paragraph **5. Loss Payment** under **E. Property Loss Conditions**:

- i. In case of loss to any part of a pair or set, we will pay the least of:
  - (1)** The cost to repair or replace any part to restore the pair or set to its value before the loss; or

- (2) The difference between the value of the pair or set before and after the loss.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

This is additional insurance.

**7. Fire Department Service Charge**

The limit of \$2,500 shown in Paragraph **c. Fire Department Service Charge** under **5. Additional Coverages** is replaced by \$25,000.

No deductible applies to this coverage.

**8. Fire Extinguisher Systems Recharge Expense**

The limit of \$5,000 shown in Paragraph **o. Fire Extinguisher Systems Recharge Expense** under **5. Additional Coverages** is replaced by \$10,000.

No deductible applies to this coverage.

**9. Identity Fraud Expense Coverage**

- a. We will pay up to \$25,000 for the sum of all "expenses" incurred by you as the direct result of all acts of "identity fraud" first discovered or learned of during the policy period.

- b. We will pay up to \$5,000 for the sum of all additional advertising expenses you incur to restore your reputation as the result of all acts of "identity fraud" first discovered or learned of during the policy period.

- c. Regardless of the number of claims you make:

- (1) The Identity Fraud Expense Aggregate Limit shown above is the most we will pay for the sum of all "expenses", and

- (2) \$5,000 is the most we will pay for the sum of all additional advertising expenses.

These limits are the most we will pay as a result of all acts of "identity fraud" which are first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you, is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by endorsement for this coverage.

The deductible of \$250 applies to this coverage.

This is additional insurance.

- d. With respect to the coverage provided by this endorsement, the following is added to Paragraph **2.** under **B. Exclusions:**

We will not pay for:

- (1) Due to any fraudulent, dishonest or criminal act by:

- (a) You, your partners, "members", officers, "managers", directors, trustees; or

- (b) Any authorized representative of yours, but only if such act was committed with the knowledge or consent of you, your partners, "members", officers, "managers", directors or trustees,

whether acting alone or in collusion with others.

In the event of any such act, no insured is entitled to "expenses" or additional advertising expenses, including insureds who did not commit or conspire to commit the act causing the "identity fraud".

- (2) Loss other than "expenses" or additional advertising expenses.

- e. With respect to the coverage provided by this endorsement, Paragraph **D. Deductibles** is replaced as follows:

We will not pay for "expenses" or additional advertising expenses until the amount of "expenses" and advertising expenses exceeds \$250. We will then pay the amount of "expenses" and additional advertising expenses in excess of the deductible up to the applicable Limit of Insurance provided in this endorsement.

No other deductible applies to Identity Fraud Expense Coverage.

- f. The following is added to Paragraph **3. Duties In The Event Of Loss Or Damage** under **E. Property Loss Conditions:**

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" or additional advertising expenses under Identity Fraud Expense Coverage.

- g. If the **Employee Dishonesty** Optional Coverage is shown as an applicable coverage in the Declarations, the coverage provided by this endorsement does not apply to any loss payable under that

**Employee Dishonesty** Optional Coverage.

**h.** The following definitions are added to Paragraph **H. Definitions**:

**(1)** "Expenses" means:

- (a)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (b)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (c)** Costs for obtaining credit reports.
- (d)** Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies or legal counsel, up to a maximum payment of \$250 per day.  
Total payment for lost income is not to exceed \$10,000.
- (e)** Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (f)** Reasonable attorney fees incurred as a result of "identity fraud" to:
  - (i)** Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;
  - (ii)** Remove any criminal or civil judgments wrongly entered against you; and
  - (iii)** Challenge the accuracy or completeness of any information in a consumer credit report.
- (g)** Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

**(2)** "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means

of identification of your business, as described in the Declarations, with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

