

AXIS INSURANCE COMPANY
411 S. STATE ST, SUITE 1A
NEWTOWN, PA 18940

JOSEPH PALMA
T/A PALMA'S PLUMBING
P O BOX 301
SPRING LAKE, NJ 07762

AXIS INSURANCE COMPANY
411 S. STATE ST, SUITE 1A NEWTOWN, PA 18940

SMALL CONTRACTORS POLICY DECLARATIONS

Policy Number
AXCP15981 2019 0

EXPANDED

Renewal of Number: **AXCP15981**

1. Named Insured and Mailing Address

JOSEPH PALMA
T/A PALMA'S PLUMBING
P O BOX 301
SPRING LAKE, NJ 07762

PRODUCER - 173

JAMES C FRANCHINO AGENCY INC
132 COLUMBIA TPKE
FLORHAM PARK, NJ 07932
(973) 377-6100

2. Policy Term: From 09/05/2019 to 09/05/2020 12:01 A.M. Standard Time at your mailing address shown above

3. You are a: INDIVIDUAL

4. Your Business/Operation: PLUMBING

IN RETURN FOR THE PAYMENT OF PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THERE ARE EXCLUSIONS, CONDITIONS AND LIMITATIONS CONTAINED IN THE POLICY FORMS AND ENDORSEMENTS.

5. SCHEDULE OF PREMISES

Location: 1 Building: 1 County: MONMOUTH Construction: 1
470 IRON BRIDGE
FREEHOLD, NJ 07728

PART I - BUSINESS PROPERTY

LIMIT OF LIABILITY	COVERAGES
Location 1	Building 1
\$ 500 < Deductible - Coverages A and B	
\$ N/A	A. Building
\$ 25,000	B. Business Personal Property
\$ N/A	C. Personal Property of Others
INCLUDED	D. Loss of Use

\$ N/A	A. Building	Coinsurance
\$ 25,000	B. Business Personal Property	Factor
\$ N/A	C. Personal Property of Others	NIL
INCLUDED	D. Loss of Use	

THIS POLICY CONTAINS AGGREGATE LIMITS: REFER TO PART II A OF THE COVERAGE FORM FOR DETAILS.

PART II - BUSINESS LIABILITY

LIMIT OF LIABILITY	COVERAGES
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\$ 1,000,000	Each Occurrence Limit - Less \$ 0 Per Claim Property Damage Liability Deductible
\$ 5,000	Medical Payments (Cov. F) - Limit Per Person
\$ 3,000,000	General Aggregate/Total Limits - Other Than Products / Completed Operations
\$ 1,000,000	General Aggregate/Total Limits - Products / Completed Operations
\$ 100,000	Fire Legal Liability Supplemental Coverage
\$ 1,000,000	Personal Injury/Advertising Injury Supplemental Coverages

Rating Classification	Code #	Premium Bases	
Plumbing	5980	17000	Payroll

7. FORMS AND ENDORSEMENTS MADE PART OF THIS POLICY

Form Edition	Description
AXIS 102 AIC (06/2015)	AXIS JACKET
MCL 143 (03/2014)	Data Breach Exclusion - Part II
MCL 178 (08/2000)	Exterior Insulation and Finish System Exclusion - Part II
MCL 189*(04/2007)	Lead/Lead Contamination and Asbestos Exclusions - Liability
MCL 193*(06/2005)	Contractors New York State Bodily Injury Limitation - Part II
MCL 821*(06/2005)	Mandatory Endorsement - New Jersey
MCM 418 (01/2015)	Non-Certified Acts of Terrorism Exclusions - Parts I and II
MCM 820 (08/2015)	Mandatory Endorsement - New Jersey
MCP 170 (10/2004)	Crime Common Provisions Form - Part I
MCP 171 (10/2004)	Employee Dishonesty Coverage (Form A) - Part I
MCP 173 (10/2004)	Money and Securities Crime Coverage (Form C) - Part I
MCP 507 (11/2007)	Water Damage Back-Up
MCP 515 (11/2007)	Ice Damning Exclusion
SICP-7000 (09/11)	Building Code/Law Coverage Modification
SISC-0001(09/11)	Special Contractors Policy
SIIL-7000 (09/11)	Software Loss Exclusion - Part I
SISC-0004 (09/11)	Identity Recovery Coverage
SISC-0005 (09/11)	Computer Coverage-Contractors
MCM 412 (01/2015)	Certified Acts of Terrorism Exclusions
TPD 12 (01/2015)	Notice of Terrorism Insurance Coverage - Policyholder Disclosure
MCP 525 (11/2007)	Replacement Cost on Tools
SISC DS 02 (09/11)	Supplemental Declarations - Plumbing/HVAC Contractors
SISC-0002 (09/11)	Plumbing/HVAC/Electrician Contractors Enhancements - Part II

* NJ Mandatory Forms

\$ 1,565	Annual Premium
\$ 9	< Surcharge NJ-PLIGA
\$ 1,574	< Total Premium

07/26/2019

Countersignature Date

By:

Representative



POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If you accept this coverage, any terrorism exclusions for acts of terrorism, as defined in the Act, already contained in your policy or included in an endorsement are nullified.

If you accept this offer of coverage, you should know that coverage that may be provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under this formula, 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 the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE

You may accept or reject this offer of coverage. Your renewal policy does not include this coverage, but includes an exclusion for terrorism losses.

You may accept this coverage by signing and returning this notice to us by the date listed below. If you elect to accept this coverage, the premium is payable according to your billing notice.

The portion of your annual premium that is for the coverage for terrorism, as defined in this Act, if you accept this coverage is:
\$ 78.

	I hereby elect to purchase terrorism coverage. Sign and return this form to us by <u>10/05/2019</u> .
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AXIS INSURANCE COMPANY

Insurance Company

Policyholder/Applicant's Signature

AXCP15981

Policy Number

Date



AXIS INSURANCE COMPANY

Commercial Lines Policy

Home Office:

111 South Wacker Dr.
Suite 3500
Chicago, IL 60606

Administrative Office:

11680 Great Oaks Way
Suite 500
Alpharetta, GA 30022

Servicing Office:

G&G Underwriters
411 South State St., Suite 1A
Newtown, PA 18940
(888) 654-3100

This Policy Consists of:

- Declarations
- Common Policy Conditions
- One or more coverage parts

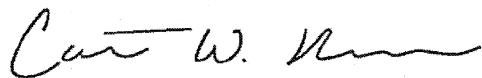
A coverage part consists of
One or more coverage forms
Applicable forms and endorsements

IN WITNESS WHEREOF, the Insurer has caused this policy to be issued by affixing hereto the facsimile signatures of its President and Secretary.



Secretary

Andrew Weissert, Secretary



President

Carlton Maner, President

DATA BREACH EXCLUSION • PART II

This endorsement extends the Part II exclusions to any occurrence or injury arising out of a Data Breach.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL EXCLUSION – DATA BREACH

Part II C is extended to include the following:

- A. *We do not insure bodily injury, property damage, advertising injury, or personal injury, resulting from or caused by a data breach.*
- B. *We do not insure any costs, expenses, liability or loss incurred by you or others, arising out of any notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense arising out of a data breach.*

GLOSSARY

Data Breach means loss, theft, or accidental release, disclosure or publication of any person's or organization's confidential or personal information. This includes:

- A. Personally identifiable information such as:
 - 1. Identification and contact information.
 - 2. Government issued identification numbers.
 - 3. Financial information.
- B. Protected health information as defined by the Health Information Portability and Accountability Act (HIPAA) including any amendments or additions to such law.
- C. Customer lists, financial information, formulas, patents, processing methods, trade secrets, or other items of information that are not available to the general public.
- D. Any other type of nonpublic information as defined in Title V of the Gramm-Leach Bliley Act of 1999 including any amendments or additions to such law.



EXTERIOR INSULATION AND FINISH SYSTEM EXCLUSION • PART II

This endorsement extends the exclusions to any occurrence or injury arising out of Exterior Insulation and Finish Systems as described.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL EXCLUSIONS — EXTERIOR INSULATION AND FINISH SYSTEM**A. Part II C is extended to include the following:**

We do not insure bodily injury, property damage, personal injury or advertising injury resulting from or caused by:

1. the construction, correction, design, fabrication, installation, maintenance, manufacture, preparation, remodeling, replacement, repair or service of an exterior insulation finish system (EIFS), synthetic stucco, or any similar product or any part; or
2. the application or use of accessories, caulking, coatings, conditioners, paints, primers or sealants in connection with such a product.

B. Supplemental Coverage 2 in Part II B is extended to include the following:

We do not insure bodily injury or property damage for which the insured is liable to pay damages because of the assumption of liability for injury or damage resulting from or caused by:

1. the construction, correction, design, fabrication, installation, maintenance, manufacture, preparation, remodeling, replacement, repair or service of an exterior insulation finish system (EIFS), synthetic stucco, or any similar product or any part; or
2. the application or use of accessories, caulking, coatings, conditioners, paints, primers or sealants in connection with such a product.



LEAD/ LEAD CONTAMINATION AND ASBESTOS EXCLUSIONS • PART II

This endorsement extends the exclusions to any occurrence or injury arising out of lead or asbestos as described.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL EXCLUSIONS

Part II C is extended to include the following:

LEAD / LEAD CONTAMINATION EXCLUSIONS

- A. As to *your premises* that were constructed prior to 1978, we do not cover *bodily injury* or medical payments resulting from or caused by lead or lead contamination arising out of any *occurrence* at such premises. This includes such caused by or through:
 - 1. Absorbing lead;
 - 2. Chewing on, eating or otherwise ingesting lead; or
 - 3. Inhaling lead.

If MCL 589 is listed in the Declarations, this exclusion (Paragraph A) does not apply to premises that have been certified, according to the standards established by the New Jersey Department of Community Affairs, as being free of existing lead hazards.

- B. We do not cover *property damage, advertising injury or personal injury* resulting from or caused by lead or lead contamination arising out of any *occurrence* at *your premises*. This includes such caused by or through any sort of lead contamination or existence of lead in:
 - 1. Air, ground, or water; or
 - 2. Any part of the premises including, but not limited to, building materials and paint.
- C. We do not insure any cost, expense, liability or loss arising out of any of the following:
 - 1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to lead or lead contamination.
 - 2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to lead or lead contamination.

ASBESTOS EXCLUSIONS

- A. We do not cover *bodily injury, property damage, advertising injury, personal injury, or medical payments* resulting from or caused by the actual, alleged, or threatened exposure to *asbestos*, or the presence of *asbestos* in any place.
- B. We do not insure any cost, expense, liability or loss arising out of any of the following:
 - 1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to *asbestos*.
 - 2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *asbestos*.

Asbestos as used in this exclusion means the mineral in any form, including but not limited to fibers or dust.



CONTRACTORS NEW YORK STATE BODILY INJURY LIMITATION •PART II

This endorsement provides limited liability coverage for bodily injury arising out of an accident occurring in the State of New York.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

Policy # **15981**

SCHEDULE

Limit of Liability

\$ 15,000

COVERAGE MODIFICATIONS

Coverage E is extended to include, up to the limit of liability shown in the Schedule of this endorsement, *bodily injury to your employees, contractors, or employees of your contractors arising out of an accident occurring in the State of New York, or arising out of your doing business in the State of New York.*

ADDITIONAL DEFINITION

Employee means a person employed by *you* and includes a *leased worker*. *Employee* does not include a *temporary worker*.

Leased worker means a person who is leased to *you* by a labor leasing firm under an agreement between *you* and such firm to perform duties related to the conduct of *your business / operations*. *Leased worker* does not include a *temporary worker*.

Temporary worker means a person who is furnished to *you* as a substitute for a permanent *employee* on leave or to meet seasonal or other short-term workload conditions. *Temporary worker* does not include a *leased worker*.

MANDATORY ENDORSEMENT — NEW JERSEY

This endorsement establishes loss information conditions.

Except as provided below, all other provisions in this policy are unchanged.

YOUR RIGHT TO LOSS INFORMATION

The Conditions in this policy are amended to include the following:

- A. *We will provide the first named insured loss information relating to this policy and any preceding General Liability Insurance we have issued to you during the previous three years, as follows:*
 - 1. A report of each occurrence of which we were notified in accordance with the DUTIES OF INSUREDS Condition in Part II D including a brief description of each occurrence and whether any claim arising out of such is open or closed.
 - 2. A summary, by policy year, of payments made and amounts reserved stated separately under any General Coverage Aggregate / Total Limits or Products / Completed Operations Hazard Aggregate / Total Limits, as may be applicable.

The amounts reserved are based on *our* judgment. They are subject to change and *you* should not regard them as ultimate settlement values.

- B. *We will provide this information only if we receive written request from the first named insured during the policy period. We will provide the information no later than 45 days after receiving such request.*
- C. *You must not disclose this information to any claimant's representative without our consent.*
- D. *We compile claim, occurrence and other relevant information for our own business purposes and we exercise reasonable care in doing so. By providing information to the first named insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by, or on behalf of, any insured.*



NON-CERTIFIED ACTS OF TERRORISM EXCLUSIONS • PARTS I AND II

This endorsement extends the policy to exclude certain loss arising out of terrorism.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

1. COVERAGE MODIFICATION – PROPERTY

- A. If Part I is included in this policy, the following exclusion is added to the PART I COMMON EXCLUSIONS:

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

1. We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *non-certified act of terrorism*, including any action taken in hindering or defending against an actual or expected *non-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.

If loss resulting from fire (to the extent insured by this policy) ensues, we insure such resulting loss. However, this exception for fire applies only to direct physical loss by fire to covered property. Therefore, this exception does not apply to any sort of consequential loss, loss of use, or loss of utility, including losses under Business Income and / or Extra Expense coverages.

2. Regardless of the amount of damage and losses, this *Non-certified Acts of Terrorism* Exclusion applies to any *non-certified act of terrorism*:
 - a. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 - b. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - c. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

In incidents of *non-certified acts of terrorism* other than those described in the preceding Paragraphs 1.A. 2.a, b, and c, the *Non-certified Acts of Terrorism* Exclusion will not apply unless the *insured damage* to all types of property (in the United States, its territories and possessions, the District of Columbia, Puerto Rico and Canada), sustained by all persons and entities affected by the *non-certified act of terrorism* (and including loss of Business Income and Extra Expense sustained by owners or occupants of such damaged property), exceeds a total of \$25,000,000. Multiple *non-certified acts 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 will be deemed to be one *non-certified act of terrorism*.

The preceding paragraph describes the threshold used to measure the magnitude of a *non-certified act of terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether the *Non-certified Acts of Terrorism* Exclusion will apply to that incident. When the *Non-certified Acts of Terrorism* Exclusion applies to a *non-certified act of terrorism*, there is no coverage under this insurance.

In the event of any *non-certified act of terrorism* that is not subject to the *Non-certified Acts of Terrorism* Exclusion, coverage does not apply to any element of loss or damage that is otherwise excluded under this insurance.

3. However, with respect to any activity that also comes within the terms of the Governmental / Legal / War Exclusion, that exclusion supersedes this *Non-certified Acts of Terrorism* Exclusion.

In the event of a *non-certified act of terrorism* that involves nuclear reaction or radiation, or radioactive contamination, this *Non-certified Acts of Terrorism* Exclusion supersedes the Nuclear / Radioactive Loss Exclusion.

- B. If Part I is included in this policy, the PART I – GOVERNMENTAL / LEGAL / WAR COMMON EXCLUSION is replaced by the following:

GOVERNMENTAL / LEGAL / WAR

1. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected. With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes the Nuclear / Radioactive Loss Exclusion.
2. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*. Statutory fines or liability. Exemplary or punitive damages.
3. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.



4. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire – provided the fire originates from a cause of loss covered by this policy.

2. COVERAGE MODIFICATION – LIABILITY

If Part II is included in this policy, the following exclusion is added to the PART II – COMMON EXCLUSIONS:

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

We do not insure *bodily injury, property damage, personal injury or advertising injury* arising directly or indirectly out of a *non-certified act of terrorism*, including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism*.

However this exclusion only applies if one or more of the following are attributable to a *non-certified act of terrorism*:

- A. The total of *insured damage* to all types of property sustained by all persons and entities affected by the *non-certified act of terrorism* (and including loss of Business Income and Extra Expense sustained by owners or occupants of such damaged property), exceeds \$25,000,000; or
- B. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 1. Physical injury that involves a substantial risk of death; or
 2. Protracted and obvious physical disfigurement; or
 3. Protracted loss of or impairment of the function of a bodily member or organ; or
- C. The *non-certified act of terrorism* involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- D. The *non-certified act of terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- E. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

The preceding Paragraphs 2.A and B describe the thresholds used to measure the magnitude of a *non-certified act of terrorism* and the circumstances in which the threshold will apply for the purpose of determining whether the *Non-certified Acts of Terrorism* Exclusion will apply to that incident. When the *Non-certified Acts of Terrorism* Exclusion applies to a *non-certified act of terrorism*, there is no coverage under this insurance.

In the event of any *non-certified act of terrorism* that is not subject to the *Non-certified Acts of Terrorism* Exclusion,

coverage does not apply to any loss or damage that is otherwise excluded under this insurance.

Multiple *non-certified acts 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 will be deemed to be one *non-certified act of terrorism*.

3. OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an 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 that is:

- A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 1. Within the United States;
 2. At the premises of a United States Mission; or
 3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a 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;
- B. 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.

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.

Non-certified act of terrorism means a violent act or an act that is dangerous to human life, property or infrastructure and that is:

- A. Committed by an individual or individuals and appears to be a part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
- B. Not deemed to be a *certified act of terrorism* under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act.

MANDATORY ENDORSEMENT – NEW JERSEY

This endorsement establishes Cancellation / Termination conditions in conformance with New Jersey Laws with regard to our rights as to such as provided under N.J.A.C. 11:1-20 et al., adds a failure to disclose any lead-based paint and any lead-based paint hazard exclusion, and also modifies other policy provisions of this policy.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL CONDITIONS**The COMMON CONDITION – CANCELLATION / TERMINATION is supplemented as follows:****B. Our Right to Cancel / Terminate****1. Cancellation/Termination for Nonpayment of Premium**

- a. If the *first named insured* fails to pay, when due, any premium or installment for this policy, it may be cancelled by *us* by mailing or delivering notice of cancellation to the *first named insured* not less than 10 days prior to the effective date of cancellation.
- b. This policy terminates automatically on the expiration date of the expiring policy term if the *first named insured* does not pay when due any renewal premium, or installment payment, for this policy. Notice of the amount of renewal premium must be mailed or delivered by *us* to the *first named insured* not less than 30 days but not more than 120 days prior to the premium due date.

2. Cancellation / Termination for Causes Other Than Nonpayment of Premium

- a. *We* may cancel or nonrenew for reasons other than nonpayment of premium by mailing notice to the *first named insured* not less than 30 days (except for reasons of moral hazard which require only 10 days' notice) but not more than 120 days prior to the effective date of cancellation or termination.
- b. This policy cannot be cancelled or terminated for any underwriting reason or guideline that is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the *first named insured*. The underwriting reasons or guidelines that *we* can use to cancel or terminate this policy are maintained on file by *us*. *We* will furnish such to *you / your* lawful representative upon written request.
- c. This provision does not apply to any policy that has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.
- 3. *We* mail or deliver *our* notice of cancellation or termination to the *first named insured's* last mailing address known to *us*. *We* also agree to mail or deliver the notice of cancellation to the mortgagee named in this policy and to any other person entitled to such notice under this policy.

COVERAGE MODIFICATIONS – LIABILITY AND PROPERTY

Throughout this policy, the term "spouse" also includes a person with whom an *insured* has entered into a civil union as recognized under the New Jersey Civil Union Act.

COVERAGE MODIFICATIONS – PROPERTY

If Part I is included in this policy, the following provisions apply:

The COMMON CONDITION – ACTION OR SUIT AGAINST US is supplemented as follows:

No action may be brought against *us* until all conditions in this policy are complied with, and unless brought within 12 months after *our* denial of the entire claim or that part of the claim in dispute (where *we* pay part of the claim but deny payment on the remaining part).

No right exists under this policy for *you* or others to make *us* party to an action against any *insured*.

COVERAGE MODIFICATIONS – LIABILITY

If Part II is included in this policy and this policy covers a *residential dwelling* under Part II, the following provisions apply:

PART II C – LIABILITY NOT INSURED

1. *We* will not insure *bodily injury* or *property damage* arising out of any consequences of the failure of any *insured* to disclose the presence of any *lead-based paint* or *lead-based paint hazard* at the time of the sale or lease of a *residential dwelling*.

2. *We* will not defend any action which arises out of such failure.

As used in this endorsement, the following definitions apply:

Lead-based Paint

Lead-based paint means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

Lead-based Paint Hazard

Lead-based paint hazard means any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.