**10. Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis)**

- a.** This coverage applies with respect to a covered loss to a Building identified in the Declarations.  
Coverage for the loss is determined in accordance with all applicable policy provisions except as otherwise provided under this coverage.
- b.** The Covered Causes of Loss (including related endorsements, if any) otherwise applicable to a Building listed in the Declarations will apply to this coverage with respect to that Building.
- c.** The Additional Expense Coverage provided under this coverage applies if all of the following conditions are met, subject to all limitations of this coverage:
  - (1)** The event that caused the covered loss:
    - (a)** Results in declaration of a state of disaster by federal or state authorities; or
    - (b)** Occurs in close temporal proximity to the event that resulted in declaration of disaster by federal or state authorities;
  - (2)** Expenses for labor and building materials for repair or replacement of the damaged property increase as a result of the disaster and the total cost of repair or replacement exceeds the applicable Limit of Insurance due to such increases in expenses;
  - (3)** You elect to repair or replace the damaged Building; and
  - (4)** You notified us, within 30 days of completion, of any improvements, alterations or additions to the Building which increase the replacement cost of the Building by 5% or more, and allowed us to adjust the Limit of Insurance, if necessary, to maintain the required insurance-to-value level.

- d. When the cost of repair or replacement increases in accordance with the terms of this coverage, we will pay the increased expenses actually incurred, up to the maximum amount of Additional Expense Coverage.

- e. The maximum amount of Additional Expense Coverage available for the extra expense of repair or replacement of a Building shown in the Declarations is determined in accordance with the following provisions:

- (1) Apply the applicable percentage of 10% for any Building to:

- (a) The Limit of Insurance shown in the Declarations as applicable to the Building when such limit covers only that Building (exclusive of contents); or

- (b) The value of the Building when insurance is written on a blanket basis. (For the purpose of this endorsement, Blanket insurance covers two or more Buildings, or Building(s) and its contents, under a single Limit of Insurance.)

However, if the Building is subject to a lower Limit of Insurance (sub-limit) for the Covered Cause of Loss that caused the loss, then the applicable percentage indicated in this endorsement will be applied to that sub-limit.

- (2) If a penalty for inadequate insurance applies to the covered loss to the Building in accordance with the terms of this policy, then the maximum amount of Additional Expense Coverage will be decreased in the same proportion. (In determining compliance with the policy's insurance-to-value requirement, the increase in expenses attributable to the disaster will be disregarded.)

**f. Annual Aggregate**

The following applies when payments are made under this endorsement as a result of one or more covered events in an annual policy term:

- (1) When payments reach the maximum amount of Additional Expense Coverage, such coverage will not apply to a

subsequent event which occurs in the same annual policy term.

- (2) When payments total less than the maximum amount of Additional Expense Coverage, the balance will be available for additional expenses incurred in a subsequent event which occurs in the same annual policy term.

**g. Debris Removal**

Up to 20% of the amount payable for Additional Expense Coverage may be used to cover debris removal expense associated with the covered loss.

This does not increase the maximum amount of Additional Expense Coverage.

**h. Ordinance Or Law**

When a Building shown in the Declarations is also covered for Coverage 3 - Increased Cost Of Construction Coverage under the Ordinance Or Law Coverage endorsement (if a part of this policy), up to 20% of the amount payable for Additional Expense Coverage may be used to cover costs payable under Coverage 3. - Increased Cost of Construction Coverage.

This does not increase the maximum amount of Additional Expense Coverage.

**i. Newly Acquired Or Constructed Buildings**

When a newly acquired or constructed Building is covered under the terms of the Newly Acquired or Constructed Property Coverage Extension, then the percentage shown in this endorsement for any Building will be applied to the applicable Limit of Insurance for newly acquired or constructed Buildings. The result is the amount of Additional Expense Coverage applicable to the newly acquired or constructed Building, subject to all other terms of this endorsement.

- j. In determining the expenses payable under this endorsement we will deduct any expenses recovered under the Business Income and Extra Expense Additional Coverages.

This is additional insurance.

**11. Newly Acquired Or Constructed Buildings**

The limit of \$250,000 shown in Subparagraph (1) Buildings of Paragraph a. Newly Acquired Or Constructed Property under 6.



**Coverage Extensions** is replaced by \$300,000.

The limit of \$100,000 shown in Subparagraph **(2) Business Personal Property** of Paragraph **a. Newly Acquired Or Constructed Property** under **6. Coverage Extensions** is replaced by \$150,000.

## 12. Outdoor Fences And Walls

- a. We will pay for direct physical loss of or damage to all outdoor fences and walls at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.
- b. Paragraphs **A.3. Covered Causes Of Loss** and **B. Exclusions** do not apply to this coverage, except for Paragraphs:
  - (1) **B.1.c. Governmental Action;**
  - (2) **B.1.d. Nuclear Hazard;** and
  - (3) **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 \$15,000.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by endorsement for this coverage.

This is additional insurance.

## 13. 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. Paragraphs **A.3. Covered Causes Of Loss** and **B. Exclusions** do not apply to this Optional Coverage, except for Paragraphs:
  - (1) **B.1.c. Governmental Action;**
  - (2) **B.1.d. Nuclear Hazard;** and
  - (3) **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 \$25,000.

The Optional Coverages deductible applies to this coverage.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

## 14. Outdoor Trees, Shrubs Or Plants

The limit of \$2,500 shown in Paragraph **c. Outdoor Property** under **6. Coverage Extensions** for Outdoor Trees, Shrubs or Plants only, is replaced by \$5,000, but not more than \$1,000 for any one tree, shrub or plant.

No deductible applies to this coverage.

## 15. Personal Property Off Premises

The limit of \$10,000 shown in Paragraph **b. Personal Property Off Premises** under **6. Coverage Extensions** is replaced by \$25,000.

## 16. Pollutant Clean Up And Removal

The limit of \$10,000 shown in Paragraph **h. Pollutant Clean-up And Removal** under **5. Additional Coverages** is replaced by \$35,000.

## 17. Surge Protection

- a. We will pay for loss of or damage to Electronic Data Processing Equipment caused by or resulting from a power supply disturbance when the Electronic Data Processing Equipment is connected to a functioning surge protection device.
- b. Only as used in this endorsement:
  - (1) Electronic Data Processing Equipment means equipment commonly referred to as hardware such as central processing units, monitors, keyboards, printers, tape or disk drives, modems and similar electronically controlled equipment that accepts information, processes it according to a plan and produces a desired result.
  - (2) Power supply disturbance means interruptions of power supply, power surge, blackout or brownout.
  - (3) Surge Protection device means any transient voltage surge suppression device or system which limits surge voltage surge suppression device or system which limits surge voltages by

discharging or bypassing surge current and prevents continued flow of current while remaining capable of repeating these functions.

The surge protection device must:

- (a) Be UL listed; and
- (b) Have a properly connected ground wire extended to the surge protection device. (This may be demonstrated through use of a site wiring fault indicator light on the surge protection device.)

A multiple outlet power strip is not considered a surge protection device. The most we will pay for loss or damage in any one occurrence is \$15,000.

This is additional insurance.

#### **18. Utility Services - Direct Damage And Time Element**

- a. We will pay for loss of or damage to Covered Property, and Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following:

- (1) Water Supply Property, meaning the following types of property supplying water to the described premises:

- (a) Pumping stations;
- (b) Water mains; and
- (c) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- (2) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services

to the described premises, such as:

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; or
- (c) Microwave radio relays except satellites.
- (3) Power Supply Property, meaning the following types of property, located outside of a covered Building that supply electricity, steam or gas to the described premises:
  - (a) Utility generating plants;
  - (b) Switching stations;
  - (c) Substations;
  - (d) Transformers; or
  - (e) Transmission lines.

- b. As used in this endorsement, the term transmission lines includes all lines which service to transmit communication service or power, including lines which may be identified as distribution lines.

- c. Paragraph **H.9.a.(1)(a)** of the "Period of Restoration definition is replace by the following:

- (a) Immediately after the time of direct physical loss or damage for Business Income Coverage; or

- d. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$25,000 for direct damage to Covered Property and \$25,000 for Business Income and Extra Expense.

Coverage under this endorsement does not apply to loss or damage to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

This is additional Insurance.

#### **19. Valuable Papers And Records**

The limit of \$10,000 for coverage at the described premises shown in Paragraph **e.(3) Valuable Papers And Records** under **6. Coverage Extensions** is replaced by \$100,000. For "valuable papers and records" not at the described premises, the limit of \$5,000 is replaced by \$100,000.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

**B. Section II - Liability** is amended as follows:

1. The following is added to Paragraph **A. Coverages of Section II - Liability**:

**a. Damage to Property of Others**

- (1) We will pay for property damage to property of others caused by an insured. This coverage applies even if the insured is not negligent or legally liable.

At our option, we will either:

- (a) Pay the actual cash value of the property; or
- (b) Repair or replace the property with other property of like kind and quality.