Residential Dwelling

Residential dwelling means:

1. A single-family dwelling, including attached structures such as porches and stoops; or
2. A single-family dwelling unit in a structure that contains more than one separate residential dwelling unit, and in which each unit is used or occupied, or intended to be used or occupied, in whole or in part, as the residence of one or more persons.



COMMON EXCLUSIONS

- A. The following exclusion is added to PART I:

Fracking

We do not provide insurance for any loss or damage arising out of or resulting from *fracking*. This includes, but is not limited to: any earthquake, earth movement or sinkhole collapse.

However, if loss resulting from fire or explosion, or theft (to the extent otherwise insured by this policy) ensues, we insure such resulting loss.

- B. The following exclusion is added to PART II:

Fracking

We do not insure *bodily injury, property damage, advertising injury, personal injury* or medical payments caused by, or resulting from *fracking*. This includes any damages, expenses, liability, or loss, aggravated by, consisting of, or resulting from any of the following:

1. Earthquake, earth movement, or sinkhole collapse;
2. The actual, alleged, or threatened discharge, dispersal, emission, escape, flowing, leakage, migration, release, or seepage of *fracking* fluids, *pollutants* or other similar forms of environmental damage into land, any body of water, above ground or underground water, or wells;
3. Contamination resulting in any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures;
4. The leasing or renting of *your* premises for the purpose of *fracking*;
5. The removal, storage or transportation of waste water or other chemicals from the *fracking* drilling site;
6. The extraction of *fracking* fluids or other *pollutants* caused by *fracking* from land or water;
7. The removal, replacement, or restoration of land or water that is polluted with *fracking* fluids or other *pollutants* caused by *fracking*.

- C. We do not insure under this policy any cost, expense, liability, or loss arising out of any of the following:

1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the harmful effects associated with the process of *fracking*; or
2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assess the harmful effects associated with the process of *fracking*.

COMMON GLOSSARY

The following definition is added:

Fracking

Fracking means any process of drilling and injecting chemicals, gas, propane gel, sand, water, or other fluids or substances at high pressure into the ground to break up shale rocks from below the earth's surface in order to release natural gas and oil from below the earth's surface.

CRIME COMMON PROVISIONS FORM • PART I

This common provisions form together with one or more Crime Coverage endorsements establishes the provisions for crime insurance.

Except as provided below, all other provisions in this policy are unchanged.

A. COMMON EXCLUSIONS

The Exclusions and Limitations in Parts I D, E, F and the General Exclusions are replaced by the following exclusions. The Part I B Supplemental Coverages do not apply.

We do not provide insurance for any sort of loss consisting of or resulting from the following:

1. Acts Committed by You / Your Partner

Criminal or dishonest acts committed by *you* or any of *your* partners. This applies whether any such persons act alone or in collusion with other persons.

2. Governmental

- Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations.
- Damage or destruction of property ordered by civil authority.

3. Indirect Loss

Indirectly resulting from any act or *occurrence* covered by this insurance, such as loss resulting from or consisting of:

- Costs, fees or other expenses *you* incur in establishing: the existence of loss, or the amount of loss.
- Damage for which *you* are legally liable. But *we* will pay for compensatory damages arising directly from a *covered loss*.
- *Your* loss of income that *you* otherwise would have earned had the loss of or damage to covered property not occurred.

4. Legal Expenses

Expenses related to any legal action.

5. Nuclear / Radioactive Loss

- Any nuclear event, occurrence, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination.
- The explosive, radioactive, toxic, or other injurious properties of nuclear or radioactive materials — whether such materials are natural or manufactured.

6. War

Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against such.

B. ADDITIONAL CONDITIONS**1. Consolidation / Merger**

If any additional persons become *employees* or *you* acquire the use and control of any additional *premises*

through the consolidation or merger with, or the purchase of the assets of, some other entity, then any insurance provided by this policy for *employees* or *premises* also applies to such additional *employees* or *premises*.

But this applies only if *you* give *us* written notice within 30 days of such acquisition and pay *us* additional premium for such.

2. Discovery Period

We provide insurance under this policy for covered loss discovered no later than one year from the end of the policy term.

3. Duties When Loss Occurs

Paragraph E of the Duties Condition is extended to provide that the signed, sworn proof of loss is to be submitted within 120 days of *our* request.

4. Interests Covered

This insurance covers property that *you* own, hold or are legally liable for. However, this insurance is for *your* benefit only. This insurance does not apply to the benefit of any other person or organization.

5. Limit of Liability / Deductible

The How Losses Are Settled Condition is amended as follows:

a. Limit of Liability

Our maximum liability for loss in any one *occurrence* is the applicable limit of liability shown in the Crime Declarations.

b. Deductible

We are liable for loss in any one *occurrence* only when the loss is in excess of the deductible amount shown in the Crime Declarations and then only on the amount of loss less the deductible amount. If more than one deductible could apply to the loss, *we* will apply only the greatest deductible amount of these.

6. Loss Sustained Under Prior Insurance

- a. If *you* (or any predecessor in interest) sustained loss during the policy term of any prior insurance that *you* (or the predecessor in interest) could have recovered under such insurance had the time period for discovering loss not expired, *we* will provide insurance under this policy for such loss provided:

- This insurance became effective at the time of cancellation, expiration or termination of the prior insurance; and



- Such loss would have been a *covered loss* under this insurance had this insurance been in effect when the acts or events causing the loss occurred or were committed.
- b. The most *we* will pay is the lesser amount recoverable under this insurance or the prior insurance had it remained in effect.

7. Loss Also Covered Under Prior Insurance Issued by Us.

If any loss is covered partly by this insurance, and partly by any prior cancelled or terminated insurance that *we* or any affiliate had issued to *you* (or any predecessor in interest); the most *we* will pay is the larger amount recoverable under this insurance or the prior insurance.

8. Multiple Insureds

- a. If more than one *insured* is named in the Declarations, the *first named insured* will act for itself and for every other *insured* for all purposes of this insurance. If the *first named insured* ceases to be covered, then the next *named insured* will become the *first named insured*.
- b. If any *insured*, partner or officer of the *insured*, or member of a limited liability company insured under this policy has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every *insured*.
- c. An *employee* of any *insured* is considered to be an *employee* of every *insured*.
- d. If this insurance or any of its coverages is cancelled or terminated as to any *insured*, loss sustained by that *insured* is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. Regardless of the number of *insureds*, the most *we* will pay for all loss sustained by more than one *insured* is the amount *we* will pay if all the loss had been sustained by one *insured*.

9. Non-Cumulation of Limits

Regardless of the number of years this insurance remains in force or the number of premiums paid, the Limits of Insurance do not cumulate from year to year or period to period.

10. Policy Term / Coverage Period

Condition 13 of the General Conditions is amended as follows:

Except as covered under the Loss Sustained Under Prior Insurance Condition above, *we* cover loss that *you* sustain because of acts committed or events occurring during the policy term.

11. Recoveries

Paragraph K of the How Losses Are Settled Condition is replaced by the following:

- a. In the event *we* make a payment for loss and a subsequent recovery is made, such recovery (less the cost of making the recovery) will be distributed:
 - To *you*, until *you* are reimbursed for any loss that *you* sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - Then to *us*, until *we* are reimbursed for the settlement made;
 - Then to *you*, until *you* are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
 - From indemnity, insurance, reinsurance, security or suretyship taken for *our* benefit.
 - Of original *securities* after duplicates of them have been issued.

C. ADDITIONAL DEFINITIONS

- 1. *Employee* means any person:

- a. Who performs services for *you* (and for 30 days after termination of such) whom *you* compensate directly by salary, wages or commissions and whom *you* have the right to direct and control while performing the services.
- b. Employed by an employment contractor while that person is performing services for *you* and is subject to *your* direction and control. But, this does not include any such person while having care and custody of property outside the premises.

Employee does not include any:

- Agent, broker, commission merchant, consignee, factor, independent contractor or representative of the same general character; or
- Director or trustee except while acting within the scope of the usual duties of an *employee*.

- 2. *Property other than money and securities* means any tangible property other than *money* and *securities* that has intrinsic value but not including any property listed in any Crime Coverage Endorsement as Property Not Covered.

EMPLOYEE DISHONESTY COVERAGE (FORM A) • PART I

This endorsement together with the Crime Common Provisions Form provides crime insurance for employee dishonesty.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION

Coverage

We cover loss to *money, securities and property other than money and securities* resulting directly from dishonest or fraudulent acts involving *employees* (whether acting alone or in collusion with others).

ADDITIONAL EXCLUSIONS

In addition to the Crime Common Exclusions, we do not provide insurance for any sort of loss consisting of or resulting from the following:

A. Employee Cancelled Under Prior Insurance

Loss caused by anyone for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

B. Inventory Shortages

Loss where proof of the existence of, or amount of, such loss is dependent upon an inventory computation or a profit and loss computation. But, such can be used to support a claim which you otherwise prove.

ADDITIONAL CONDITIONS

A. Cancellation

Condition 3 of the General Conditions is amended as follows:

1. This insurance is automatically cancelled on any *employee* immediately upon discovery by *you* or *your* directors, officers, partners or trustees of such dishonesty or fraud by the *employee*, whether before or after becoming employed by *you* and whether or not *you* make claim or report such to *us*.
2. We may cancel this insurance on any *employee* by mailing or delivering to the *first named insured* written notice of such cancellation not less than 30 days prior to the effective date of the cancellation. We will mail or deliver such notice to the *first named insured*'s last mailing address known to *us*. If notice is mailed, proof of mailing is sufficient proof of notice.

B. Duties When Loss Occurs

The Duties Condition is further amended as follows:

If a loss is less than the deductible amount, *you* must still give immediate written notice to *us* of such loss, and, at *our* request, submit to *us* a statement describing the loss.

ADDITIONAL DEFINITIONS

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



MONEY AND SECURITIES CRIME COVERAGE (FORM C) • PART I

This endorsement together with the Crime Common Provisions Form provides crime insurance for money and securities.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION**A. Coverage Inside the *Premises***

1. We cover loss to *money* and *securities* inside the *premises* or inside any *banking premises* resulting directly from destruction, disappearance or *theft*.

2. Supplemental Coverages

- **Containers**

We cover loss to a locked cash box, cash drawer, cash register, safe or vault located inside the *premises* resulting directly from an actual or attempted *theft* of, or unlawful entry into, such container.

- **Premises Damage**

We cover loss to the *premises* or its exterior resulting directly from an actual or attempted *theft* of *money* or *securities*. This applies only if *you* own the *premises* or are legally liable for such damage.

B. Coverage Outside the *Premises*

We cover loss to *money* and *securities* outside the *premises* while in the care and custody of a *messenger* or an armored motor vehicle company resulting directly from destruction, disappearance or *theft*.

ADDITIONAL EXCLUSIONS

In addition to the Crime Common Exclusions, we do not provide insurance for any sort of loss consisting of or resulting from the following:

A. Accounting / Arithmetical Errors or Omissions

Accounting or arithmetical errors or omissions.

B. Acts of Directors, *Employees*, Representatives or Trustees

Criminal or dishonest acts committed by any of *your* authorized representatives, directors, *employees* or trustees while performing services for *you* or while acting outside the scope of such service. This applies whether any such persons act alone or in collusion with other persons.

C. Exchanges or Purchases

The giving or surrendering of property in any exchange or purchase.

D. Fire

Damage to the *premises* resulting from fire.

E. Money Operated Devices

Loss of property contained in any *money* operated device unless the amount of *money* deposited in such device is recorded by a continuous recording instrument in the device.

F. Surrender or Transfer

Loss of property surrendered or transferred to a person or place outside the *premises* or *banking premises* on the basis of false / unauthorized instructions or as a result of a threat of bodily harm to any person or damage to any property.

This does not apply under Item B (Coverage Outside the *Premises*) to property in the care and custody of a *messenger* if *you*:

- Had no knowledge of any threat at the time such care and custody began; or
- Had knowledge of a threat at the time such care and custody began, but the loss was not related to the threat.

G. Vandalism

Damage to the *premises*, its exterior or to containers of *money* and *securities* resulting from vandalism or malicious mischief.

H. Voluntary Parting of Possession or Title

You or anyone acting on *your* expressed or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

ADDITIONAL CONDITIONS**How Losses are Settled / Other Insurance**

Under Item B (Coverage Outside the *Premises*), we pay only for the amount of loss that *you* cannot recover:

1. Under *your* contract with the armored motor vehicle company; and
2. From any insurance or indemnity carried by, or for the benefit of customers of, such armored motor vehicle company.

ADDITIONAL DEFINITIONS

1. *Banking premises* means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. *Messenger* means *you*, any of *your* partners or any *employee* while having care and custody of the subject property outside the *premises*.
3. *Occurrence* means an:
 - Act or series of related acts involving one or more persons; or
 - Act or event, or a series of related acts or events not involving any person.
4. *Premises* means the interior of that portion of any building *you* occupy in conducting *your* business.
5. *Theft* means any act of stealing.



BUILDING CODE / LAW COVERAGE MODIFICATION

This endorsement revises how the limits of coverage are determined.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION**Section A of the Building Code / Law Supplemental Coverage is replaced by the following:**

- A. Coverage A is extended to cover the following losses or expenses that ensue as a direct consequence of *covered loss* at the described premises. The losses or expenses covered under Item A.1 are included within the Coverage A limit of liability for the subject property. This Supplemental Coverage does not provide an additional amount of insurance.

We cover the expenses under Items A.2 and 3 for an amount determined by applying the applicable factor shown in the Supplemental Declarations to the Coverage A limit for the subject property: the product is the specific limit for Items A.2 and 3 combined. If this policy is insured on a blanket basis (where more than one building or property is insured under a single limit of liability), the amount of coverage is determined by applying the applicable factor to an amount that is the greater of:

1. The Coverage A replacement cost value for the specific property subject to the *covered loss* as reported to *us* in the Statement of Values on record with *us*; or
2. The actual Coverage A replacement cost at the time of loss for such property.

The losses or expenses covered are:

1. The loss caused by enforcement of any building, land use, or zoning code / law in force the date of the *covered loss*, that:
 - a. Requires the demolition of parts of the same property not damaged by a covered cause of loss.
 - b. Regulates the construction or repair of buildings, or establishes building, land use or zoning requirements at the described premises.
2. The increased expense *you* incur to construct, rebuild, or repair the property caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss*: the property must be intended for the same use / occupancy as the current property unless otherwise prohibited by such code / law.
3. The expense *you* incur to demolish undamaged parts of property and clear the site of such parts caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss*.

If MCP 504 is listed in the Declarations, then Coverage D is extended, as to the Coverage Period, to the increased period of time required to comply with the conditions described in the preceding Item 1.



SPECIAL CONTRACTORS POLICY – SISC-0001 09 11

YOUR POLICY INCLUDES:

- The Declarations / Supplemental Declarations, Including Information About –
 - *You and Your Business / Operations*
 - The Locations, Property Items and Business Operations Covered
 - The Applicable Coverages
 - The Applicable Limits of Liability and Deductibles
 - The Applicable Special Limits and Factors
 - Who *We* are and *Your Insurance Representative*
- This Special Contractors Form – SISC-0001
- Additional Endorsements, if Applicable

THIS INSURANCE FORM INCLUDES:

PART I	ITEM	PAGE
	• Part I A – Main Property Coverage Descriptions: <ul style="list-style-type: none">• Coverage A – Buildings• Coverage B – Business Personal Property• Coverage C – Personal Property of Others• Coverage D – Loss of Use from a <i>Direct Covered Loss</i>	2
	• Part I B – Supplemental Coverages	4
	• Part I C – Cause of Loss Options	8
	• Part I D – Property Exclusions / Limitations	10
	• Part I E – Property Loss Limitations	11
	• Part I F – Losses Not Insured	11
	• Part I G – Special Part I Conditions, Including – <ul style="list-style-type: none">• Duties When Loss Occurs• How Losses Are Settled• Other Special Conditions	13
PART II	• Part II A – Main Liability Coverages <ul style="list-style-type: none">• Coverage E – Liability to Others• Coverage F – Medical Payments to Others	17
	• Part II B – Supplemental Coverages	18
	• Part II C – Liability Not Insured	21
	• Part II D – Special Liability Conditions, Including – <ul style="list-style-type: none">• Duties of <i>Insureds</i>• Limits of Liability	25
PARTS I AND II	• Common Glossary	26
	• Common Exclusions	29
	• Common Conditions, Including – <ul style="list-style-type: none">• Action or Suit Against <i>Us</i>• Cancellation / Termination• Concealment / Misrepresentation / Fraud• Coverage Territory• Examination / Changes• Other Insurance• Other Conditions	30

DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined in the Glossary, Part I C, Part II B. 8 and 10, Part II C. 3. H and Common Exclusion 3.E.

The word “provisions” refers to all or part of the text of this insurance contract – including agreements, conditions, exclusions, limits, limitations, and all other terms. The meaning of other words or phrases not specifically defined in this policy are to be found in their relevant conventional definition based on consideration of the context in which they are used in this policy.

COVERAGE PARTS

Part I relates to Property Insurance for *your buildings / your buildings and /or business personal property*.

Part II includes provisions relating to General Liability Insurance.



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PART I A • MAIN PROPERTY COVERAGES

INSURING AGREEMENT

- A. We provide insurance under this policy for those of the following coverages for which a specific limit of liability and related premium charge is shown in the Declarations. The term "Declarations" also includes a Supplemental Declarations or any other similar forms, subject to all applicable provisions. If a series of Declarations or Change Endorsements are issued, then this term means the current Declarations or Change Endorsement.

The term "described" used in the following paragraphs (for example, described buildings) means described in the Declarations.

- B. Unless otherwise specifically provided in this policy, this insurance applies only to *covered loss* that takes place during the current policy term on the applicable described premises (the location / premises described in the Declarations).
- C. With respect to personal property covered by this policy (including any covered within the definition of or by Extension of Coverage A), coverage is extended to *covered loss* that also takes place outdoors (meaning not in a building) on, or within 100 feet of, the described premises.

D. Insuring Agreement Qualification

The following Coverages as described in the following paragraphs are subject to certain Exclusions and Limitations, including Common Exclusions and Parts I D, E, and F.

COVERAGE A • BUILDINGS / STRUCTURES

We cover described buildings (the general term buildings also includes other sorts of structures). Coverage A also includes the following property to the extent that such is part of, or incidental to the use of, described buildings:

1. Additions under construction.*
 2. Alterations or repairs.
 3. Building equipment, fixtures, materials, and supplies, intended for use in alteration, construction, or repair of described buildings.*
 4. Completed additions.
 5. Equipment, fixtures, and machinery permanently installed as part of described buildings.
 6. Outdoor fixtures. For example, flag poles, ground lights, light standards.
- * Such property is covered by this policy only on an excess basis, if covered by other insurance.

COVERAGE B • BUSINESS PERSONAL PROPERTY

We cover the following property located in or on described buildings:

1. Tangible personal property (including equipment, fixtures, and machines not subject to Coverage A) owned by *you* and used in *your* described business / operations.
2. Tangible personal property of others – but only to the extent of the value of the labor, materials, and supplies provided by *you* in connection with such property.
3. Tenants' improvements and betterments. This means *your* remaining use interest in additions, alterations, fixtures, and installations, not legally removable by *you*, that are both: made part of a building that *you* occupy (but do not own) and acquired or made at *your* expense.

This coverage applies only if the cost of such property is not included in *your* rent and repair or replacement is at *your* expense.

COVERAGE C • PERSONAL PROPERTY OF OTHERS

We cover tangible personal property of others, located in or on described buildings, in *your* care, control, or custody in connection with *your* described business / operations.

Our payment under this coverage is solely for the account of the owner of such tangible personal property. Such beneficiary must comply with all relevant loss settlement and other conditions.

COVERAGE D • LOSS OF USE RESULTING FROM DIRECT COVERED LOSS

A. We cover *your* loss of Business Income and Extra Expense, as described in the following paragraphs, that is the direct result of a *direct covered loss* that results in either:

1. The necessary interruption of *your* described business / operations; or
2. The described premises being made incapable of being occupied.

We also cover such loss if access to the described premises is prohibited by order of any civil authority. This order must result from fortuitous direct physical loss to property at a premises other than the described premises (provided such other premises / property is not occupied or owned by *you*) caused by an applicable cause of loss covered by this policy.

B. Coverage Description

1. Business Income

We cover *your* following loss of Business Income, as described, to the extent that such would otherwise be earned or incurred by *your* business / operations had the *direct covered loss* not occurred.

- a. **Net Income** – *Your* loss of net income (net profit or loss before income taxes) plus continuing necessary normal operating expenses to the extent that such

would exist had the *direct covered loss* not occurred.

- b. **Rental Income** – *Your* loss of rents from tenant occupancies (that *you* rent or customarily hold for rental to others under written leases) plus continuing expenses that are the obligation of tenants, under such leases, but which become *your* obligation because of the *direct covered loss*.

Business Income does not extend to any expenses that do not continue, or need not continue, during the applicable coverage period.

2. Extra Expense

We cover any sort of necessary reasonable expenses that *you* incur in order:

- a. To continue, to the extent feasible, *your* normal business / operations at the same capability and quality of service as would otherwise exist had the *direct covered loss* not occurred – whether continued at the described premises or elsewhere (a replacement or temporary location); or
- b. To minimize the period of interruption if *you* cannot continue *your* normal business / operations at the same capability and quality of service as would otherwise exist had the *direct covered loss* not occurred.

Extra expense means those increased expenses, incurred as described in the preceding paragraphs, that *you* would not otherwise incur in *your* normal business / operations had the *direct covered loss* not occurred – including the expenses to relocate at or equip and operate a replacement or temporary location.

3. Special Costs or Expenses

We also cover any sort of special costs or increased expenses that *you* incur specifically to minimize or reduce *covered loss*: but not for an amount more than such costs or expenses reduce the amount *we* would be otherwise obligated to pay had *you* not incurred such costs or expenses.

4. Cancellation of Contract

If the subject interruption or unoccupancy directly causes the cancellation, lapse, or suspension of a written agreement, contract, or lease, *we* also cover *your* loss of Business Income and / or Extra Expense directly arising out of such, provided that *you* can demonstrate that *you* otherwise would have been able to satisfy and meet all the requirements of the agreement, contract, or lease had the *direct covered loss* not occurred.

This does not apply to any loss of Business Income and/ or Extra Expense that may continue beyond the applicable coverage period.

Our obligation begins on the date of the *direct covered loss* and ends on the date that the following Paragraphs a or b ends, whichever is the shorter period:

- a. The period required with diligence and ongoing effort to restore *your* covered business / operations to substantially the same capability and quality of service that existed immediately prior to the *direct covered loss*; or
- b. The period required with diligence and ongoing effort to repair, replace, or restore the damaged property for the same purpose and occupancy.

But, if *you* occupy a premises owned by others and do not have control of its repair or restoration then: *we* provide coverage (if required) beyond this period for the additional time required to effect such repair, replacement, or restoration or 90 days, whichever one is the shorter period.

2. Civil Authority – Special Period of Indemnity

Our obligation for *covered loss* caused by order of any civil authority begins on the date of the order prohibiting access and runs for 14 consecutive days or the end of the period that access is denied, whichever one is the shorter period.

3. Electronic Media – Special Period of Indemnity

We cover *your* loss of Business Income, up to a period not exceeding 60 consecutive days (subject to Paragraph C.1), if *direct covered loss* to electronic media causes or contributes to such loss: any additional loss beyond such period caused by the failure to replace or restore electronic media is not covered by *us*.

Electronic media are: (a) any sort of electronic data processing, recording, or storage media, including the data stored on such media; (b) programming records used for electronic data processing or electronically controlled equipment.

4. Extended Period of Indemnity

To assist *you* in *your* recovery after the end of the basic period, *we* extend coverage (if required) for up to an additional 30 consecutive days beyond the basic period described in Paragraph C. 1.

5. Policy Term Extension

The described periods are not limited by expiration of the policy term, but, in no event is coverage provided beyond 12 months (365 days) from the first day of the *covered loss*.

D. Special Conditions

1. *Your* business / operations, as referred to in this policy, means those activities and the associated expenses and income that are normal to *your* described business / operations at the described premises.
2. *You* are required to resume, in whole or in part, *your* normal business / operations as soon as possible and to the maximum extent feasible.

C. Coverage Period(s)

1. Basic Period of Indemnity

E. Special Exclusions / Limitations

We do not cover expense or loss caused by or resulting from the following:

- 1. Cancellation** – The cancellation or suspension of any agreement, contract, lease, or license, other than as provided for in Part I A, Coverage D, Item B. 4.
- 2. Interference** – Delay caused by strikers (or others) with rebuilding, repairing, or replacing property or resuming *your* business / operations at the described premises, whether such delay arises at the described premises or elsewhere.

- 3. Antennas** – Loss to antennas (including their lead-in wiring, masts, and towers).

F. Limits of Liability / Coverage

- If a specific dollar amount is shown in the Declarations, the amount shown is *our* maximum limit of liability in any one occurrence.
- If marked as “\$0” in the Declarations, Coverage D does not apply.

PART I B • SUPPLEMENTAL COVERAGES

SUPPLEMENTAL COVERAGES – ADDITIONAL CONDITIONS

We provide the following Supplemental Coverages as extensions of the main coverages (but only when, and then to the extent that, such main coverages apply under this policy) subject to the following:

- A.** These Supplemental Coverages do not modify or waive any provisions of this policy except to the extent specifically described: such are subject to all underlying provisions applicable in this policy, except to the extent specifically modified in Part I B.
- B.** The limits shown for the following Supplemental Coverages are additional amounts of insurance unless otherwise indicated. However, these special limits are not increased or added together because *we* provide multiple coverages or cover multiple locations in one or more policies.

1. ACCOUNTS RECEIVABLE COVERAGE

A. *We* cover, up to the applicable limit shown in the Supplemental Declarations, loss arising out of *your* inability to collect on accounts receivable/credit card billings because of *covered loss* to records of such accounts. This covers all sums due *you* from customers which are uncollectible because of such loss. This also includes *your* increased collection expenses as well as other reasonable necessary expenses incurred by *you* to replace or restore these records.

Parts I E and I F (other than 8 and 12. A) and the Part I deductible do not apply.

Coverage does not apply to loss:

1. Due to accounting, billing, or bookkeeping error or omission; or
 2. Where proof is dependent upon an audit, or inventory computation. But such audit can be used in support of a claim which *you* prove through other sources.
- B. This Supplemental Coverage applies only in connection with Coverage B.**

2. AUTOMATIC INCREASE COVERAGE

- A.** **Automatic Increase** – The current limit of liability shown for Coverage A or Coverage B is increased on an annual pro rata basis by the applicable factor shown in the Supplemental Declarations.

If no factor is shown in the Supplemental Declarations, then no automatic increase is applicable.

- B.** These increases do not apply to any Supplemental Coverages and are not applicable in determining the basis limit for the Supplemental Coverages.

3. BUILDING EXTENSION COVERAGES

A. Glass Extension (Expanded Coverage Only)

We cover, up to the applicable limits shown in the Supplemental Declarations, loss to glass (other than signs) that is part of a building. The “per item” limit applies separately to each pane, panel, plate (or multiple plate) and similar discrete item or unit.

If the loss is caused by any of the *specified causes of loss* (other than vandalism), or the building is constructed of glass curtain walls, the special limits do not apply.

This Supplemental Coverage does not provide an additional amount of insurance.

B. Outdoor Signs Extension

Coverage A is extended to cover, up to the applicable limits shown in the Supplemental Declarations:

1. Outdoor signs (including sign posts and poles) not attached to buildings.
2. Outdoor signs (including sign posts and poles) attached to buildings.

We cover such signs for direct physical loss. Parts I E and I F (other than 8 and 13.A) and the Part I deductible do not apply (but, a specific “signs” deductible may apply).

C. Personal Property Extension

Coverage A is extended to cover the following property when both owned by *you*, and used primarily to maintain or service covered buildings / described premises: air conditioners; cooking, dishwashing,

laundering, refrigeration, and ventilating appliances; fire extinguishers; floor coverings; lawn care and snow removal equipment – including riding mowers and similar items, but not other types of vehicles; outdoor fixtures / furniture.

This Supplemental Coverage does not provide an additional amount of insurance.

4. BUILDING CODE / LAW COVERAGE

A. Coverage A is extended to cover the following losses or expenses that ensue as a direct consequence of *covered loss* at the described premises. We cover such for an amount determined by applying the applicable factor specified in the Supplemental Declarations to the Coverage A limit for the subject property: the product is the specified limit for this Supplemental Coverage (Items 1, 2, and 3 combined). The loss or expenses covered are:

1. The loss caused by enforcement of any building, land use, or zoning code / law in force the date of the *covered loss*, that:
 - a. Requires the demolition of parts of the same property not damaged by a covered cause of loss.
 - b. Regulates the construction or repair of buildings, or establishes building, land use or zoning requirements at the described premises.
2. The increased expense *you* incur to construct, rebuild, or repair the property caused by enforcement of building, land use, or zoning code / law in force the date of the *covered loss*: the property must be intended for the same use / occupancy as the current property unless otherwise prohibited by such code / law.
3. The expense *you* incur to demolish undamaged parts of property and clear the site of such parts caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss*.

B. We are not liable for payment under this Supplemental Coverage:

1. Until the property is repaired or replaced by *you* or by *us* (at the same premises or elsewhere if permitted or required by this policy); and

Unless the repair or replacement is made as soon as possible after the loss, but no later than the period described in Condition 2. C. 1.

2. For any loss or expense arising out of the enforcement of any code, directive, law, ordinance, or regulation requiring any *insured* or others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat any *pollutants*, asbestos, *fungi*, mold or lead contamination.

C. Our maximum liability under this Supplemental Coverage (Items A.1, 2 and 3 combined) subject to (1),

the specified limit and (2), the applicable limits and limitations on *our* liability described in Condition 2.A, is the sum of the following:

1. The cost to demolish the property and clear the site. And,
 2. The cost to reconstruct / replace the property on the described premises.
- D.** This Supplemental Coverage does not apply to buildings or structures insured on an *actual cash value* basis.

5. COLLAPSE COVERAGE

A. Coverage is extended to cover the *collapse* of a building or any structural part of a building that ensues only as a consequence of the following:

1. Any cause of loss provided for in *specified causes of loss* plus:
2. Hidden decay, unless such decay is known to an insured prior to *collapse*.
3. Hidden insect or vermin damage, unless such damage is known to an *insured* prior to *collapse*.
4. Weight of contents, equipment, animals, or people.
5. Weight of rain that collects on a roof.
6. Use of defective material or methods in construction, remodeling, renovation or repair.

B. For Items A.2 through A.6, we do not cover the following unless the loss is a direct result of the *collapse* of a building or a structural part of a building: antennas, including their lead-in wires; masts or towers; awnings; beach or diving platforms and related equipment or structures; decks; docks; piers or wharves; downspouts or gutters; fences; outdoor swimming pools; paved surfaces of any sort (including but not limited to, bridges, driveways, parking lots, patios, pavements, roads, walks); retaining walls; yard fixtures.

C. This Supplemental Coverage applies only to property covered in this policy by Expanded Coverage.

This Supplemental Coverage does not provide an additional amount of insurance.

6. DEBRIS REMOVAL COVERAGE – COVERAGES A, B, C

A. We cover, subject to the limits specified in the following Paragraphs B and C, the necessary reasonable expenses incurred to remove the debris of a *covered loss*.

B. We pay such debris removal expense that *you* incur – but only up to an amount not exceeding that equal to the product of the amount otherwise payable by *us* for the *covered loss* times the special factor specified in the Supplemental Declarations. This amount is not additional insurance and does not increase *our* maximum limit of liability on the loss.

C. We also pay such debris removal expense, up to the applicable limit shown in the Supplemental Declarations, if either:

1. The debris removal expense incurred exceeds the amount available for debris removal expense calculated in the preceding paragraphs; or
2. The sum of the debris removal expense incurred and the amount otherwise payable by us for the *covered loss* exceeds our maximum limit of liability on the loss.

We pay up to the shortfall or the special limit, whichever is the lesser amount. This amount (Extension C) is additional insurance.

D. This Supplemental Coverage does not apply to any of the following expenses:

1. To remove the debris of trees.
2. To extract *pollutants* from land or water.*
3. To remove, replace, or restore land or water that is polluted or is a *pollutant*.*
4. To remove volcanic ash, dust, or particulate matter that does not cause loss.

* This also excludes the expense to safely dispose of such as required by any code, directive, law, ordinance, or regulation.

E. This Supplemental Coverage applies only to such covered expenses reported to us in writing within 180 days from the date of the *covered loss*.

F. Other than Extension C, these Extensions do not provide additional amounts of insurance.

7. EMERGENCY REMOVAL

We cover fortuitous direct physical loss to covered property when removed from the described premises because of imminent danger of loss by a covered cause of loss.

This Supplemental Coverage applies for 30 consecutive days from the first day of removal.

8. FIRE EXPENSE COVERAGES

A. We cover, up to the applicable limit shown in the Supplemental Declarations, *your* written contractual obligation to pay service charges when a fire department is called to protect or save property from imminent loss by an applicable covered cause of loss. The Part I deductible does not apply.

This Supplemental Coverage does not cover service charges:

1. Incurred prior to assumption of *your* contractual obligation;
2. Arising in connection with a false alarm.

B. Fire Extinguisher Recharge Expense

We cover, up to the applicable limit shown in the Supplemental Declarations, the cost to recharge fire extinguishers / related equipment discharged in pursuit

of extinguishing a fire at the described premises. The Part I deductible does not apply.

9. LOCK REPLACEMENT COVERAGE

We cover, up to the applicable limit shown in the Supplemental Declarations, the cost to repair or replace door locks, lock tumblers or similar mechanisms at the described premises due to loss or theft of door keys.

Exclusion I E. 2 and the Part I deductible do not apply.

10. NEWLY ACQUIRED PROPERTY COVERAGES

A. We cover property newly acquired or constructed by *you*, as well as Loss of Use (if covered by this policy) resulting from fortuitous direct physical loss to such property, as follows.

1. Coverage A – We cover, up to the applicable limits shown in the Supplemental Declarations, the following:

a. New buildings while being built on described premises.

We also cover temporary structures erected to assist in construction of new buildings or of additions / alterations to described buildings while such construction is taking place: but such are covered by this policy only on an excess basis if covered by any other insurance.

b. Buildings at a location newly acquired by *you* if such buildings are intended for use either similar to that of described buildings or as a warehouse.

2. Coverage B – We cover, up to the applicable limits shown in the Supplemental Declarations, business personal property owned by *you* at a location newly acquired by *you*, other than exhibitions and fairs. However, when *you* are moving covered property from a described premises under this policy to a newly described premises, then the applicable Coverage B limit applies pro rata (based on total values) at each such premises for 10 days after moving begins, and then such pro rata coverage ceases.

3. Coverage D – We cover the subject loss arising out of *direct covered loss* to the following property:

a. Alterations or New Buildings at Described Premises

1. Alterations or additions to described buildings.

2. New buildings, whether under construction or completed.

3. Building materials or supplies and equipment or machinery which are used in alteration or construction at described premises or incidental to *your* occupancy of the new building.

If the subject *direct covered loss* delays the start of *your* covered business / operations at the

described premises, then this Extension begins on the projected start up date (had the *direct covered loss* not occurred).

This Extension is subject to the Coverage D limit. This Extension does not provide an additional amount of insurance.

b. Newly Acquired Locations

Property owned by *you* at any location that *you* newly acquire, other than exhibitions or fairs: we cover such up to the applicable limits shown in the Supplemental Declarations.

- 4. Special Limits** – The special limits referred to in the preceding paragraphs are developed by multiplying the subject coverage limit (Coverage A, B, or D) by the applicable factor shown in the Supplemental Declarations: the product is the amount available for *covered loss* to new buildings (Coverage A) or *covered loss* at new locations (Covrances B and D) – all subject to the specified maximum limit per building or per location.

B. Coverage Period

This Supplemental Coverage applies for up to a period of 60 consecutive days from the beginning date of the subject acquisition or construction: but, in no case, beyond the end of the policy term or the date on which *you* report the values to *us*, whichever date is earlier. This coverage period does not apply to Extension A. 3. a.

C. Additional Premium

Additional premium is applicable for the values *you* report to *us* based on the date of acquisition or the date that *you* first begin construction.

11. OFF PREMISES COVERAGE

- A.** We cover, up to the applicable limits shown in the Supplemental Declarations, loss to covered business personal property (including portable tools) while in transit or at a job site or while temporarily at locations that *you* do not lease, operate, or own. This does not apply to property while within 100 feet of a described premises.
- B.** We also cover, up to the applicable limits shown in the Supplemental Declarations, loss to portable tools owned by *your employees* and used in *your* described business/operations while at a job site.

This Coverage is subject to all transit loss and is not subject to: the Exclusions with regard to Earthquake and Flood; Part I F other than Exclusions 8 and 13. A.

12. OUTDOOR PROPERTY COVERAGE

We cover, up to the applicable limit shown in the Supplemental Declarations, *your* outdoor: antennas (including lead-in wiring, masts, and towers); fences; decorative plants, shrubs and trees (including any debris removal expense): loss to any one plant, shrub, or tree is also

subject to the special limit per item shown in the Supplemental Declarations.

Such property is covered for fortuitous direct physical loss caused by fire (hostile fire), aircraft, explosion, lightning, or riot or civil commotion.

13. PERSONAL PROPERTY COVERAGES

A. Personal Effects

Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, personal effects owned by *you*, or *your* directors, employees, officers, partners, or volunteer workers, while on the described premises.

B. Personal Property of Others

1. Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, personal property of others in *your* care, control, or custody in connection with *your* covered business / operations (but see Extension 2 as to leased property). Our payment under this coverage is solely for the account of the owner of such property, and such beneficiary must comply with all relevant loss settlement and other conditions.

This Extension is in addition to Coverage B.2.

2. Coverage B is extended to cover leased property in *your* care, custody, or control for which *you* are contractually obligated to provide property insurance. This Extension: (a) applies for the causes of loss for which *you* are contractually responsible to the extent such causes of loss are covered by this policy; (b) is not subject to Extension 1, or Coverage B. 2. under Part I A.

C. Valuable Papers and Records

1. Coverage B is extended to cover, up to the applicable limit shown in the Supplemental Declarations, *your* expenses, including the cost of research, incurred to replace or restore the information contained in *your valuable papers and records* (including electronic or magnetic media) for which duplicates do not exist because of *covered loss* to such property.

Parts I E and I F (other than 8 and 13.A) and the Part I deductible do not apply.

2. The full Coverage B limit applies to the cost of replacement of *valuable papers and records* in blank form.

D. Vehicles

Coverage B is extended to cover the following property owned by *you*:

1. Canoes and rowboats while ashore at the described premises,
2. Vehicles not licensed for use on public roads principally operated at the described premises

specifically to service the described premises or *your* described business / operations at the described premises.

This Extension does not provide an additional amount of insurance.

14. POLLUTION CLEANUP COST COVERAGE – COVERAGES A, B, C

- A. We cover, up to the applicable limit shown in the Supplemental Declarations, the necessary reasonable expenses that *you* incur to extract *pollutants* from land or water at the described premises or at a job site where *you* are performing operations: but only if the discharge, dispersal, emission, escape, migration, release or seepage of *pollutants* is a consequence of a *covered loss*.

The special limit shown for this Supplemental Coverage is *our* total liability for all such expense for each annual (12 month) term of the policy – regardless of the number of occurrences or total expenses incurred.

This Supplemental Coverage applies only to such expenses reported to *us* in writing within 180 days from the date of the subject *covered loss*.

- B. This Supplemental Coverage does not apply to the extraction of any sort of nuclear or radioactive materials – whether such is natural or human made.
- C. If a specific deductible is shown for this Supplemental Coverage, such deductible applies in lieu of any other deductible otherwise shown as applicable in this policy.

15. STEAM EQUIPMENT OR OTHER FIRED VESSEL EXPLOSION COVERAGE

- A. We cover loss by explosion of fuel or gas within the furnace of a fired vessel of flues or passages through which the gases of combustion pass – including such explosion loss to steam boilers, engines, pipes or turbines.
- B. We cover loss by explosion to hot water boilers or other equipment for heating water.

This Extension does not provide an additional amount of insurance.

16. WATER DAMAGE / RELATED DAMAGE REPAIR EXPENSE COVERAGE

We cover the following additional expenses incurred in connection with an otherwise covered sprinkler leakage loss or water damage loss (including freezing), as described in Part I C F.11, when the building containing the appliance, equipment, or system is covered property under this policy:

- A. The expense to repair damage to the building that occurs because of necessary reasonable efforts to get at and repair damage to the appliance, equipment, or system from which the “water” escapes.
- B. The concurrently incurred expense to repair or replace that particular defective / damaged part (joint, piece of pipe, valve, or similar specific item) of the appliance, equipment, or system from which the “water” escapes.

This Supplemental Coverage does not apply:

- A. To the expense to repair or replace the subject appliances, equipment, or systems, other than the particular defective / damaged part as provided for in the preceding Paragraph B.
- B. If others are responsible by contract or law for payment of such expenses.

This Extension does not provide an additional amount of insurance.