We will not pay for property damage:

- (a) To the extent of any amount recoverable under **Section I - Property** of this policy;
- (b) When the claimant will collect for damages from any other insurance policy;
- (c) Caused intentionally by any insured who has attained the age of 13; or

resulting from:

- (a) Business pursuits;
- (b) Work performed for you or on your behalf by a subcontractor;

- (c) Any act or omission in connection with any premises owned, rented or controlled by any insured, other than an insured premises; or

- (d) The ownership, maintenance or use of any aircraft, watercraft, iceboat or land vehicle that is motor- or engine-propelled other than a golf cart.

- (2) The most we will pay for property damage to personal property of others in your care, custody or control is \$10,000 per occurrence.

**C. Section III - Common Policy Conditions (Applicable To Section I - Property And Section II - Liability)** is amended as follows:

**1. Identity Fraud Expense Coverage**

With respect to Identity Fraud Expense Coverage provided by this endorsement, Paragraph **H. Other Insurance** is replaced by the following:

**H. Other Insurance**

The coverage provided under this endorsement will be excess over any other insurance or agreement covering the same loss or damage, whether you can collect on it or not. But we will not pay more than the applicable limit of insurance provided under this endorsement.



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

**EMPLOYEE DISHONESTY - PROPERTY MANAGER(S)**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

- A.** Paragraph **G.3. Employee Dishonesty** of **Section I - Property** is amended to include "Property manager(s)" as employee(s).
- B.** With respect to the Employee Dishonesty coverage in Paragraph **G.3.** "Property manager(s)"

means a natural person or firm charged with operating a real estate property for a fee.

If the "Property manager" is a firm, partners, officers and employees of that firm are considered to be employee(s) for the purposes of this insurance.

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

**EMPLOYEE DISHONESTY - BOARD OF DIRECTORS MEMBER(S)**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

- A.** Paragraph **G.3. Employee Dishonesty** of **Section I - Property** is amended to include "Board of directors member(s)" as employee(s).
- B.** With respect to the Employee Dishonesty coverage in Paragraph **G.3.** "Board of directors member(s)" means a natural person elected or appointed to serve on the board of directors of the association.

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

**MINNESOTA CHANGES - DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT  
(CONDOMINIUMS, CO-OPS, ASSOCIATIONS)  
PLATINUM**

This endorsement modifies insurance provided under the following:

**DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT (CONDOMINIUMS, CO-OPS, ASSOCIATIONS)**

For the purposes of the coverage provided by Directors and Officers Liability Endorsement (Condominiums, Co-Ops, Associations), the following terms are amended as follows:

**A. Paragraph D. Liability And Medical Expenses Limits Of Insurance** is amended as follows:

**1. The following replaces Paragraph D.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 Directors and Officers Liability Annual Aggregate Limit of Insurance and the Claims Expenses Annual 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 Directors and Officers Liability Annual 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.

Payments for "claims expenses" are in addition to the Limit of Insurance for Directors and Officers Liability. All "claims expenses" shall first be applied to the Claims Expenses Annual Aggregate Limit of Insurance. If and when such limit of liability for "claims expenses" is exhausted by payment of "claims expenses", then and in that event only shall any remaining "claims expenses" be applied to the applicable Limit of Insurance for Directors and Officers Liability.

Any prejudgment interest we pay pursuant to subdivision 12 of MINN. STAT. § 72A.201 will be in addition to the Directors and Officers Liability aggregate Limit Of Insurance and the Claims Expenses Annual Aggregate Limit of Insurance shown in the Schedule, thereby not reducing that limit.

POLICY NUMBER:

**BUSINESSOWNERS  
BP 05 47 07 13****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****COMPUTER FRAUD AND FUNDS TRANSFER FRAUD**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

<b>Coverage</b>	<b>Limit Of Insurance</b>
<b>Computer Fraud And Funds Transfer Fraud Coverage</b>	<b>\$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Section I – Property** is amended as follows:

- A.** With respect to the coverage provided by this endorsement, Paragraph **A.4. Limitations** is amended as follows:

Subparagraph **a.(4)** does not apply.

- B.** The following is added to Paragraph **A.5. Additional Coverages**:

**Computer Fraud And Funds Transfer Fraud**

- (1)** The Computer Fraud And Funds Transfer Fraud Coverage limit shown in the Schedule of this endorsement is the most we will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

- (a)** To a person (other than a messenger) outside those premises;  
or

- (b)** To a place outside those premises.

- (2)** The Computer Fraud And Funds Transfer Fraud Coverage limit shown in the Schedule of this endorsement is the most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:

- 1.** Paragraph **2.g. False Pretense** does not apply.

- 2.** The following exclusion is added:

We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

- D.** The following exclusion is added to Paragraph **b.** under **G.2. Money And Securities** Optional Coverages:

- (4)** Or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

- (a)** To a person (other than a messenger) outside those premises;  
or

- (b)** To a place outside those premises.

- E.** The following are added to Paragraph **H. Property Definitions**:

**15. "Employee"**

- a.** "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), who is on leave; or
  - (b) To meet seasonal or short-term work load conditions;
- while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
- (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) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this policy; and
  - (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this policy;
- (5) 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
- (6) 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 the premises.
- b. "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 scope of the usual duties of an "employee".
16. "Fraudulent instruction" means:
- a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction (other than those described in Paragraph A.5.k.) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
17. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
18. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - b. By means of written instructions (other than those described in Paragraph A.5.k.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

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

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

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** and **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 a "certified act of terrorism", or 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, with respect to an "other act of terrorism", 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.

POLICY NUMBER:

**BUSINESSOWNERS**  
**BP 04 04 01 10****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**

<b>Coverage</b>	<b>Additional Premium</b>
<b>A. Hired Auto Liability</b>	\$
<b>B. Non-owned Auto Liability</b>	\$
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; and
  - 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, 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.

**BUSINESSOWNERS**  
**BP 04 39 07 02**

**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.

**FACTS****WHAT DOES AMERICAN FAMILY INSURANCE DO WITH YOUR PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• Account balances and payment history</li> <li>• Credit history and credit based insurance scores</li> <li>• Drivers license records and claims history</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons American Family Insurance chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does American Family Insurance share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	Yes	Yes
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	Yes	Yes

<b>To limit our sharing</b>	<p>Call 1-888-312-2263 – when prompted you will be asked to provide your first name, middle initial (if applicable), last name, address, city, state and at least one of your policy numbers. Please also indicate if you are requesting to limit sharing for others on your policies. Please indicate their full names.</p> <p><b>Please note:</b></p> <p>If you are a new customer, or receiving this notice from us for the first time, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>
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<b>Questions?</b>	Please go to our website at <a href="http://www.amfam.com/privacy-security">www.amfam.com/privacy-security</a>
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<b>Who we are</b>	
<b>Who is providing this notice?</b>	This privacy notice is provided by American Family Mutual Insurance Company, S.I. and the affiliates as listed under the "Other important information" section of this notice (referred to collectively as "American Family Insurance").

What we do	
<b>How does American Family Insurance protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does American Family Insurance collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• Apply for insurance</li> <li>• Pay insurance premiums</li> <li>• File an insurance claim</li> <li>• Give us your contact information</li> <li>• Use your credit or debit card</li> </ul>
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. (See below for more on your rights under state law.)
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your limit-sharing request will only apply to the names received in your request.

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• The affiliates of American Family Mutual Insurance Company, S.I. include the companies identified under the "Other important information" section of this notice, and other affiliated companies within Homesite Group Incorporated and PGC Holdings Corp.</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Nonaffiliates we share with can include our sales agents, mortgage companies and direct marketing companies.</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Our joint marketing partners include other financial services companies and insurance companies.</li> </ul>

Other important information	
<b>For Nevada residents only.</b>	You have the right to place your telephone number on American Family Insurance's internal do not call list, which means we can contact you by telephone only in response to a specific request from you for information or in order to service any existing American Family Insurance business. For additional information about the Nevada do not call requirements, or to add your telephone number to our internal do not call list, contact American Family Insurance at 1-877-216-9232. For information on the Nevada state do not call law, contact the Nevada Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Ste. 3900, Las Vegas, NV 90101, Phone: 1-702-486-3132, email: <a href="mailto:BCPINFO@ag.state.nv.us">BCPINFO@ag.state.nv.us</a>
<b>For Vermont residents only.</b>	We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at <a href="http://www.amfam.com/privacy-security">www.amfam.com/privacy-security</a> or call 1-800-692-6326.
<b>For Georgia residents only.</b>	NOTICE: The laws of the State of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family violence.
<b>For New Mexico residents only.</b>	We are prohibited from disclosing information related to domestic abuse. In New Mexico an individual has certain rights as a Protected Person under N.M. Admin Code 13.7.5 and N. M. S. A 1978, § 59A-16B-4. If you would like to exercise any of those rights or want an explanation of those rights, please contact American Family Insurance at 1-800-MYAMFAM ext. 78082.