17. WEATHER RELATED COVERAGE – EXPANDED COVERAGE OPTION

We cover the following loss to the interior of a covered building or covered personal property within a building by hail, ice, rain, sleet, or snow:

- A. Loss arising out of the thawing of hail, ice, sleet, or snow on the building.
- B. Loss by any such elements to the interior of the building although the exterior walls or roof are not first damaged by a covered cause of loss allowing these elements to enter into the interior: but, if MCP 515 is listed in the Declarations, this Extension is deleted.
- C. Loss by such elements to personal property within a building.

This Supplemental Coverage applies only to property subject to Expanded Coverage.

This Extension does not provide an additional amount of insurance.

PART I C • LOSSES INSURED

GENERAL CAUSE OF LOSS CONDITIONS – COVERAGES A, B, C

- A. Subject to all applicable provisions in this policy, property covered by this policy is insured for that coverage option (see descriptions) which is designated in the Declarations as applicable to the specific item. Accordingly, the same sort of

property – buildings, for example – can be insured for differing causes of loss based upon the option selected to apply to the specific item.

- B. The various described causes of loss cover fortuitous direct physical loss not otherwise excluded or limited. Loss –

covered loss – means: **fortuitous direct physical damage to or destruction of covered property by a covered cause of loss, (including, if covered, the taking of the subject covered property by theft and damage arising in the course of such theft).** Covered cause of loss means a cause of loss contemplated by the following coverage options to the extent that such are described as applicable to the subject covered property.

Direct physical loss does not include or mean any sort of consequent loss, loss of use, or loss of utility. But such loss may otherwise be specifically provided for in this policy: for example, see Coverage D.

C. CAUSE OF LOSS COVERAGE OPTIONS

The following are subject to all applicable Exclusions and Limitations described in this policy.

1. FIRE COVERAGE

Fire Coverage includes the following:

- **Fire** (hostile fire)
- **Explosion**
- **Lightning**

2. BASIC COVERAGE

Basic Coverage includes the following:

- **Fire** (hostile fire)
- **Aircraft***
- **Explosion**
- **Lightning**
- **Riot or Civil Commotion***
- **Sinkhole Collapse***
- **Smoke***
- **Vandalism***
- **Vehicles***
- **Volcanic Eruption***
- **Windstorm / Hail**

* See descriptive definitions.

3. EXPANDED COVERAGE

Expanded Coverage includes Basic Coverage, plus other fortuitous direct physical loss to or theft of covered property not otherwise excluded or limited in this policy. The losses and costs excluded under the descriptions of the causes of loss Falling Objects and Sinkhole Collapse also apply to Expanded Coverage.

4. DESCRIPTION OF LISTED CAUSES OF LOSS

The following definitions apply to and limit the scope of the listed causes of loss:

a. **Aircraft:** This means direct physical contact of aircraft with covered property. Aircraft includes objects that fall from aircraft, spacecraft, or self-propelled missiles.

b. **Falling Objects:** This means damage to other property caused by the falling object.

This does not include:

1. Loss to personal property outdoors (not in buildings).

2. Loss to the interior of a building, or any property within a building, unless the falling object first penetrates the roof or exterior walls of the building.

c. **Glass Breakage:** This means damage to other property caused by breakage of glass that is part of buildings.

d. **Riot or Civil Commotion:** This includes, but is not limited to:

- 1. Acts of striking employees while occupying the described premises;
- 2. Looting occurring at the time and place of riot or civil commotion.

e. **Sinkhole Collapse:** This means abrupt collapsing or sinking of land causing loss to covered property: such collapsing or sinking must be into an underground empty space created by the action of water on limestone or similar rock.

This does not include: the cost of filling sinkholes; collapsing or sinking into man-made cavities.

f. **Smoke:** This means smoke causing abrupt accidental direct physical loss.

g. **Sprinkler Leakage:** This means accidental discharge or leakage from an *automatic sprinkler system* and the collapsing of a tank that is part of such system.

h. **Vandalism:** This means wilful malicious damage to property, and includes such damage done to a building by burglars while breaking into or out of such building.

This does not include: breakage of building glass; loss by theft.

i. **Vehicles:** This means direct physical contact of a vehicle, or an object thrown up by a vehicle, with covered property.

This does not include: loss caused by vehicles *you own or which are operated in the course of your business / operations.*

j. **Volcanic Eruption:** This means only:

- 1. Airborne blast or shock waves;
- 2. Ash, dust, or particulate matter other than that which can be swept or washed away without leaving physical damage; and

3. Lava flow;
caused by eruption of a volcano: but see Common Exclusion Part I Item I.

All volcanic eruptions that take place within a continuous 168 hour period are considered a single *occurrence* and constitute a single loss.

k. **Water Damage:** This means abrupt accidental discharge of water as a direct result of the breaking or cracking of any part of an appliance, equipment, or system containing water: but see Sprinkler

Leakage for an *automatic sprinkler system*. Water includes steam and the discharge of other liquids or materials.

NOTE: The term “abrupt” refers to an event instantaneous in time – not gradual, ongoing, or repeated over time.

D. SPECIFIED CAUSES OF LOSS

Where the term *specified causes of loss* is used, the term means the following: fire; aircraft; explosion; falling objects; lightning; riot or civil commotion; sinkhole collapse; smoke; sprinkler leakage; vandalism; vehicles; volcanic eruption; water damage; weight of ice, sleet, or snow; windstorm / hail.

However, these apply only to the extent that the subject property is otherwise insured for such causes of loss.

E. COVERED LOSS

1. **Coverages A, B, C** • *Covered loss* is described in Part I C, General Cause of Loss Condition B.
2. **Coverage D** • Relevant to the context in which it is used:
 - a. *Direct covered loss* means: fortuitous direct physical loss as described in Part I C, Condition B, which occurs at described premises occupied by *you* (occupancy is not a condition for Rental Income loss), which directly results in the subject covered Business Income loss / Extra Expense;
 - b. *Covered loss* means: the subject covered Business Income loss / Extra Expense which results as a direct consequence of such described *direct covered loss*.

PART I D • PROPERTY EXCLUSIONS / LIMITATIONS

We do not cover the following property or loss except to the extent otherwise specifically provided for in this policy.

1. ALL PROPERTY COVERAGES

- A. Building Glass: but see Supplemental Coverage 3. A.
- B. Crops of any sort, whether growing, harvested, or in any way held.
- C. Land, including land on which covered property is located. Water.
- D. Property not described in this policy.
- E. Property that is more specifically described and insured under another coverage form in this policy or by any other insurance: but as to Coverage A, this insurance applies excess.
- F. Outdoor property, as follows (but see Supplemental Coverage 12):
 1. Antennas, including their lead-in wiring, masts, and towers.
 2. Fences.
 3. Lawns.
 4. Plants, shrubs, or trees.
- G. Signs (outdoor signs): but see Supplemental Coverage 3. B.
- H. Vehicles, as follows: aircraft, motorized land vehicles, self-propelled machines, or watercraft – including their accessories, equipment, motor, parts, tires, or trailers. This also includes: devices designed to be powered through their electrical systems, radar detectors,

recorded discs and tapes in such vehicles for use in the vehicle. But see Supplemental Coverage 13. D.

2. COVERAGE A

- A. Cost of backfilling or filling, excavations, or grading.
- B. Docks, piers, pilings, or wharves.
- C. Foundations of buildings, boilers, or machinery that are below the lowest basement floor or, if no basement, below ground level.
- D. Paved surfaces of any sort, including – but not limited to – bridges, driveways, parking lots, patios, roads, or walks.
- E. Retaining walls that are not part of described buildings.
- F. Underground drains, flues, or pipes.

3. COVERAGES B AND C

- A. Creatures of any sort.
- B. Furs and jewelry.
- C. *Money and Securities*. Gold, silver, and other precious alloys or metals.
- D. Property while airborne or waterborne.
- E. *Valuable papers and records* as well as the cost to replace, research, or restore the information on *valuable papers and records*: but see Supplemental Coverage 13. C.

PART I E • PROPERTY LOSS LIMITATIONS

We do not provide insurance under Part I for any sort of damage or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss otherwise covered contributes to such concurrently or in any sequence.

1. DISAPPEARANCE OF PROPERTY

Loss, otherwise covered by this policy, in connection with covered property that is missing where there exists no physical evidence to show what happened to the property. Loss discovered or inferred upon taking inventory. Acts of appropriation, pilferage or shoplifting.

2. FRAGILE ITEMS

Breakage of any sort of fragile items (including, but not limited to, chinaware, glassware, marble, porcelains, or statuary). This does not apply to: loss caused by a *specified cause of loss*; building glass; containers of property held for sale by *you*: lenses of photographic or scientific instruments.

3. HOT WATER / STEAM EQUIPMENT

A. **Hot Water Boilers** – Loss to hot water boilers or other water heating equipment by any condition or event inside such boilers or equipment.

B. **Steam Equipment** – Loss to steam boilers, engines, pipes, or turbines by any condition or event inside such equipment.

But see Supplemental Coverage 15.

4. UNAUTHORIZED / VOLUNTARY TRANSFER OF PROPERTY

A. **Unauthorized Transfer** – Loss in connection with property that is given or transferred to any persons or transferred to any place (not the described premises) on the basis of false / unauthorized instructions – however such are given or transmitted.

B. **Voluntary Transfer** – Loss in connection with property that *you* (or others to whom *you* have entrusted the property) voluntarily give or transfer to anyone on the basis of being induced to do so by false pretense or fraudulent device, scheme, or trick.

PART I F • LOSSES NOT INSURED

We do not provide insurance under Part I for any sort of loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss otherwise covered contributes to such concurrently or in any sequence.

1. COMPUTER HACKING AND COMPUTER VIRUS EXCLUSION

Computer hacking or computer viruses.

If loss resulting from fire ensues, we insure such resulting loss.

2. DELAY OR LOSS OF MARKET / LOSS OF USE EXCLUSIONS

Delay or loss of market or sale. Loss of occupancy. Because property cannot be occupied or used. Consequent loss. But see Coverage D for certain described coverage.

Explosion of steam boilers, engines, pipes, or turbines which are leased to *you*, owned by *you*, or operated under *your* control: but see Supplemental Coverage 15.

If loss resulting from fire or combustion explosion ensues, we insure such resulting loss.

3. DISHONESTY EXCLUSION

Criminal or dishonest acts by *you*, by any of *your* employees, officers, partners, representatives, trustees, volunteer workers, or by any other person to whom *you* entrust property.

Flood, surface water, waves, storm surge, tidal water or tidal waves, overflow of streams or other bodies of water, or their spray: aggravated by or resulting from natural or human made causes; all, whether arising out of or caused by rain, snow, wind or other condition of the weather, or an otherwise covered cause of loss.

If loss resulting from fire, explosion, or theft (to the extent insured by this policy) ensues, we insure such resulting loss.

4. ELECTRICAL DAMAGE EXCLUSION

Loss, however caused, by artificially generated electrical currents to electrical or electronic appliances, devices or wiring.

Leakage or overflow of any liquids or any other materials from air conditioning, heating, plumbing, or other appliances

or equipment (other than fire protection systems), or damage to such appliances or equipment, caused by freezing.

If *you* (and others *you* designate to care for the premises) exercise ongoing care to maintain adequate heat in the building, or such appliances or equipment are drained and kept dry, this exclusion is waived to the extent that such loss is otherwise insured by this policy.

8. INTENTIONAL LOSS EXCLUSION

Acts committed by, or at the direction of, any *insured* with the intent to cause a loss.

9. LAW OR ORDINANCE / GOVERNMENTAL DIRECTIVE EXCLUSION

Enforcement of any code, law, ordinance, or regulation, including those pertaining to construction, repair, or use of property or demolition of property (including debris removal). Any governmental directive. But see Supplemental Coverage 4.

10. POWER, HEATING, OR COOLING FAILURE EXCLUSION

Power, heating, or cooling failure or loss of utility services that takes place off the described premises. If loss by a covered cause of loss ensues, *we* insure such resulting loss.

11. THEFT FROM AN UNATTENDED VEHICLE

Theft from an unattended vehicle. However, *we* will cover theft by forced entry (there must be visible evidence of forced entry) into a securely locked body or compartment of a vehicle.

12. WATER DAMAGE EXCLUSION

- A. Water under the ground surface that exerts pressure on or flows, seeps or leaks through: basements; doors, windows, or other openings; driveways; floors; foundations; paved surfaces; sidewalks; swimming pools; walls. See also mudflow or mudslide (Part I F Item 10.D).
- B. Water or sewage that backs up through sewers or drains, or overflows from a sump.

If MCP 507 is listed in the Declarations, then Exclusion 12. B is amended in that *we* do cover such damage up to the applicable limit shown in the Supplemental Declarations.

If loss resulting from fire, explosion, or sprinkler leakage (to the extent insured in this policy) ensues, *we* insure such resulting loss.

13. WEAR, TEAR, AND OTHER SPECIFIED LOSS / CAUSE OF LOSS EXCLUSIONS

- A. Wear and tear; birds, domestic animals, insects, raccoons, rodents, or vermin; contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of *pollutants*; (2) contamination by any virus or other pathological agent that causes disease or illness in humans, animals, birds or other creatures; (3) the costs associated with enforcement of any governmental

directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to *pollutants*, asbestos, *fungi*, mold or lead contamination, viruses or other pathological agents; or assess the effects of *pollutants*, asbestos, *fungi*, mold, lead contamination, viruses or other pathological agents: but see Supplemental Coverage 14 for certain coverage; corrosion; decay or deterioration; deficiency, error, or omission in design, materials, plans, or workmanship; disease; dry or wet rot; *fungi*, mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); mechanical breakdown; rust.

- B. Buckling, bulging, contracting, cracking, expansion, settling, shrinkage, or sinking.
- C. Continuous or repeated leakage or seepage from any part of an appliance or system which contains water or other liquids resulting from a condition which *you* fail to repair.
- D. Earth / ground / land movement on or below the surface of the earth aggravated by or resulting from any natural or human-made causes including, but not limited to: earth / ground / land collapsing (other than sinkhole collapse), pressure, rising, shifting, sinking, sliding, or subsidence; landslide; mine subsidence; mudflow; mudslide; rockslides or rock falls. See also Part I • Common Exclusion 1, as to catastrophic earth movement.
- E. Marring or scratching: but only with regard to personal property.
- F. Smog, smoke, or vapor from agricultural or industrial activities.

If loss by a covered *specified cause of loss* ensues *we* insure such resulting loss.

14. WEATHER / RELATED EXCLUSIONS

- A. Drought
- B. Loss to personal property caused by changes or extremes of temperature or dampness or dryness of the atmosphere.
- C. Loss by freezing, hail, ice, rain, sleet, or snow: these only apply to personal property while outdoors at the time of loss, but as to Windstorm / Hail in connection with Basic Coverage the following are also excluded: cold or frost; ice (other than hail), sleet, or snow whether or not wind driven.
- D. Loss by dust, hail, ice, rain, sand, sleet, or snow, whether or not wind driven, to: (a) the interior of a building; or (b) property within a building: but see Supplemental Coverage 17. But, if the building first sustains loss by any covered *cause of loss* to the exterior roof or walls, which then allows these elements to enter

- the building, *we* insure the resulting loss by such elements.
- E.** Loss by weight of hail, ice, sleet, or snow to downspouts or gutters.

- F.** Any other weather conditions: but this only applies if weather conditions contribute with a cause, condition, or event, otherwise excluded, in this policy to produce the loss.

If loss otherwise covered by this policy ensues, *we* insure such resulting loss.

PART I G • SPECIAL PART I CONDITIONS

1. DUTIES WHEN LOSS / DANGER OF LOSS OCCURS

You, other insureds, and other coverage beneficiaries must do all of the following things:

A. Report the Loss – Give immediate written notice to *us* of any loss. Also, immediately notify the police in case of theft, vandalism, or other violation of law. As soon as possible, give *us* a description of how, when, and where the loss occurred.

B. Protect Property – Protect property if in imminent danger from a covered cause of loss or, if loss has occurred, from further loss. For example, by taking exposed property indoors, by covering openings or windows, or by making temporary repairs. *We* cover the reasonable necessary expenses that *you* incur for such immediate temporary repairs or safeguards.

However, it is *your* ongoing obligation, at *your* expense, to – as soon as feasible after *you*, *your employees*, or those *you* authorize to act on *your* behalf become aware of any condition under *your* control which could lead to loss while this policy is in force – undertake all reasonable construction, maintenance, or repair necessary to protect property from such *covered loss*. Listing of all such conditions is not feasible, but examples include: if a roof is leaking, to repair such; if a flooring support is collapsing / deteriorating, to repair such; if new supports or retaining walls become required, to construct such.

Any additional or subsequent loss resulting from *your* neglect of these duties is not covered by this policy, and *you* must either rely on other insurance or absorb such loss *yourself*.

C. Cooperation on the Loss

As often as *we* may reasonably request / require:

1. Immediately exhibit all that remains of the damaged and undamaged property, and allow *us* to take samples of such property for examination and inspection.
2. Produce for examination and copying: the inventory described in the following Paragraph D, all relevant accounting procedures, affidavits, books of account, bills, contracts, deeds, documents, evidence, financial records, invoices, liens, leases, receipts, records, tax returns, vouchers, or other sources of information, or facsimiles acceptable to *us*.

3. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, *we* reserve the right to make such examination of each person out of the presence of the others. *We* also reserve the right to video record any examinations.

4. Otherwise cooperate with *us* in the investigation / settlement of the claim.

D. Inventory

At *our* request, prepare and sign an inventory of all damaged and undamaged property, showing in detail: age; description; quantity; *actual cash value* and, if so covered, replacement cost; source; amount of loss claimed. To the extent possible, set the damaged properly aside and put such in best possible order for *our* examination.

E. Statement of Loss / Proof of Loss

Submit to *us* a statement about the loss that includes all information reasonably required by *us* (including, but not limited to, that described in Part I G 1 C 2 and D, to determine: coverage; *our* liability for the loss and the amount and scope of loss; specifications of any damaged buildings. The statement is also to include detailed repair estimates.

And if required: submit to *us* within 60 days after *our* request a signed, sworn proof of loss. This is to include the information described in the preceding paragraphs and any other information reasonably required by *us*, including all knowledge available to *you*, and others about:

1. The time and cause of loss.
2. *Your* interest and that of all others in the property involved (including a description of all encumbrances on such property).
3. All other insurance policies which may apply to the loss.
4. Any changes in occupancy, title, or use of the property during the policy term.

Failure to comply with these (or other Conditions) can alter or void *our* obligations under this policy.

2. HOW LOSSES ARE SETTLED

A. Limit of Liability per Loss Occurrence – Coverages A, B, C.

Our limit of liability is that amount that is the least one of all the following:

1. The replacement value or, if MCP 523 is listed in the Declarations as applicable to specified property, the *actual cash value* of the damaged portions of subject property at the time of loss. But, in no event, exceeding the lesser of following Paragraph a. or b:
 - a. The lesser cost reasonably required, with diligence and ongoing effort, to:
 1. Repair or restore the damaged property with like materials of comparable quality used for the same purpose / same occupancy, bringing such to the same general condition as existed immediately prior to the loss; or
 2. Replace the damaged property, at the same described premises, with like property of comparable quality used for the same purpose / same occupancy;
 - b. The necessary reasonable expense paid to repair, replace, or restore the damaged property.
2. Any factors, limits, special limits, or other recovery limitations described or specified in this policy as applicable to the subject loss and property, whether shown in the Declarations, any endorsements, or elsewhere in this policy. The inclusion of any sort of recovery limitations or special limits or the inclusion of more than one item within any provision in this policy do not increase or otherwise modify any of the general limits shown in this policy – unless specifically stated to be additional insurance.
3. The insurable interest of the *insured* (or other named interests) at the time of loss.

And, in all cases subject to the following special conditions:

4. **Glass** – Loss to glass is settled on the basis of the cost of replacement with safety glazing material when such replacement is required by law or ordinance.

Loss to glass is subject to the applicable limits shown in the Supplemental Declarations. The “per item” limit applies to each individual pane or panel or similar item.

5. **Money** (if covered by this policy) – At face value: if foreign money, at its exchange rate (in dollars) on the date that the loss is reported to *us* by *you*.

6. **Securities** (If covered by this policy) – At their value at the close of business on the date that the loss is reported to *us* by *you*.

7. Tenant's Improvements and Betterments

- a. If *you* make repairs as soon as feasible, loss is settled as described in the preceding paragraphs.

- b. If *you* do not make repairs as soon as feasible, *our* obligation is limited to a proportion of *your* original cost for the improvements, determined as follows:

1. Divide the number of days from the date of loss to the expiration date of the lease by the number of days from the date of installation (of the improvement) to the expiration date of the lease, then
2. Multiply the original cost by the figure resulting from this division.

Note: If *your* lease contains a renewal option, we use the expiration date of the renewal option in lieu of the expiration date of the current lease.

8. **Valuable Papers and Records** – Loss to *valuable papers and records* (other than prepackaged software programs) not subject to Supplemental Coverage 13.C is settled on the basis of the cost of blank materials for reproducing such records plus the cost of labor to copy such records when duplicates of such exist.