**Other important information – continued****For our customers in AK, AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, SC and VA only.**

You have the right to review information in your file. You may do so by writing to us at the address at the end of this section and providing us with your complete name, address, date of birth, and all policy numbers under which you are insured. Within 30 days of receipt of your request, we will contact you and inform you of the nature of recorded information that can be reasonably located and retrieved about you in our files. If you believe there is information in our file that is incorrect, you have the right to notify us and request that it be corrected, amended or deleted from your file. Use this address for requesting information in your file or for questions about the information in your file: **American Family Insurance, Attn: Consumer Affairs Department, 6000 American Pkwy., Madison, Wisconsin 53783-0001.**

**American Family Insurance Legal Entities:**

In addition to American Family Mutual Insurance Company, S.I., this privacy notice is provided by the following companies, which are all affiliates of American Family Mutual Insurance Company, S.I.: American Standard Insurance Company of Wisconsin, American Family Life Insurance Company, American Family Brokerage, Inc., American Family Insurance Company, American Standard Insurance Company of Ohio, and Midvale Indemnity Company. All companies are collectively referred to as "American Family Insurance" in this notice.



**NOTICE CONCERNING POLICYHOLDER RIGHTS IN  
AN INSOLVENCY UNDER THE MINNESOTA  
INSURANCE GUARANTY ASSOCIATION LAW**



American Family Insurance Company  
6000 American Parkway  
Madison WI 53783

For customer service and claims service  
24 hours a day, 7 days a week

**1-800-MY AMFAM (1-800-692-6326)**  
**amfam.com**

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability **insurance** policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes **insolvent**, you may have protection from the **Minnesota Insurance Guaranty Association** as described below but to the extent that your policy is not protected by the **Minnesota Insurance Guaranty Association** or if it exceeds the **guaranty association's** limits, you will only have the assets, if any, of the **insolvent** insurer to satisfy your claim.

Residents of **Minnesota** who purchase property and casualty or liability **insurance** from **insurance** companies licensed to do business in **Minnesota** are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes **insolvent**. This protection is provided by the **Minnesota Insurance Guaranty Association**.

**Minnesota Insurance Guaranty Association**  
**4640 West 77th Street, Suite 342**  
**Edina, MN 55435**  
**Telephone: 952-831-1908**  
**Fax: 952-831-1973**

The maximum amount that the **Minnesota Insurance Guaranty Association** will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation **insurance**. Protection by the **guaranty association** is subject to other substantial limitations and exclusions. If your claim exceeds the **guaranty association's** limits, you may still recover a part or all of that amount from the proceeds from the liquidation of the **insolvent** insurer, if any exist. Funds to pay claims may not be immediately available. The **guaranty association** assesses insurers licensed to sell property and casualty or liability **insurance** in **Minnesota** after the **insolvency** occurs. Claims are paid from the assessment.

THE PROTECTION PROVIDED BY THE **GUARANTY ASSOCIATION** IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING **INSURANCE** COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN **INSURANCE** COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE **GUARANTY ASSOCIATION**.

THIS **NOTICE** IS REQUIRED BY **MINNESOTA** STATE LAW TO ADVISE **POLICYHOLDERS** OF PROPERTY AND CASUALTY **INSURANCE** POLICIES OF THEIR **RIGHTS** IN THE EVENT THEIR **INSURANCE** CARRIER BECOMES **INSOLVENT**. THIS **NOTICE** IN NO WAY IMPLIES THAT THE COMPANY CURRENTLY HAS ANY TYPE OF FINANCIAL PROBLEMS. ALL PROPERTY AND CASUALTY **INSURANCE** POLICIES ARE REQUIRED TO PROVIDE THIS **NOTICE**."