B. Limit of Liability per Loss Occurrence – Coverage D

Our maximum liability is determined based on consideration of all of the following:

1. Business Income

- a. The net income / rental income of the business / operations before the date the *direct covered loss* occurred.

- b. The likely net income / rental income of the business / operations had the *direct covered loss* not occurred.

- c. The operating expenses, including payroll expenses, necessary to resume *your* normal business / operations at the same capability and quality of service as existed immediately prior to the date the *direct covered loss* occurred.

- d. Any other relevant sources of information, including all information described under Part I G. Condition 1 – “Duties”.

- e. Any liability *we* otherwise have, as determined in the preceding paragraphs, is reduced to the extent that *you* can resume *your* normal business / operations, in whole or in part, including by using any property (including damaged property) at the described premises or elsewhere. See Part I A. Coverage D, Condition D.2.

2. Extra Expense

- a. All expenses that exceed the normal operating expenses that *you* would otherwise incur in *your* business / operations during the coverage

period of indemnity had the *direct covered loss* not occurred.

- b. All necessary expenses that reduce the Business Income loss that would otherwise be incurred.
- c. Any liability *we* otherwise have for Extra Expense, as determined in the preceding Paragraph 2.a, is reduced by the following:
 1. The remaining salvage value of any property bought for temporary use during the coverage period of indemnity once *your* business / operations are resumed.
 2. Any Extra Expense that is paid for by other insurance that is not subject to the same provisions that apply in this policy.
 3. To the extent that *you* can resume normal business / operations.

C. Bases of Loss Settlement – Coverages A, B, C.

1. Replacement Basis

The expense of replacement applies as the basis for loss settlement unless otherwise provided in this policy. But, this applies only if replacement is made at the described premises: *We* may waive this requirement in writing if building laws prohibit replacement at the described premises (then see Supplemental Coverage 4), or for other reasons acceptable to *us*.

The following property is always covered on an *actual cash value* basis:

- a. Manuscripts.
- b. Property of others.
- c. Works of art, antiques, or rare articles, including – but not limited to – bronzes, bric-a-brac, etchings, marble, pictures, porcelains.
- d. Tools. If MCP 525 is listed in the Declarations, loss to tools is settled on the replacement basis.

We are not liable for payment on a replacement basis until *you* complete repair, replacement, or restoration of the subject property.

You may submit a claim on an *actual cash value* basis and then, no later than 180 days following settlement on *your* claim in whole or in part on an *actual cash value* basis (or *our* offer of such if *you* decline settlement), make further claim in writing on repair, replacement, or restoration that *you* have completed at the time *you* make such claim.

2. Actual Cash Value Basis Option

If MCP 523 is listed in the Declarations, loss settlement is on an *actual cash value* basis at the time of loss.

D. Appraisal

1. If *you* and *we* do not agree on the amount of the loss or values or on the amount of Business Income or operating expenses, either one can require that the

items in dispute be set by appraisal. Within 30 days of receipt of a written demand for appraisal, each is to select a competent and disinterested appraiser. Each party is to then notify the other of the appraiser selected.

2. The two appraisers are to select a competent and disinterested umpire. If the appraisers are unable to agree upon an umpire within 15 days, *you* or *we* may petition a judge of a Court of Record to select an umpire.
3. The appraisers are to reach a mutual agreement on the items in dispute. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement signed by any two of these three persons constitutes settlement on the items in dispute.
4. Each appraiser is paid by the party selecting the appraiser. All other expenses of the appraisal are paid equally by *you* and *us*.
5. If *we* agree to appraisal, *we* specifically retain *our* right to deny the claim.

E. Deductible – Coverages A, B, C

We are liable for *covered loss* in any occurrence only when the loss is in excess of the deductible amount shown in the Declarations, and then only on the amount of loss less the deductible amount.

F. Loss to a Portion of a Pair or Set of Articles – Coverages B / C

1. Loss to some portion of a pair or set of articles or to property consisting of two or more parts (when complete) is not considered a total loss unless: because of such loss, the remainder is of no use and repair or replacement is not feasible.
2. In case *we* agree to pay for total loss, *you* are required to give *us* the remainder of such property, at *our* request, prior to such payment.

G. Our Liability and Satisfaction of Your Loss

If the maximum liability payable by *us* on *covered loss*, as determined in this policy, does not fully satisfy *your* loss, then *you* must either seek insurance that may be provided by others for the difference or otherwise absorb the unsatisfied portion of the loss *yourself*.

H. Our Options in Settling Losses – Coverages A, B, C

1. *We* may pay for the loss in money.
2. *We* may repair or replace all or any part of the property as provided for in this policy, or take all or any part of such property at a mutually agreed, or appraised, value. *We* may give notice of *our* intent to do so at any time up to 30 days after *our* acceptance of *our* liability for the loss (i.e., proof of loss).
3. *We* may settle the claim with *you*, any loss payee named in this policy, or others legally entitled to receive payment. If the claim applies to property of

others, we have the right to adjust the loss with the owners of the property: satisfaction of their claim is also satisfaction of *your* claim as to such property.

If legal action is taken in a claim against *you*, we have the right to conduct and control a defense at *our* expense (but without increasing *our* liability under this policy).

I. Recovery of Covered Property

In the event we make a payment for loss and a subsequent recovery is made of any of the property, *you* may choose to keep the property *you* have recovered or receive the property that we have recovered. If *you* choose this option, *our* liability is reduced accordingly: payment is adjusted for the amount which *you* received for the loss to such property, and *you* must compensate us for the amount we previously paid.

If *you* do not choose this option, the recovered property becomes *our* property: if *you* have such property, *you* are required to give us those items we request.

J. When Loss Becomes Payable / Payment to Others

Loss becomes payable 30 days after completion and acceptance by us of a written agreement between the parties, or after an award is filed with us as provided in this policy. *Our* payment does not reduce the amount of insurance provided under this policy.

With respect to any mortgagee or secured party named in this policy; governmental entity; or others with contractual, legal, or statutory rights in loss payable under this policy: we may make payment jointly to all interested parties at *our* option. But we need not pay any loss assignee, unless they receive a full assignment of the loss from *you*.

If an insurance trustee is named in this policy, we may negotiate the loss and make payment solely to such trustee – to the extent that the trustee represents those with an interest under this policy.

3. OTHER SPECIAL PART I CONDITIONS

A. Abandonment of Property

Abandonment of any property to us is prohibited.

B. Increase in Hazard / Related Conditions

1. **Increased Hazards** – This insurance is suspended while the hazards we initially undertook to insure are increased by means within *your* control or control of those *you* designate to act for *you*: loss, otherwise covered, is not insured during such suspension of this insurance. Lawful building alteration, construction, maintenance or repair, unless changing the use of premises, is not an increase in hazard.

An increase in hazard at one described premises does not affect this insurance at another described premises when no increase in hazard exists at such other described premises.

Increase in hazard includes changes which affect one or more of the following: use of the premises; the rates for this insurance; the acceptability of the hazard / risk to us, including breach of conditions which were the basis of *our* acceptance of such; the underwriting conditions and changes in physical conditions required by us for such hazard / risk; ongoing continuous effectiveness and use of any protective safeguards required by us for which we have given premium consideration; circumstances which would affect the scope of coverage, covered causes of loss, or amounts of insurance otherwise acceptable to us for such hazard / risk.

2. **Vacancy** – This insurance is suspended when a covered building becomes vacant beyond a period of 60 consecutive days. Vacant means not containing the contents customary to occupancy of the building. A building in the course of lawful alteration, construction, or repair is not considered vacant.

3. **Unoccupancy** – This insurance is suspended when a covered building becomes unoccupied beyond a period of 60 consecutive days.

This Condition does not apply to unoccupancy during that part of the year when it is *your* normal previous custom to close because of seasonal use.

C. Mortgagee Agreement

Mortgagees named in this policy are covered for loss to the extent of their interest and in order of precedence of the mortgages. This Condition applies to those mortgagees (this term includes trustees) named here who comply with the following Conditions.

Provided that the mortgagee will:

1. Without delay, notify us of any change in ownership or occupancy, foreclosure proceeding, or increased hazard known to the mortgagee.
2. Pay, on *our* demand, any required premium because the *insured* fails to do so.
3. Furnish proof of loss within 60 days after *our* request if the *insured* fails to do so.
4. Give us the mortgagee's rights of recovery against anyone liable for the loss. This does not impair the mortgagee's right to recover the full amount of the claim.
5. Permit us, after a loss, to satisfy the mortgage requirements and receive a full assignment of the mortgage and all collateral securities to the debt.

We agree to provide this insurance to protect the mortgagee's interest in covered property even if we deny *your* claim.

See elsewhere in this policy in the state mandatory endorsement for Conditions relating to Cancellation by us.

D. No Benefit to Bailee

This insurance does not apply to the benefit of any others having custody of covered property. Any assignment to such persons or organizations has no standing under this policy.

E. Special Factors, Limits, or Limitations

This Part includes references in certain provisions to factors, limits or special limits, and other limitations described or specified in this policy; these are shown in the Declarations and Supplemental Declarations (or other similar attachments) to this contract.

PART II A • MAIN LIABILITY COVERAGE

COVERAGE E – LIABILITY TO OTHERS

- A.** We pay for the benefit of *insureds*, up to the applicable limit(s) of liability (See Part II D) shown in the Declarations, those sums that *insureds* become legally liable to pay as damages because of *bodily injury* or *property damage* insured in this policy.

Such *bodily injury* or *property damage* must:

1. Occur during the policy term; and
2. Be caused by an *occurrence* that takes place within the applicable coverage territory: See Common Conditions.
3. Prior to the policy term, no *insured* or no *employee* authorized by *you* to give or receive notice of a claim or *occurrence*, knew that the *bodily injury* or *property damage* had occurred in whole or in part. If any *insured* or authorized *employee* knew, prior to the policy term, that the *bodily injury* or *property damage* occurred, then any change in, continuation of, or resumption of such *bodily injury* or *property damage* during or after the policy term will be deemed to have been known prior to the policy term.

Damages because of *bodily injury* insured in this policy include claims by others for care, death (at any time), or loss of services resulting from such *bodily injury*.

Products / Completed Operations Hazard • If a specific aggregate limit of liability (See Part II D) for *products / completed operations hazard* is shown in the Declarations, then Coverage E, as described, extends to *bodily injury* and *property damage* included in the *products / completed operations hazard*.

- B.** *Bodily injury* or *property damage* which occurs during the policy term, provided no insured or *employee* authorized by *you* to give or receive notice of a claim or *occurrence* knew, prior to the policy term, that such *bodily injury* or *property damage* had occurred, includes any change in, continuation of, or resumption of that *bodily injury* or *property damage* after the end of the policy term.

- C.** *Bodily injury* or *property damage* will be deemed to have been known to have occurred at the earliest time when any insured or any *employee* authorized by *you* to give or receive notice of a claim or *occurrence*:

1. Reports all, or any part of, the *bodily injury* or *property damage* to *us* or any other insurer;

2. Receives a written or verbal demand, claim or suit for damages because of the *bodily injury* or *property damage*; or
 3. Becomes aware of anything that indicates that *bodily injury* or *property damage* has occurred or is occurring.
- D.** We have no obligation to pay any damages not covered by this policy or in excess of *our* limits of liability (See Part II D) for any covered damages.

COVERAGE F – MEDICAL PAYMENTS TO OTHERS

- A.** We pay, up to the applicable limit of liability (See Part II D) shown in the Declarations, the reasonable necessary medical expenses, incurred by others, arising out of an accident which are both incurred and reported to *us* by *you* or the coverage beneficiary within three years from the date of such accident. The accident must: take place within the applicable coverage territory and policy term (See Common Conditions), and occur:

1. On *your premises*.
2. Away from *your premises*, but, if so, then only if the accident either:
 - a. Arises out of a condition at *your premises*; or
 - b. Arises out of the business / operations insured by this policy.

Fault or legal liability is not a condition for such payment (and *our* payment is not an admission of liability by any *insured*); however, we pay medical expenses only for *bodily injury* not otherwise excluded or uninsured under this policy.

- B.** Medical expenses means expenses for: ambulance, dental, funeral, hospital, medical, professional nursing, surgical or x-ray services; prosthetic devices, drugs and surgical supplies.

If no “per person” limit is shown, then Coverage F does not apply under this policy.

APPLICATION OF THIS INSURANCE (PART II)

- A.** This insurance applies to liability arising out of *your* contracting business / operations, designated in the Declarations or elsewhere in this policy including incidental related activities and the use of *your premises* for such, to the extent covered by this policy.

- B.** Subject to Common Condition 7, such insurance also applies to the following:
 - 1. Any additions or changes to *your business / operations* to the extent related to contracting operations or *your premises*, as described in the preceding Paragraph A, which occur during the current policy term;
 - 2. Any business entity that *you* newly acquire or form during the current policy term, to the extent related to contracting operations, subject to the additional

conditions described in the definition of *insureds*. See Common Glossary.

All provisions applicable to *your business / operations* and *your premises* designated in this policy apply to such additions, changes, and new entities, unless otherwise modified.

We have no obligation to provide any insurance or service, or pay any expense or any sum, other than those specifically described as applicable and insured in this policy.

PART II B • SUPPLEMENTAL COVERAGES

The following coverages do not extend or modify any provisions in this policy, including our Limits of Liability or any applicable Exclusions, except to the extent specifically described.

1. DEFENSE COVERAGE

- A.** With counsel of *our* choice, *we* defend suits (civil proceedings) against *insureds* seeking damages covered by this insurance. *We* have no duty to investigate any claim, defend or provide for a defense for any *insured*:
 - 1. In connection with either suits seeking damages not covered by this policy or allegations within a suit which are not covered by this policy; or
 - 2. When the applicable limit of liability is used up in payment of judgments or settlements.
- B.** *We* may investigate and settle any claim or suit as *we* deem such to be reasonable.
- C.** *We* assume the following costs and expenses in a suit defended by *us*:
 - 1. All costs incurred by *us*.
 - 2. The interest which accrues after entry of a judgment, but only until that time when *we* pay, offer to pay, or deposit in court that part of the judgment within *our* limit of liability.
 - 3. The prejudgment interest awarded against any *insured* on that part of the judgment *we* pay. But, if *we* offer to pay *our* applicable limit of liability under this policy, *we* will not pay any prejudgment interest which is based on the period of time that follows *our* offer.
 - 4. Costs taxed against the *insured*.
 - 5. Costs of appeal bonds or bonds to release attachments, for that amount of the bond within *our* applicable limit of liability. *We* need not furnish or secure such bonds.
 - 6. The reasonable expenses incurred by the *insured* at *our* request, as well as earnings (up to \$250 per day) lost because of absence from work at *our* request.

Suit includes alternative dispute resolution proceedings to which an *insured* either must submit or may choose to submit (but only if done with *our* prior written consent).

2. CONTRACTUAL COVERAGE

- A.** Coverage E is extended to include *your* liability to pay damages to others (third parties) because of *bodily injury* or *property damage* – to the extent otherwise insured by this policy – arising out of *your* expressed assumption of the liability of another (*your* indemnitee) under the following oral or written contracts:

Item 1

- 1. Agreements to indemnify a municipality as required by law or ordinance. This does not include agreements made in connection with work for a municipality: but the assumption of tort liability of another for such work is included under Item 2.
- 2. Easements. This does not include easements involving work on, or within 50 feet of, a railroad, nor is the assumption of tort liability for such included under Item 2.
- 3. Leases of premises (but not as to fire damage) or elevator maintenance agreements.
- 4. Sidetrack agreements.

Item 2

That part of other contracts (not as described in Item 1) in which *you* have expressly assumed the tort liability (liability imposed by law in the absence of contract) of another, provided that the *bodily injury* or *property damage* is caused, in whole or in part, by *you* or by those acting on *your* behalf, but only to the extent that *you* or those acting on *your* behalf contributed to the *bodily injury* or *property damage*.

- B.** Exclusion 2, in Part II C, does not apply to covered contracts under Item 2 with respect to maintenance, ownership, or use of aircraft or watercraft.
- C.** This Supplemental Coverage applies only to contracts made in connection with *your business / operations* or *your premises* covered by this policy and, then, solely to *bodily injury* or *property damage* which occurs subsequent to execution of the covered contract.

If MCL 501 is listed in the Declarations, then coverage applies solely to those written contracts that *you* furnish to *us* within 60 days of their execution.

If MCL 502 is listed in the Declarations, then Item 2 (tort liability) is deleted.

If MCL 510 is listed in the Declarations, then coverage applies solely to written contracts.

3. FIRST AID EXPENSE COVERAGE

We pay necessary reasonable medical expenses incurred for first aid to others at the time of an accident, other than in connection with *bodily injury* otherwise excluded by this policy.

4. INCIDENTAL ALCOHOLIC BEVERAGE COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the furnishing, giving, serving or use of alcoholic beverages, when *you* furnish, give or serve alcoholic beverages without charge and a license is not required for such activity.

5. INCIDENTAL AUTOMOBILE COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the following:

- A. The parking of *automobiles* (not borrowed or owned by, or rented to, any *insured*) at *your premises*.
- B. The operation of the following devices permanently attached to an *automobile*:
 - 1. Air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.
 - 2. Cherry pickers and similar devices used to raise / lower workers.

6. INCIDENTAL FIRE LEGAL LIABILITY COVERAGE

Coverage E is extended to include, up to the applicable limit of liability (See Part II D) shown in the Declarations for Fire Legal Liability Coverage, *property damage* as follows:

- A. Arising out of fire at a nonowned premises rented to, or occupied by, *you*.
- B. If MCL 521 is listed in the Declarations, then this extension also applies to *property damage* arising out of any other fortuitous direct physical loss at a nonowned premises rented to, or occupied by, *you*.
- C. If a separate specific limit is not shown in the Declarations for Fire Legal Liability, then this Supplemental Coverage does not apply under this policy. (The specified limit is *our* maximum liability in any one *occurrence* in connection with this Supplemental Coverage.)

7. INCIDENTAL MEDICAL / PROFESSIONAL LIABILITY COVERAGE

Coverage E is extended to include *bodily injury* arising out of *your* providing for the benefit of others, without charge,

any incidental medical or nursing services, or drugs or related supplies. This does not apply to any *insured*, or any *insured*'s indemnitee, whose business / profession involves the rendering of such services or drugs or supplies.

8. INCIDENTAL MOBILE EQUIPMENT COVERAGE

A. Coverage E is extended to include *bodily injury* and *property damage* arising out of *loading or unloading*, maintenance, ownership, or use of *mobile equipment*.

B. Glossary

- 1.** *Mobile equipment* means solely land vehicles (including any equipment or machinery permanently attached to, or forming an integral part of, the vehicle) as follows:
 - a. Vehicles used solely at *your premises*.
 - b. Vehicles designed for primary use off public roads such as bulldozers, farm machinery, forklifts, and similar commercial types.
 - c. Vehicles used primarily to provide mobility to the following:
 - 1. Concrete mixers (other than mix-in-transit type).*
 - 2. Diggers, drills, loaders, power cranes, or shovels.*
 - 3. Road construction and resurfacing equipment, such as graders, rollers, or scrapers.*
 - d. Vehicles that are not self-propelled used primarily to provide mobility to:
 - 1. Air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.*
 - 2. Cherry pickers and similar devices used to lower / raise workers.*
 - e. Vehicles that travel on crawler treads.
 - f. Vehicles not otherwise used as described in the preceding paragraphs that are maintained by *you* primarily for uses other than the transportation of cargo or persons: but this Supplemental Coverage does not extend to self-propelled vehicles as described in the following paragraphs or equipped with any of the following permanently attached devices:
 - 1. Designed primarily for road maintenance (other than road construction or resurfacing), snow removal, or street cleaning.
 - 2. Equipped with air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.

3. Equipped with cherry pickers and similar devices mounted on automobile or truck chassis and used to raise / lower workers.

All such vehicles are *automobiles* for purposes of this insurance. But see Supplemental Coverage 5 for coverage of the operation of the described devices.

2. However, *mobile equipment* does not include any land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *automobiles*.
- * **But only if permanently attached to, or forming an integral part of, the vehicle.**

9. INCIDENTAL WATERCRAFT COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of any of the following:

- A. Watercraft while ashore at *your premises* (other than premises *you* have abandoned, sold, or transferred to others).
- B. Watercraft not owned by, or loaned or rented to, any *insured*, if the *occurrence* arises out of *your direct act*. Direct act does not include or mean supervision of others or entrustment to others of watercraft.
- C. Watercraft not owned by *you*, if less than 26 feet in length and not used to carry persons or property for a charge.

10. PERSONAL INJURY / ADVERTISING INJURY COVERAGES

A. Liability to Others

We pay for the benefit of *insureds*, up to the limit of liability (See Part II D) shown in the Declarations, those sums that *insureds* become legally liable to pay as damages because of: 1. *Advertising Injury*; or 2. *Personal Injury*, as described and covered in this policy, arising out of a covered offense.

A covered offense must take place within the policy term and within the applicable coverage territory See Common Condition 6.

This Supplemental Coverage applies only to the following:

1. *Advertising injury* arising out of an offense committed in the course of advertising goods, products, or services of *your business / operations* covered by this policy.
2. *Personal injury* arising out of an offense committed in the conduct of *your business / operations* covered by this policy, but not advertising, broadcasting, publishing, or telecasting done either by *you* or on *your behalf*.

If a specific separate limit of liability for *Personal Injury / Advertising Injury* is not shown in the Declarations, then this Supplemental Coverage does not apply under this policy.

B. Defense in Connection with *Personal Injury / Advertising Injury*

Defense is provided in connection with these coverages in accordance with the defense provisions described under Supplemental Coverage 1.

C. Liability Not Insured (Additional Exclusions)

We do not provide insurance for any sort of damages or liability directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following:

Advertising Injury / Personal Injury Exclusions. We do not insure any of the following:

1. Injury arising out of oral or written publication of material, done by or at the direction of any *insured*, with knowledge that such is false, or such would violate the rights of another and would inflict the injury.
2. Injury arising out of oral or written publication of material whose first publication took place prior to the beginning of this policy or such coverage under this policy.
3. Injury arising out of rendering / failure to render professional advice or service.
4. Injury for which the *insured* has assumed liability in an implied, oral, or written agreement or contract. This does not apply to liability for damages, otherwise insured in this policy, that the *insured* has in the absence of contract.
5. Injury to *you* or *your members or partners* (if *you* are a joint venture or partnership).
6. Injury arising out of an electronic bulletin board or chatroom hosted or owned by the *insured* or over which the *insured* exercises control.
7. Injury arising out of the unauthorized use of another's name or product in *your e-mail address*, domain name or metatags, or any other similar methods to mislead another's current or potential customers.

Advertising Injury – Additional Exclusions. We do not insure any of the following:

8. Injury arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract.
9. Injury arising out of the failure of goods, products, or services to conform with advertised quality or performance.
10. Injury arising out of the wrong description of the price of goods, products, or services.

11. Injury arising out of an offense committed by an *insured* whose business is:
 - a. Advertising, broadcasting, publishing, or telecasting.
 - b. Designing or determining the content of websites for others; or
 - c. Providing internet access, content, search or service.

D. Glossary

Advertising injury means solely the following:

1. Infringement of copyright, slogan, title or trade dress.
2. Misappropriation of advertising ideas or style of doing business.
3. Oral or written publication of material that: slanders or libels a person or organization, disparages a person's or organization's goods, products, or services.
4. Oral or written publication of material that violates a person's right of privacy.

Personal injury means solely the following:

1. False arrest, detention, or imprisonment.
2. Malicious prosecution.
3. Oral or written publication of material that: slanders or libels a person or organization; disparages a person's or organization's goods, products, or services.
4. Oral or written publication of material that violates a person's right of privacy.
5. Wrongful entry into, eviction of a person from, or invasion of the right of private occupancy of, a dwelling, room, or other private premises that the person occupies: but only if done by, or on behalf of, the landlord, lessor, or owner of such premises.

Advertising Injury / Personal Injury do not include *bodily injury* or *property damage*. Accordingly, Part II C – other than Exclusion 5 – does not apply: however, *Advertising Injury / Personal Injury* do not include or extend coverage under this policy in any way to any costs, damages, liability, or loss expressly excluded under Coverage E.

PART II C • LIABILITY NOT INSURED

We do not provide insurance for any sort of costs, damages, expenses, or liability, directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following, even if an *occurrence* otherwise covered contributes to such concurrently or any sequence – except to the extent otherwise specifically described and provided for in this policy.

1. ALCOHOLIC BEVERAGE EXCLUSION

We do not insure *bodily injury* or *property damage*, arising out of: contributing to any person's intoxication; furnishing alcoholic beverages to persons under the legal drinking age or under the influence of alcohol; violating any law, ordinance, or regulation relating to the distribution, gift, sale, or use of alcoholic beverages: but see Supplemental Coverage 4.

aggregate limit for *products / completed operations* coverage shown in the Declarations.

Note: The *products / completed operations hazard* (whether covered by this policy or not) does not include *bodily injury* or *property damage* arising out of:

2. AUTOMOBILES / AIRCRAFT / WATERCRAFT EXCLUSIONS

We do not insure *bodily injury* or *property damage* arising out of the *loading or unloading*, loaning, maintenance, operation, renting, use, or entrustment to others (whether supervised or not) of any aircraft, *automobile*, or watercraft operated or owned by, or loaned or rented to, any *insured*. This also applies to such *bodily injury* or *property damage* arising out of: any device, equipment, machinery, parts, trailers or semi-trailers attached to any aircraft, *automobile*, or watercraft.

But see Supplemental Coverages 2.B, 5 and 9.

3. BUSINESS ACTIVITIES / BUSINESS RISK EXCLUSIONS

A. We do not insure *bodily injury* or *property damage* included in the *products / completed operations hazard* – unless shown as covered by this policy with a specific

products / completed operations coverage shown in the Declarations.

Note: The *products / completed operations hazard* (whether covered by this policy or not) does not include *bodily injury* or *property damage* arising out of:

1. Materials which are abandoned or unused, tools, or uninstalled equipment; or
2. Transporting property, unless the *occurrence* results from a condition in or on a vehicle created by *loading or unloading* of the vehicle.

- B. We do not insure any *property damage* to *your products* or *your work* caused, to any extent, by *your products* or *your work* or any part of such.

This Exclusion does not apply to *your work* if:

1. The work has not, at the time of damage, been abandoned or completed; or
2. The damaged work, or work out of which the damage arises, was performed on *your behalf* by a subcontractor.

- C. With respect to *impaired property* or property that has not been physically damaged, we do not insure *property damage* arising out of any of the following:

1. An inadequacy, defect, deficiency, or dangerous condition in *your products* or *your work*.

2. A delay or failure by *you* or others acting on *your* behalf to perform an agreement or contract in accordance with its terms.

This Exclusion does not apply to loss of use of other property arising out of abrupt (sudden in time – not gradual or ongoing) accidental physical damage to *your products* or *your work* after such is put to its intended use.

- D.** We do not insure any costs, expenses, liability or loss, incurred by *you* or others, arising out of recall by *you*, or any other person or organization, of *your products*, *your work*, or *impaired property* when such must be taken from the market or from others because it is known to be, or is thought to be, dangerous, defective, deficient, or inadequate.

Recall includes adjustment, disposal, inspection, loss of use, recall, removal, repair, replacement, or withdrawal of *your products*, *your work*, or *impaired property*.

- E.** We do not insure *property damage* to any of the following:

1. That part of real property on which work is being performed by either *you*, or any contractor or subcontractor working (directly or indirectly) on *your behalf*, if the *property damage* arises out of such work.
2. That part of any property that must be repaired, replaced, or restored because *your work* was faulty or incorrectly performed on it: this does not apply to *property damage* included in the *products / completed operations hazard*.

This Exclusion does not apply to liability assumed under a written sidetrack agreement.

- F.** We do not insure *bodily injury* arising out of body massaging, chiropody, cosmetic, ear piercing, reducing or slenderizing services or preparations or the use of sun or tanning lamps or other irradiating devices.

- G.** We do not insure *bodily injury* arising out of the piercing of any skin or body part; skin dyeing or tattooing; or the application of, or injection into or under the skin, of any permanent cosmetic or make-up.

H. Glossary

Impaired property means tangible property (other than *your products* or *your work*) that cannot be used, or is less useful, because one or both of the following apply:

1. It incorporates *your products* or *your work* that is known to be, or is thought to be, dangerous, defective, deficient, or inadequate – and it can be restored by adjustment, removal, repair, or replacement of *your products* or *your work*.
2. *You* have failed to fulfill the terms of an agreement or contract and it can be restored by *your* fulfilling the terms of the agreement or contract.

4. CONTRACTUAL LIABILITY EXCLUSION

We do not insure *bodily injury* or *property damage* for which the *insured* is liable to pay damages because of the assumption of liability for such in an implied, oral, or written agreement or contract. But see Supplemental Coverage 2.

To the extent that Supplemental Coverage 2 otherwise applies, we do not insure under such coverage: any liability to indemnify another for fire damage to a premises loaned, rented to, or occupied by *you*; any *bodily injury* or *property damage* which first occurs prior to execution of the agreement or contract.

This Exclusion does not apply to liability for damages, otherwise insured in this policy, that the *insured* has in the absence of contract.

5. EMPLOYEE, EMPLOYMENT, AND RELATED INJURY EXCLUSIONS

- A. We do not insure any obligations of any *insureds* under a disability benefit, unemployment compensation, workers' compensation, or similar law.
- B. We do not insure *bodily injury* to any of *your employees* arising out of and in the course of:
 1. Employment by *you*; or
 2. Performing duties related to the conduct of *your business / operations*.
- C. We do not insure *bodily injury* or *personal injury* arising out of the following:
 1. Coercion, defamation, demotion, discipline, discrimination, evaluation, harassment, humiliation, reassignment, or other employment-related acts, omissions, policies, or practices.
 2. Refusal to employ.
 3. Termination of employment.
- D. We do not insure *bodily injury* or *personal injury*:
 1. Sustained by the brother, child, parent, sister, or spouse of *your employees* arising out of any injury described in the preceding Paragraphs B and C.
 2. With respect to any *employee* (including any *executive officer*) as an *insured* in this policy, in connection with *bodily injury* or *personal injury* to *you*, *your members* or partners (if *you* are a joint venture, limited liability company or partnership) or a fellow *employee*, caused by the *employee* while in the course of employment by *you*.
- E. We do not insure any obligation to share damages with, or repay, others who must pay damages because of any *bodily injury* described in the preceding Paragraphs B, C, and D.

Exclusions B through E apply whether the claim or suit is brought by *your employees* or by any others or whether *you* are liable as an employer or in any other capacity.

However, Exclusion B does not apply to liability assumed under a contract covered under Supplemental Coverage 2.

6. ENDANGERMENT OR HARM EXCLUSION

We do not insure *bodily injury* or *property damage*, whether or not expected or intended by any *insured*, which is a consequence of an *insured's* willfully harmful act or knowing endangerment.

7. FUNGI / MOLD EXCLUSION

A. We do not insure *bodily injury*, *property damage*, *advertising injury*, or *personal injury* resulting from or caused by the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of any *fungi*.

B. We do not insure any cost, expense, liability or loss arising out of any of the following:

- 1.** Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to *fungi*.
- 2.** Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *fungi*.

However, these exclusions do not apply to *bodily injury* resulting from the ingestion of foods, goods or products intended for human consumption.

8. MOBILE EQUIPMENT EXCLUSION

We do not insure *bodily injury* or *property damage* arising out of any of the following:

- A.** *Mobile equipment* not specifically covered under Supplemental Coverage 8; transportation of *mobile equipment* by an *automobile* borrowed, operated, or owned by, or rented to, any *insured* – even if such *mobile equipment* is otherwise covered by this policy.
- B.** *Mobile equipment* while being used in a prearranged demolition, racing, or speed contest or stunting activity, including preparation or practice for such – even if such *mobile equipment* is otherwise covered by this policy.

Mobile equipment means those vehicles described as such in Supplemental Coverage 8.

9. POLLUTION / ENVIRONMENTAL DAMAGE EXCLUSION

A. We do not insure *bodily injury* or *property damage* arising out of the actual, alleged, or threatened discharge, dispersal, emission, escape, flowing, leakage, migration, release, or seepage of *pollutants* or other similar forms of environmental damage, regardless of where or how such may take place.

Paragraph A of this Exclusion does not apply to *bodily injury*, *property damage*, *advertising injury* or *personal injury* caused by:

The fumes, heat, smoke, or soot that are products of combustion arising out of a fire at *your premises*, other than such that are the products of burning *pollutants*.

However, if the fire is a controlled act, the following additional conditions apply:

- 1.** All materials burned (and the burning process) must give rise solely to ordinary combustion particulate and products, such as those usual to a building (materials) fire. The fire must not involve any business, industrial manufacturing, or processing activities. And
 - 2.** The premises, site or location is not or was not at any time used by or for any insured or others for the disposal, handling, precessing, storage, or treatment of waste. Waste includes materials to be reclaimed, reconditioned or recycled.
- B.** We do not insure in this policy any cost, expense, liability, or loss arising out of any of the following:
- 1.** Any demand, directive, order, or request that any *insured* or others cleanup, contain, detoxify, monitor, neutralize, remove, test for, treat, or in any way assess the effects of or respond to *pollutants*; or
 - 2.** Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *pollutants*.

10. PREMISES / OTHER PROPERTY ADDITIONAL EXCLUSIONS

We do not insure *property damage* to any of the following premises or property:

- A.** Personal property in the care, control, or custody of any *insured* or any property borrowed by *you*: this does not apply to liability assumed under a written sidetrack agreement.
- B.** Premises *you* have abandoned, sold, or transferred to others, if the damage arises out of any part of such premises.
This does not apply to premises that are *your work* and have been neither occupied by *you* nor rented or held for rental by *you* to others.
- C.** Property occupied or owned by, or rented to, *you*: but see Supplemental Coverage 6.
- D.** With respect to an *employee*, to property borrowed, occupied, owned, or rented by: such *employee*, any of *your other employees*, or any of *your members* or partners (if *you* are a joint venture, limited liability company or partnership).

11. PROFESSIONAL ACTIVITIES EXCLUSION

We do not insure *bodily injury* or *property damage* arising out of the rendering or failure to render any sort of professional advice, product, or service whether such are those of any *insured* or *insured's* indemnitee or any employees of an *insured* or *insured's* indemnitee.

But see Supplemental Coverage 7 for certain coverage.

If MCL 505 is listed in the Declarations, this Exclusion is waived with regard to products or services which are an incidental and minor part of your principal business / operations otherwise covered by this policy.

12. SILICA EXCLUSION

A. We do not insure *bodily injury*, *property damage*, *advertising injury*, or *personal injury*, resulting from or caused by the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of silica in any form, including silica particles or dust, or any products or substances containing silica.

B. We do not insure any cost, expense, liability or loss arising out of any of the following:

- 1.** Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to silica in any form, including silica particles or dust, or any products or substances containing silica.
- 2.** Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to silica in any form, including silica particles or dust, or any products or substances containing silica.

13. VIRUS CONTAMINATION EXCLUSION

A. We do not cover *bodily injury*, *property damage* or medical payments resulting from or caused by the actual, alleged, or threatened exposure to contamination at *your premises* by any virus or other pathological agent that causes disease or illness in humans, animals, birds or other creatures.

B. We do not insure any cost, expense, liability or loss arising out of any of the following:

- 1.** Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to any virus or pathological agents.

- 2.** Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to any virus or other pathological agents.

However, these exclusions do not apply to bodily injury resulting from the ingestion of foods, goods or products intended for human consumption.

THE FOLLOWING ARE ADDITIONAL EXCLUSIONS APPLICABLE TO COVERAGE F

14. PRODUCTS / COMPLETED OPERATIONS HAZARDS EXCLUSION

We do not insure medical expenses in connection with *bodily injury* included in the *products / completed operations hazard*.

15. SPECIFIED PERSONS EXCLUSIONS

We do not insure medical expenses in connection with *bodily injury* to any of the following persons:

- A.** Any *insured*.
- B.** Any person to whom benefits are payable, or must be provided, under a disability benefit, workers' compensation, or similar law, for injury sustained by such person.
- C.** Any person hired to do work for, or on behalf of, any *insured* or a tenant of any *insured*.
- D.** Tenants or other persons on *your premises* if the injury occurs on that part of *your premises* such person normally occupies.

16. SPORTS ACTIVITIES EXCLUSION

We do not insure medical expenses in connection with *bodily injury* to any person taking part in athletic activities.

17. YOUR MEDICAL SERVICES / GENERAL MEDICAL EXCLUSIONS

A. We do not insure medical expenses in connection with medical services that are provided by *you*, *your employees*, or others under contract to *you* to provide medical services, including first aid (Supplemental Coverage 3) to others at the time of an accident.

B. We do not insure any medical expenses in connection with any *bodily injury* otherwise excluded in this policy.

PART II D • SPECIAL LIABILITY CONDITIONS

1. DUTIES OF INSUREDS – WHAT TO DO IN CASE OF CLAIM, INJURY, OCCURRENCE, OR SUIT

You, other *insureds*, and other coverage beneficiaries must do all of the following things:

- A. Immediately notify *us* of all relevant circumstances relating to a claim or any incident which may result in a claim, with all necessary information. For example: who *you* are; the time, place, and circumstances of the injury or *occurrence*; the names and addresses of injured persons and witnesses.
- B. Immediately send *us* all bills, documents, notices, papers, or summonses related to any claim or suit brought against any *insured* or to any medical expense claims.
- C. Cooperate with *us* in matters relevant to the claim or suit. Assist *us* in: conducting suits, including by attending hearings and trials and giving evidence; enforcing the *insured's* rights of contribution or indemnity against others; investigating *occurrences*; making settlements; obtaining records (or other information) or the attendance of witnesses.
- D. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, we reserve the right to examine and receive statements from each person separately and out of the presence of the others. We also reserve the right to video record any examination.
- E. Refrain from voluntarily making payments, assuming obligations, or incurring defense, investigative, or any other expenses – unless with *our* specific written authorization to do so (otherwise such undertakings will be at the *insured's* own expense and *we* will not pay for them). This does not apply to first aid expense coverage.
- F. With regard to Coverage F, coverage beneficiaries must, as *we* reasonably require: provide written proof of claim (under oath, if required); submit, at *our* expense, to physical examinations by physicians of *our* choice; authorize *us* to obtain medical records.

Failure to comply with these (or other conditions) can alter or void *our* obligations under this policy.

2. LIMITS OF LIABILITY

Our maximum total liability payable for the sum of all damages, injury, liability and loss covered by this policy is limited as follows – regardless of the number of *insureds*, or claims made or suits brought by one or more persons or organizations. *Our* obligation to make payments ceases when the applicable limit is used up in payment of judgment or settlements.

- A. **General Coverage Limits** – The following limits apply for all damages or medical expenses in any one *occurrence*, accident, or injury, as indicated:

1. Occurrence Limits – Coverages E and F

Our maximum limit of liability payable under Coverages E and F in any one *occurrence* is the *occurrence* limit shown in the Declarations; but see sub-limits applicable to Supplemental Coverage 6.

2. Accident Limit / Per Person Limit – Coverage F

Our maximum limit of liability payable under Coverage F for any one person in any one accident is the “per person” limit shown in the Declarations.

3. Personal Injury / Advertising Injury Limit

Our maximum limit of liability payable under *Personal Injury / Advertising Injury* Coverage for all such injuries sustained by any one person or organization is the limit shown in the Declarations.

B. Aggregate / Total Limit – General Coverages

The following limits apply for all damages or medical expenses for all *occurrences*, accidents, or injuries that may occur in the period(s) described in the following Paragraph C.

1. Aggregate / Total Limit – General Coverages

Our maximum total limit of liability payable for:

- a. Coverage E;
 - b. Coverage F; and
 - c. *Personal Injury / Advertising Injury*;
- is the general aggregate / total limit shown in the Declarations.

This general aggregate / total limit does not apply to *products / completed operations*, which is subject to a separate specific aggregate / total limit.

If a specific aggregate / total limit is not shown in the Declarations, then a general aggregate / total limit does not apply to the subject coverages.

2. Aggregate / Total Limit – Products / Completed Operations Hazard

Our aggregate / total maximum limit of liability payable under Coverage E for all damages included in the *products / completed operations hazard* is the limit shown in the Declarations for *products / completed operations*.

C. Application of Limits

1. The limits described in the preceding paragraphs apply separately to each consecutive 12 month period, beginning with the policy term shown in the Declarations.

2. If the policy is originally issued for more than 12 consecutive months with a terminal period less than 12 months, the limits apply separately to: each consecutive 12 month period; the terminal period. For example; if 27 months: 12 months, 12 months; 3 months. However, if extended after issuance, the terminal period is included in the last 12 month period. For example, 12 months and 15 months.

D. Deductible

1. If a deductible amount is shown in the Declarations then such deductible applies on a “per claimant” basis to all damages for *property damage* sustained by any one person or organization in any one *occurrence*.
2. *Our* obligation to pay damages only applies to the amount of damages in excess of any deductible amount. *Our* maximum limit of liability payable in any one *occurrence* is reduced by the amount of such deductible. However, the deductible does not reduce any aggregate / total limit.
3. *We* may pay any part or all of the deductible amount to settle any claim or suit. *We* will notify the *first named insured* of such and the *first named insured* is obligated to promptly reimburse *us* for that part of the deductible amount *we* paid.

3. OTHER CONDITIONS

- A. Except for the limits of liability and any duties / rights assigned to the *first named insured*, this insurance

applies separately: to each *insured* against whom claim is made or suit is brought, to each *named insured* as if the only *named insured*.

B. Bankruptcy

Bankruptcy of the *insured* does not relieve *us* of *our* obligations under this policy.

C. Two or More Policies Issued by Us

If this policy and any other policy or coverage form issued to you by us, or by any company affiliated with us, apply to the same occurrence, accident or injury, our maximum limit of liability under all of the policies and coverage forms shall not exceed the highest applicable limit of liability provided under any one policy or coverage form. In no event will any limit of liability of this policy be excess over or added to the limit of any other such policy or coverage form.

This Condition does not apply to any policy or coverage form issued by us, or by any company affiliated with us, as an umbrella/excess liability policy, and which specifically applies as excess insurance over this policy.

COMMON GLOSSARY – PARTS I AND II

Certain words and phrases used in this policy are defined for the purposes of this insurance contract. These are described in the following paragraphs.

PARTS I and II

The following apply to both Parts I and II:

Fungi

Fungi means any type or form of fungus, mold, mildew, spores, algae, smut, protists, rusts or *rot and decay organisms*, and any similar or related organisms and any mycotoxin, substance, compounds, chemicals, mist or vapor produced by any *fungi* in any form, or any by-products or waste produced by *fungi*, but does not include any *fungi* intended to be edible.

Pollutants

Pollutants are any gaseous, liquid, solid, or thermal contaminant or irritant, including acids, alkalis, chemicals, fumes, smoke, soot, vapors, and waste (including materials to be reclaimed, reconditioned, or recycled),

Rot and Decay Organisms

Rot and decay organisms means any living organism that causes decomposition of physical property.

We / Us / Our

We, *us*, and *our* refer to the Insurance Company named in this policy.

You / Your / Yourself

You, *your* and *yourself* refer to the *named insureds* who are the *insureds* named in the Declarations. *First named insured* is the *insured* named first in the Declarations. *You* also includes any business / organization that *you* newly acquire or form to the

extent covered in this policy.

PART I

The following apply to Part I:

Actual Cash Value

Consideration may be given by *us* in *our* determination of *actual cash value* to: age; condition; cost to repair, replace, or restore the property, subject to deduction for depreciation; deterioration; economic value; market value; obsolescence (both structural and functional), original cost; use; utility; or other circumstances that may reasonably affect value.

Automatic Sprinkler System

Automatic sprinkler system means –

- A. Any automatic fire protection or extinguishing system, including any of the following connected parts:
 1. Ducts, fittings, pipes, or valves.
 2. Pumps and private fire protection mains.
 3. Sprinklers and other discharge nozzles.
 4. Tanks, including their component parts and supports.
- B. When supplied by an automatic fire protection or extinguishing system:
 1. Hydrants, outlets, or stand pipes.
 2. Non-automatic fire protection or extinguishing systems.

Collapse

Collapse means an abrupt falling down or caving in of a building or structural parts of a building.

Collapse does not include a building or part of a building that is:

1. In danger of falling down or caving in.
2. Standing, even if it has separated from another part of the building.

Collapse does not include bulging, cracking, expanding, settling or shrinking.

Computer Hacking

Computer hacking means unauthorized intrusion into a computer network, hardware, software or website including entry of a computer worm or Trojan Horse, spyware or adware that results in:

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
2. Copying, observation or scanning of data records, programs and applications and proprietary programs;
3. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
4. Deletion, destruction, generation or modification of software; or
5. Denial of access to or denial of service from *your* computer network, hardware or website.

Computer Virus

Computer virus means the introduction into hardware, software or a website of any malicious self-replicating electronic data processing code or other code that is intended to result in, but is not limited to:

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
2. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
3. Deletion, destruction, generation or modification of software; or
4. Denial of access to or denial of service from *your* computer network, hardware or website.

Insured

Insured means the person or entity designated as *insured* in the Declarations or otherwise named as an *insured* in this policy.

Money / Securities

Money means – bank notes, bearer bonds, bullion, coins,

currency, lottery tickets, money orders, registered checks, and travelers checks held for sale to the public.

Securities means – negotiable and non-negotiable contracts or instruments that represent obligations to pay money or pay other property and that are collectible at the time of loss: examples of such include – but are not limited to – accounts, bills, deeds, evidence of debt, notes; revenue and other stamps, tickets (not money), or tokens now in use.

Valuable Papers and Records

Valuable papers and records includes – abstracts, books of account, card index systems, drawings, manuscripts, microfilm; microfiche, as well as cell, disk, drum, film, tape, or other data processing, recording, or storage media.

PART II

The following apply to Part II:

Automobile

Automobile means any land motor vehicle or trailer (including semi-trailers) designed for travel on public roads, including any equipment or machinery attached to such vehicle or trailer. *Automobile* does not include vehicles covered here as *mobile equipment*.

Bodily Injury

Bodily injury means bodily harm, sickness or disease sustained by any person including death at any time resulting from such, caused by a covered *occurrence*.

Employee

Employee means a person employed by *you* and includes a leased worker. *Employee* does not include a temporary worker or independent contractor.

Executive Officer

Executive officer means a person who holds any of the officer positions created by *your* bylaws, charter, constitution, or other similar governing document.

Insured

Insured means the following, as designated in the Declarations, to the extent set forth below:

1. **Individual** – If *you* are an individual: *you* and *your* spouse with respect to conduct of the business / operations of which *you* are the sole proprietor.
2. **Partnership, Joint Venture or Limited Liability Company** – If *you* are a partnership, joint venture or limited liability company: the partnership, joint venture or limited liability company, and any partners or members, and their spouses, with respect to the conduct of such partnership, joint venture or limited liability company.
3. **Other Organization** – If *you* are an organization other than a partnership, joint venture or limited liability company: the organization and any *executive officers* or directors while

acting within the scope of their duties as such; stockholders with respect to their liability as such.

4. *Your employees* (other than *executive officers*) while acting within the scope of their duties as such.

If MCL 506 is listed in the Declarations, this extension to employees is deleted.

5. Persons (other than *your employees*) or organizations acting as real estate manager for *you*.
6. A business entity (not a partnership, joint venture or limited liability company) that *you* newly acquire or form, if owned with majority interest by *you*: but only up to 120 days after *you* first acquire or form such or the end of the policy term, whichever ends first. Such entity is not an *insured* here if there is other similar insurance available to it or for any accidents, *occurrences* or offenses prior to the time of such acquisition or formation.

If MCL 507 is listed in the Declarations, this extension to new entities is deleted.

This insurance does not apply to any partnership, joint venture or limited liability company – of which the *insured* is a partner or member – if not named in this policy, including those responsible for such.

Leased Worker

Leased worker means a person who is leased to *you* by a labor leasing firm under an agreement between *you* and such firm to perform duties related to the conduct of *your* business / operations. *Leased worker* does not include a *temporary worker*.

Loading / Unloading

Loading or unloading means the handling or movement of property as follows:

1. Beginning while being moved from the place where it is accepted for movement into or onto an aircraft, *automobile*, or watercraft;
2. While in or on an aircraft, *automobile* or watercraft;
3. While being moved from an aircraft, *automobile*, or watercraft to the place where it is finally delivered.

Loading or unloading does not include movement of property by any mechanical device which is not attached to the aircraft, *automobile*, or watercraft other than a hand truck.

Occurrence

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Products / Completed Operations

Products / Completed Operations Hazard includes all *bodily injury* and *property damage* occurring away from *your* premises arising out of *your products* or *your work*, other than that arising out of any of the following:

1. Products that are in *your* physical possession.

2. Work that has not been completed or abandoned. *Your work* is deemed completed at the earliest one of the following times:
 - A. When all the work called for in *your* contract is completed.
 - B. When all the work called for in *your* contract at the job location is completed if *your* contract calls for work at more than one location.
 - C. When that part of the work at a job location is put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that needs final correction, maintenance, repair, replacement, or service – but is otherwise complete – is deemed completed.

Property Damage

Property damage means the following, caused by a covered occurrence:

1. Direct physical injury to tangible property, including loss of use of such property (the loss of use is deemed to occur at the time of such direct physical injury).
2. Loss of use of tangible property that is not physically injured: all such loss of use is deemed to occur at the time of the *occurrence* causing the loss.

Temporary Worker

Temporary worker means a person who is furnished to *you* as a substitute for a permanent *employee* on leave or to meet seasonal or other short-term workload conditions. *Temporary worker* does not include a *leased worker*.

Your Premises

Your premises means: premises occupied or owned by, or rented to, *you*; and – whether or not such premises are designated in the Declarations or elsewhere in this policy – premises *you* have abandoned, sold, or transferred to others.

Your Products

Your products means the following:

1. Goods or products disposed of, distributed, handled, sold, or manufactured by: *you*; others trading under *your* name; persons or organizations whose business or assets *you* have acquired.
2. Containers (other than vehicles), equipment, materials, or parts furnished in connection with such goods or products.

Your products also includes the following: warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of any of *your products*; providing or failing to provide instructions or warnings.

Your products does not include: real property; vending machines or other property either rented to others or placed for the use of others, but not sold.

Your Work

Your work means the following:

1. Operations or work performed by *you* or on *your* behalf.
2. Equipment, materials, or parts furnished in connection with such work or operations.

Your work also includes the following: warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of any of *your work*; providing or failing to provide instructions or warnings.

COMMON EXCLUSIONS • PARTS I AND II

The following includes similar type Exclusions applicable to Parts I and II. These Common Exclusions apply in addition to those shown under the separate coverage Parts. We provide no insurance for any sort of damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss otherwise covered contributes to such concurrently or in any sequence.

PART I

The following apply to Part I:

1. EARTH MOVEMENT / EARTHQUAKE / VOLCANIC ACTIVITY

Earthquake; volcanic activity (including volcanic effusion, eruption or explosion) other than that specifically described as included in volcanic eruption Part I C, Item E 10; or other catastrophic earth movement. But if loss resulting from fire or explosion, or theft (to the extent otherwise insured under this policy) ensues, we insure such resulting loss.

2. GOVERNMENTAL / LEGAL / WAR

- A. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected.
- B. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured*. Statutory fines or liability. Exemplary or punitive damages.
- C. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.
- D. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire – provided the fire originates from a cause of loss covered by this policy.

3. NUCLEAR / RADIOACTIVE LOSS

- A. Any nuclear event, occurrence, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination.

These are not fire, explosion, smoke or any other covered cause of loss. However, if these result in fire we insure such resulting direct fire loss, but not any other direct physical loss which may ensue.

- B. The explosive, radioactive, toxic or other injurious properties of nuclear or radioactive materials – whether such materials are natural or manufactured.

PART II

The following apply to Part II:

1. EARTHQUAKE

Earthquake.

2. GOVERNMENTAL / LEGAL / WAR

- A. Any act or condition of war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such.
- B. Knowing violation of penal law or ordinance committed by, or with the consent of, any *insured*. Statutory fines or liability. Exemplary or punitive damages. Illegal trade.
- C. Violation of any ordinance, regulation or statute that prohibits or limits the communicating, distributing, sending or transmitting of material or information such as the Telephone Consumer Protection Act (TCPA) or the CAN-SPAM Act of 2003, including any amendments or additions to such laws.
- D. Confiscation, loss, or seizure under customs drug enforcement or quarantine legislation or regulations.

3. NUCLEAR ENERGY

We do not insure *bodily injury* or *property damage* as follows:

- A. With respect to which any *insured* in this policy is also insured under any nuclear energy liability policy (or would have been an insured under such but for its termination upon exhaustion of its limits).
- B. Resulting from the *hazardous properties* of *nuclear material*, with respect to which:
 1. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendments; or
 2. The *insured* is (or would be if this policy did not exist) entitled to indemnity from the United States of America or its agencies under any agreement entered into by the United States of America or its agencies.

- C. Resulting from the *hazardous properties* of *nuclear material*, if:
 - 1. The *nuclear material* is at, or is discharged or dispersed from, any *nuclear facility* owned or operated by or on behalf of any *insured*; or
 - 2. The *nuclear material* is contained in *spent fuel* or *waste* at any time disposed of, handled, possessed, processed, stored, transported, or used by or on behalf of any *insured*.
- D. The furnishing by any *insured* of equipment, materials, parts, or services in connection with the construction, maintenance, operation, planning, or use of any *nuclear facility*: but if such facility is located within the United States of America, its possessions or territories, or Canada, this applies only to *property damage* to such facility and property located at such facility.
- E. **Glossary**
The following special definitions apply to this Exclusion:
 1. *Hazardous Properties* include explosive, radioactive, or toxic properties.
 2. *Nuclear Facility* means any of the following:
 - a. Any *nuclear reactor*;
 - b. Any equipment or device designed or used for: separating the isotopes of uranium or plutonium; processing or utilizing *spent fuel*; handling, processing or packaging *waste*;
 - c. Any device or equipment used for alloying, fabricating, or processing of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such device or equipment is located consists of, or contains more than, 25 grams of plutonium or uranium-233, or any combination of such materials, or more than 250 grams of uranium-235.
 3. *Nuclear Material* means *source*, *special nuclear*, or *by-product material*.
 4. *Nuclear Reactor* means any apparatus designed or used: to sustain nuclear fission in a self-supporting chain reaction; to contain a critical mass of fissionable material.
 5. *Property Damage* also includes all forms of radioactive contamination of property.
 6. *Source Material*, *Special Nuclear Material*, and *By-product Material* have the meanings given them in the Atomic Energy Act of 1954, or any amendments.
 7. *Spent Fuel* means any fuel component or element, whether solid or liquid, which has been either used in, or exposed to radiation in, a *nuclear reactor*.
 8. *Waste* means any material, resulting from the operation of a *nuclear facility* as defined in the first two items of *nuclear facility*, containing *by-product material* other than the tailings or wastes produced by the extraction or concentration of thorium or uranium from any ore processed primarily for its source material content.

COMMON CONDITIONS – PARTS I AND II

The following are Conditions that apply to both Parts I and II. These Common Conditions apply in addition to those shown under the separate Coverage Parts.

1. ACTION OR SUIT AGAINST US

PART I

The conditions for bringing an action or suit against *us* are described elsewhere in this policy in the state mandatory endorsement.

PART II

No action may be brought against *us* until all conditions in this policy are complied with, and until the amount of the *insured's* obligation (payable under this policy) has been determined by judgment in trial or by agreement made with *our* written consent.

No right exists under this policy for *you* or others to make *us* party to an action against any *insured*.

2. ASSIGNMENT OF YOUR INTEREST

No assignment of an interest under this policy is binding on *us* without *our* written consent. However, if *you* are an individual and die, this insurance applies to the following who become *insureds* here in the described capacity:

- A. *Your* legal representative, while acting within the scope of the representative's duties.
- B. Those with custody of *your* property prior to appointment of a legal representative.

3. CANCELLATION / TERMINATION

A. General

You may cancel this policy by: surrendering the policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. Such request made by the *first named insured* applies

for all *insureds* / interests named in this policy. All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the *first named insured* – within 30 days after the cancellation date.

If *you* secure insurance with another insurer to replace *our* policy and do not pay the premium, or installment payment, for this policy when due: this policy terminates at the time such other insurance becomes effective. If *you* sell the described business or premises to others, coverage under this policy terminates at the time title is transferred to others with respect to such business or premises – unless *you* retain an insurable interest.

B. Our Right to Cancel or Terminate

Our rights to cancel or terminate this insurance are described elsewhere in this policy in the state mandatory endorsement.

4. CONCEALMENT / MISREPRESENTATION / FRAUD

This policy is void if, either before or after a loss or *occurrence* or claim, any *insured* misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely relating to any aspect of this insurance (including the information *we* relied upon in issuing this contract). However, if *we* specifically choose not to declare this policy void, *we* do not provide insurance under this policy to, or for the benefit of, any such *insureds*.

5. CONFORMITY WITH STATUTE

It is agreed by *us* that the provisions of this policy are amended to conform to all applicable statutory requirements.

6. COVERAGE TERRITORY

PART I

We cover damage or loss only within the fifty states of the United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

PART II

Coverage here applies only within the following territories:

- A.** The United States of America (including its possessions or territories), the District of Columbia, Puerto Rico and Canada.
- B.** International waters or air space, if the *bodily injury* or *property damage* occurs while in the course of transit to or from the territory described in the preceding Paragraph A.
- C.** Anywhere in the world with respect to damages because of *bodily injury* or *property damage* arising out of either:
 - 1.** Activities of a person whose home is in the territory described in the preceding Paragraph A, but is away for a brief time in the course of *your* business / operations covered by this policy; or

- 2.** Goods or products made or sold by *you* in the territory described in the preceding Paragraph A.

However, all coverage under this policy applies only to suits which are brought or agreements made with *our* written consent within the territory described in the preceding Paragraph A.

7. EXAMINATION / CHANGES

We may, at *our* option, inspect *your* property and operations at any time, make surveys, and make recommendations. However, *our* reports or recommendations or those of any inspection bureau or rating bureau do not constitute a determination or representation that *your premises* or operations are in compliance with any law or regulation, healthful, or safe.

We may inspect and audit *your* books and records at any time (including up to 3 years after termination of this insurance contract) to the extent such pertains to the subject of this insurance or payment of premium. The *first named insured* is required to keep all records necessary for such and send complete accurate copies to *us* at *our* request.

We may make premium adjustments: because of inspection and audit; because of the use of premises not described here or any other rateable additions or changes; because of newly acquired or formed business entities.

But, as to Part II, *we* are not obligated to continue insurance on additions or changes, new entities, or premises described in the preceding paragraphs. Nor, in any event, are such covered on renewal (of the expiring policy term) unless *you* report such to *us* and such are described in the renewal Declarations: this condition does not apply to additions or changes (other than new entities) effected within 60 days prior to the renewal date of the expiring policy term.

8. INSURANCE UNDER MORE THAN ONE COVERAGE

In the event that more than one coverage under this policy covers the same loss *we* are liable only for the amount of *our* obligation, up to *our* limit of liability, not exceeding the amount of loss.

9. LIBERALIZATION

This policy is automatically extended to include provisions approved during the policy period or within 45 days prior to its inception, which would broaden coverage under this policy, if such are not subject to additional premium or concurrent with coverage restrictions.

10. OTHER INSURANCE

PART I

- A.** This insurance is excess insurance over other insurance *you* may have applicable to the loss (whether *you* can collect on it or not) that is not subject to the same provisions contained in this policy.
- B.** When this insurance is excess over other insurance: *We* pay only *our* share of the remaining loss that exceeds the sum of both:

1. The total amount payable by all such insurance, as described, in the absence of this insurance; plus
2. The total of any deductibles or self-insured amounts under all such insurance.

Furthermore, any remaining loss is then shared by *us* with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph C.

- C. With regard to other insurance subject to the same provisions contained in this policy or where *we* otherwise are a primary insurer (among others) *we* pay in one of the following ways:

1. If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the amount of obligation is paid or the insurer's applicable limit of liability is used up, whichever comes first.
2. If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of loss than *our* obligation on the applicable limit of liability of this policy bears to the total amount of insurance of all insurers covering the loss.

However, if *you* have any other insurance applicable to property covered by this policy – but not covering a cause of loss covered under this policy, then: any loss payable under this policy in connection with such cause of loss is apportioned and payable by *us* in the same way as if such other insurance covered the loss.

PART II

- A. This insurance is excess insurance over insurance provided on any basis:

1. That is not subject to the same provisions contained in this policy, other than an umbrella/excess liability policy which applies in excess of the limits of this policy.
2. That is property insurance (including fire, allied lines, inland marine) for *your work* or a premises rented by *you*.
3. That is liability insurance (including an umbrella / excess liability policy) for aircraft, *automobiles*, watercraft, or pollution, to the extent otherwise covered in this policy.
4. That is primary liability insurance available to *you* when *you* have been added or named as an additional insured on such other insurance for damages arising out of the business / operations or premises described in that other policy.

Otherwise, this insurance is primary insurance.

- B. When this insurance is excess over other insurance:

1. *We* have no obligation to defend or provide a defense – but, *we* may defend:
 - a. If no other insurer defends: *we* are then entitled to the *insured's* rights against all other insurers; or

- b. If, at *our* option, *we* choose to join the defense provided by other insurers or provide a separate defense.

2. *We* pay only *our* share of the remaining loss that exceeds the sum of both:
 - a. The total amount payable by all such insurance, as described, in the absence of this insurance; plus
 - b. The total of any deductibles or self-insured amounts under all such insurance.

Furthermore, any remaining loss is then shared by *us* with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph C, (other than an umbrella / excess liability policy which applies in excess of the limits of this policy).

- C. With regard to other insurance subject to the same provisions contained in this policy or where *we* are a primary insurer (among others) *we* pay in one of the following ways:

1. If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the total amount of obligation is paid (or each insurer exhausts its applicable limit of liability).
2. If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of the *insured's* obligation than the applicable limit of liability of this policy bears to the total amount of insurance of all insurers covering the loss.

11. PREMIUMS

The *first named insured* is responsible for the payment of all premiums, and will be the sole payee of any premiums *we* return. Premium adjustments, including audit premium adjustments, are due and payable on *our* notice of such to the *first named insured*.

12. RECOVERY FROM OTHERS

If any *insured* (or others) to whom, or for whom, *we* make payment has any rights of recovery on the loss from another, those rights are transferred to *us* to the extent of *our* payment under this policy. *Insureds* (or such others) must do whatever *we* require to secure these rights. *You* may waive such rights in writing prior to a covered loss. *You* may also waive such rights after a loss, but only if the waiver is given to either:

- A. Another *insured* under this policy; or
- B. A business either controlled or owned by *you* or that controls or runs *your* business.

But *we* have no obligation to pay under this policy on the loss if these rights are otherwise waived.

13. TIME OF INCEPTION

PART I

The time of inception and expiration is 12:01 A.M. Standard Time at the described premises. Unless otherwise specifically provided for in this policy, this insurance applies only to *covered loss* that takes place during the policy term.

PART II

The time of inception and expiration is 12:01 A.M. Standard Time at the mailing address shown in the Declarations.

14. WAIVER OR CHANGE OF PROVISIONS

Only the *first named insured* may request changes in this policy. The terms of this policy may not be waived or changed except in writing, signed by *our* agent and attached to this policy. The exercise of *our* rights under this policy is not an act of waiver. This policy contains all related agreements between *you* and *us*.

SOFTWARE LOSS EXCLUSION – PART I

This endorsement establishes an exclusion for software loss.

Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATION

We do not provide insurance for any loss, damage, cost or expense, whether preventative, remedial, replacement, statutorily mandated or otherwise, directly or indirectly arising out of, resulting from, or involving a *software loss*.

This exclusion does not apply to direct physical loss or damage to tangible property that *you* do not manufacture, that results from a *software loss*. For purposes of this endorsement, programs, computer software or operating systems, programming instructions and data are not tangible property.

GLOSSARY

For the purposes of this endorsement, the following definitions apply:

- A.** *Software loss* means loss of or damage to any program(s), computer software or operating system(s), programming instruction(s), or data arising out of or resulting from any failure, malfunction, deficiency, fault, *virus*, deletion or corruption.

Software loss includes but is not limited to loss or damage resulting from any authorized or unauthorized access in or to any:

1. Computer, computer system, computer software or operating systems, computer hardware, communication system,
2. Computer memory, computer chip, microchip,
3. Data processing equipment, file server, networking equipment, integrated circuit or similar device in computer equipment,
4. Program, programming instructions, or data.

- B.** *Virus* means software, data or code that affects the operation or functionality of any:

1. Computer, computer system, computer software or operating systems, computer hardware, communication system,
2. Computer memory, computer chip, microchip,
3. Data processing equipment, file server, networking equipment, integrated circuit or similar device in computer equipment,
4. Program, programming instructions, or data, including but not limited to, any destructive program, computer code, *virus*, worm, logic bomb, denial of service attack, smurf attack, vandalism, trojan horse, or any other data introduced into any electronic system causing deletion, destruction, degradation, corruption, malfunction or compromise to *your* data, software or electronic business systems.



IDENTITY RECOVERY COVERAGE (IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT)

This endorsement together with the Special Contractors Policy (SISC-0001) provides an additional Supplemental Coverage for identity recovery.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL SUPPLEMENTAL COVERAGES

The following is added to Part I B – Supplemental Coverages.

IDENTITY RECOVERY COVERAGE

- A. We will provide the Case Management Service and Expense Reimbursement described in Paragraph B below if all of the following occur:
1. There has been an *identity theft* involving the personal identity of an *identity theft insured* under this policy; and
 2. Such *identity theft* is first discovered by the *identity theft insured* during the policy period for which this Identity Recovery coverage is applicable; and
 3. Such *identity theft* is reported to us within 60 days after it is first discovered by the *identity theft insured*.

- B. If all three of the requirements listed in Paragraph A above have been met, then we will provide the following to the *identity theft insured*:

1. Case Management Service

Services of an *identity recovery case manager* as needed to respond to the *identity theft*.

2. Expense Reimbursement

Reimbursement of necessary and reasonable *identity theft expenses* incurred as a direct result of the *identity theft*.

This coverage is additional insurance.

ADDITIONAL CONDITIONS

A. LIMITS

Case Management Service is available as needed for any one *identity theft* for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement is subject to a limit of \$15,000 aggregate per *identity theft insured*. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all *identity thefts* to any one *identity theft insured* which are first discovered by such *identity theft insured* during the present annual policy period. If an *identity theft* first begins in one policy period and continues into other policy periods, all loss and expense arising from such *identity theft* will be subject to the aggregate limit applicable to the policy period when the *identity theft* was first discovered.

Legal costs as described in Item d. of the definition of *identity theft expenses* are part of, and not in addition to, the Expense Reimbursement coverage limit.

B. DEDUCTIBLE

1. Case Management Service is not subject to a deductible.
2. Expense Reimbursement is subject to the deductible amount shown in the Declarations for Coverages A, B and C. An *identity theft insured* will be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

C. ASSISTANCE AND CLAIMS

For assistance, please call the **Identity Theft Help Line** at: **1-877-521-1780**.

The **Identity Theft help Line** is available to provide *identity theft insureds* with:

1. Information and advice for how to respond to a possible *identity theft*; and
2. Instructions for how to submit a service request for Case Management Service and / or a claim form for Expense Reimbursement.

The *identity theft insured* must submit the applicable form to request Case Management Service or Expense Reimbursement.

As respects Expense Reimbursement, the *identity theft insured* must send to us, within 60 days after our request, receipts, bills or other records that support the claim for *identity theft expenses*.

D. COMPUTER SECURITY

It is the responsibility of each *identity theft insured* to use and maintain their computer system security, including personal firewalls and anti-virus software, when reasonable.

E. OTHER INSURANCE

Coverage under this endorsement is excess over any other insurance (including, without limitation, homeowner's or renter's insurance), product warranty, extended services agreement or contract. If the *identity theft insured* has other



insurance that applies to a loss under this endorsement the other insurance shall pay first. Coverage under this endorsement applies to the amount of loss that is in excess of:

1. The Limit of Insurance of the *identity theft insured's* other insurance; and
2. The total of all the *identity theft insured's* deductible and self-insured amounts under all such other insurance.

In all events, the amount of coverage provided under this endorsement is subject to the aggregate limit per *identity theft insured* specified in Additional Condition A above.

F. SERVICES

The following conditions apply as respects any services provided by *us* or *our* designees to any *identity theft insured* under this endorsement:

1. *Our* ability to provide helpful services in the event of an *identity theft* depends on the *identity theft insured's* cooperation, permission and assistance.
2. *We* do not warrant or guarantee that *our* services will end or eliminate all problems associated with an *identity theft* or prevent future *identity thefts*.

All other provisions of this policy apply.

ADDITIONAL DEFINITIONS

1. *Identity Recovery Case Manager*

Identity recovery case manager means one or more individuals assigned by *us* to assist an *identity theft insured* with communications we deem necessary for re-establishing the integrity of the personal identity of the *identity theft insured*. This includes, with the permission and cooperation of the *identity theft insured*, written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.

2. *Identity Theft*

Identity theft means the fraudulent use of the social security number or other method of identifying an *identity theft insured*. This includes fraudulently using the personal identity of an *identity theft insured* to establish credit accounts, secure loans, enter into contracts or commit crimes.

Identity theft does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

Identity theft does not include the unauthorized use of a valid credit or bank account. However, *identity theft* does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

3. *Identity Theft Expenses*

Identity theft expenses means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an *identity theft*:

- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an *identity theft*.
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the *identity theft insured's* efforts to

report an *identity theft* or amend or rectify records as to the *identity theft insured's* true name or identity as a result of an *identity theft*.

- c. Costs for up to six credit reports from established credit bureaus (with no more than two reports from any one credit bureau) dated within 12 months after the *identity theft insured's* knowledge or discovery of an *identity theft*.
- d. Fees and expenses for an attorney appointed by *us* for:
 - (1) Defending any civil suit brought against an *identity theft insured* by a creditor or collection agency or entity acting on behalf of a creditor for nonpayment of goods or services or default on a loan as a result of an *identity theft*; and
 - (2) Removing any civil judgment wrongfully entered against an *identity theft insured* as a result of the *identity theft*.

4. *Identity Theft Insured*

Identity theft insured means the following:

- a. When the business which is the *insured* under this policy is a sole proprietorship, the *identity theft insured* is the individual person who is the sole proprietor of the insured business.
- b. When the business which is the *insured* under this policy is a partnership, the *identity theft insureds* are all the partners listed on this policy as *insureds*.
- c. When the business which is the *insured* under this policy is a corporation or other organization, the *identity theft insureds* are all individuals having an ownership position of 20% or more of the insured business.

An *identity theft insured* must always be an individual person. The business which is the *insured* under this policy is not an *identity theft insured*.

ADDITIONAL EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover:

- 1.** *Identity theft expenses* incurred to restore a professional or business identity.
- 2.** *Identity theft expenses* incurred due to any fraudulent, dishonest or criminal act by an *identity theft insured* or any person aiding or abetting an *identity theft insured*, or by any authorized representative of an *identity theft insured*, whether acting alone or in collusion with others.
- 3.** Loss other than *identity theft expenses*.
- 4.** *Identity theft expenses* arising from any *identity theft* by or with the knowledge of any relative or former relative of the *identity theft insured*.
- 5.** Loss arising from an *identity theft* that is first discovered by the *identity theft insured* prior to the policy period or after the policy period ended, whether or not such *identity theft* began during or continued into the policy period.
- 6.** Loss arising from an *identity theft* that is not reported to us within 60 days after it is first discovered by the *identity theft insured*.
- 7.** Loss arising from an *identity theft* that is not reported in writing to the police.

COMPUTER COVERAGE – CONTRACTORS

This endorsement establishes an additional specific item of covered property in conjunction with SISC-0001.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

COVERAGE MODIFICATIONS**SECTION 1**

Coverage B is extended to cover, up to the applicable limits shown in the Supplemental Declarations, direct physical loss to covered property used by *you* in *your* business/operations. The Part I deductible does not apply. This coverage applies in lieu of any other coverage provided by this policy.

- A. *We* cover all data processing equipment, including component parts, owned or leased by *you* that are customarily kept by *you* at the described premises.
- B. *We* cover *your* media and data (meaning information stored on the media, including concepts, computer programs, facts, and instructional material used in *your* data processing system) including the cost to reconstruct such data.

SECTION 2

We cover reasonable extra expenses in excess of *your* usual operating expense to the extent such are necessary to continue *your* business/operations, to the extent required because of covered loss under Section 1.

LIMIT OF LIABILITY

The amount shown in the Supplemental Declarations for this coverage is *our* maximum limit of liability in any one occurrence for Section 1 and Section 2 combined of this endorsement.

LOSSES NOT INSURED

Parts I D, I E (other than 1) and I F 3, 8 and 13.A (other than 2, 7 and 12. A) do not apply. We also do not cover loss:

1. To media or data which cannot be replaced with other of like kind and quality.
2. To property held for lease or sale to others.
3. Caused by an original defect or error in programming.
4. To media or data which results as a consequence of the failure to perform routine (at least on a monthly basis) complete backups of such media or data with such backups being kept off of the described premises.



CERTIFIED ACTS OF TERRORISM EXCLUSIONS • PARTS I AND II

This endorsement extends the policy to exclude certain loss arising out of terrorism.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.

Except as provided below, all other provisions in this policy are unchanged.

1. COVERAGE MODIFICATION – PROPERTY

If Part I is included in this policy, the following exclusion is added to the PART I COMMON EXCLUSIONS:

CERTIFIED ACTS OF TERRORISM EXCLUSION

We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from 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.

If loss resulting from fire (to the extent insured by this policy) ensues, we insure such resulting loss. However, this exception for fire applies only to direct physical loss by fire to covered property. Therefore, this exception does not apply to any sort of consequential loss, loss of use, or loss of utility, including losses under Business Income and / or Extra Expense coverages.

However, if the Secretary of the Treasury determines that the amount of *certified terrorism loss* has exceeded the maximum annual liability under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act, we will not pay for any amount of *certified terrorism loss* that exceeds such maximum annual liability.

2. COVERAGE MODIFICATION – LIABILITY

If Part II is included in this policy, the following exclusion is added to the PART II – COMMON EXCLUSIONS:

CERTIFIED ACTS OF TERRORISM EXCLUSION

We do not insure *bodily injury, property damage, personal injury or advertising injury* arising directly or indirectly out of a *certified act of terrorism*.

3. OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an 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 that is:

1. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 - a. Within the United States;
 - b. At the premises of a United States Mission; or
 - c. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a 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;
2. 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.

Certified terrorism loss means loss that results from a *certified act of terrorism*.



SUPPLEMENTAL DECLARATIONS — SISC DS 02 09 11

The following special limits and rating factors for Plumbing/HVAC Contractors apply to the designated coverages, in accordance with the provisions of the Special Contractors' Coverage Form SISC-0001.

	(A) POLICY LIMIT / FACTOR	(B) REVISED POLICY LIMIT / FACTOR
PART I B		
SUPPLEMENTAL COVERAGES		
1. Accounts Receivable ⁽¹⁾	\$ 25,000	\$
2. Automatic Increase Factor		
Coverage A	—	
Coverage B	—	
3. Building Extension		
A. Glass		
Limit	\$ 2,000	\$
Per Item Limit	\$ 100	\$
B. Outdoor Signs		
1. Not Attached to Buildings	\$ 3,000	\$
2. Attached to Buildings	\$ 3,000	\$
Deductible Per Occurrence	\$ 250	\$
4. Building Code / Law Coverage	0.10	
5. Debris Removal		
B. Factor (Covered Loss Times):	0.25	
C. Additional Limit	\$ 5,000	\$
7. Fire Expense Coverages		
A. Fire Department Service	\$ 10,000	
B. Fire Extinguisher Recharge	\$ 3,000	
8. Lock Replacement	\$ 500	\$
9. Newly Acquired Property		
1. Coverage A		
Coverage A Limit Times:	0.25	
Maximum Limit per Building	\$500,000	
2. Coverage B		
Coverage B Limit Times:	0.10	
Maximum Limit per Location	\$250,000	
3. Coverage D		
Coverage D Limit Times:	0.10	
Maximum Limit per Location	\$100,000	
10. Off Premises Property ⁽¹⁾		
A. Owned Property		
Total Limit Per Occurrence	\$ 25,000	\$
Limit Per Each Item	\$ 500	\$
B. Employee Tools		
Total Limit Per Occurrence	\$ 5,000	\$
Limit Per Each Item	\$ 250	\$

Note: (1) Applies Only With Coverage B

	(A) POLICY LIMIT / FACTOR	(B) REVISED POLICY LIMIT / FACTOR
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PART I B
SUPPLEMENTAL COVERAGES

11. Outdoor Property		
Limit	\$ 5,000	\$
Per Item Limit	\$ 250	\$
12. Personal Property ⁽¹⁾		
A. Personal Effects	\$ 25,000	\$
B. Property of Others	\$ 25,000	\$
C. <i>Valuable Papers / Records</i>	\$ 3,000	\$
13. Pollution CleanUp	\$ 25,000	

PART I F
**WATER DAMAGE - SEWER / DRAIN
BACKUP**

11. When MCP 507 applies	\$ 10,000	\$
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OTHER SPECIAL POLICY CONDITIONS

Computer Coverage		
When SISC-0005 applies	\$ 5,000	\$

Employee Dishonesty Coverage		
When MCP 171 applies	\$ 5,000	\$
Deductible Per Occurrence	\$ 200	\$

Money and Securities Coverage		
When MCP 173 applies		
Limit Inside the Premises	\$ 10,000	\$
Limit Outside the Premises	\$ 2,000	\$

Arson Award	\$ 5,000
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We will reimburse you for any reward you give to anyone who discloses information that leads to the conviction of a person or persons for arson at the described premises. No deductible applies to this special provision.

NOTES:

- With the exception of Supplemental Coverage 13, the limits and factored amounts of insurance are aggregate limits per occurrence. With regard to Item 13 the limits are aggregate limits per policy year for all covered occurrences.
- Column (A) shows Basic Policy Limits / Factors: "—" means coverage not applicable.
- Column (B) shows the Revised Limits / Factors, which replace those shown in Column (A): "—" means no change permitted.

PLUMBING / HVAC CONTRACTORS' AND ELECTRICIANS' ENHANCEMENT ENDORSEMENT • PART II*This endorsement extends liability coverages.***The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.****Except as provided below, all other provisions in this policy are unchanged.**

ADDITIONAL COVERAGES**A. Property Damage Liability Extension**

1. Coverage E is extended to include, up to the limit stated below, *property damage* to:
 - a. Personal property in the care, control, or custody of any *insured*; or
 - b. That part of real property on which work is being performed by either *you*, or any contractor or subcontractor working (directly or indirectly) on *your* behalf, if the *property damage* arises out of such work.
2. Exclusions 3.E.1 and 10.A in PART II C do not apply to the coverage provided by this extension.
3. *Our* maximum limit of liability payable under this extension for all *property damage* in any one *occurrence* is \$2,500. This limit is part of the Coverage E *Occurrence* and Aggregate / Total Limits and is not an additional limit of insurance.

B. Additional Insureds — Automatic Extension to Certain Contractors, Lessees, or Owners.

The definition of *Insured* in the Glossary is amended to include the following as an *insured* under this policy.

Insured includes any person or organization that *you* have agreed in a written contract or agreement to add as an additional *insured* on this policy, but only with respect to liability arising out of *your work* for such person or organization. Such person or organization ceases to be an *insured* under this policy when *your work* for that person or organization has been completed.

However, *we* do not insure *bodily injury*, *property damage*, *advertising injury* or *personal injury* arising out of the rendering of or failure to render any sort of professional service by *you* or on *your* behalf including:

- The approving, preparing or failing to approve or prepare change orders, designs, drawings, maps, opinions, reports, specifications, or surveys; or
- Architectural, engineering, inspection, or supervisory services.

ADDITIONAL CONDITIONS**A. Knowledge / Notice Of An Injury Or Occurrence**

Paragraph A of the SPECIAL LIABILITY CONDITIONS — DUTIES OF INSUREDS is amended by adding the following:

Your agent's or employee's knowledge of an injury or *occurrence* does not in itself constitute knowledge by *you*, unless *you* receive notice of such from *your* agent or employee. Failure of any of *your* agents or employees to notify *us* of any injury or *occurrence* that such agent or employee has knowledge of does not invalidate this insurance for *you*.

B. Aggregate / Limit — Per Project

Paragraph B.1 (Aggregate / Total Limit) of the SPECIAL LIABILITY CONDITIONS — LIMIT OF LIABILITY is amended as described below:

The limits apply to each project, away from *your premises*, where *you* perform *your work*.



INVOICE

Insured
AXCP15981
JOSEPH PALMA
T/A PALMA'S PLUMBING
P O BOX 301
SPRING LAKE, NJ 07762

PRODUCER 173
JAMES C FRANCHINO AGENCY INC
132 COLUMBIA TPKE
FLORHAM PARK, NJ 07932
(973) 377-6100

Policy Type:
SMALL CONTRACTORS

Run Date: 07/26/2019

Payment Plan: Manual 3 Pay Payment Plan

Trans Eff	Trans Exp	Description	Due Date	Amount Due
09/05/2019	09/05/2020	Renewal - Installment # 1	09/05/2019	\$ 644.00
Total Installment Due				\$ 644.00

Effective 5/1/2019, a \$15.00 late fee will be applied to any late payment

Your total amount due is \$1,574.00
You may pay the total amount or you
can pay in installments with a \$10.00
per payment charge.

FAILURE TO REMIT "MINIMUM DUE" BY DUE DATE SHOWN MAY RESULT IN THE CANCELLATION OF THIS POLICY

Please Make Checks Payable to: **AXIS Insurance Company**

Please detach the invoice and return with your payment.

AXIS INSURANCE COMPANY
411 SOUTH STATE STREET
NEWTOWN, PA 18940-0000

To Make An Online Payment:: www.ggund.com/axis
Pay This Amount: **\$ 644.00**

Thank you for your business

Policy Number: AXCP15981

JOSEPH PALMA
T/A PALMA'S PLUMBING
P O BOX 301
SPRING LAKE, NJ 07762

07/26/2019 - Inv

Future Installments for Your Policy

Trans Eff	Trans Exp	Description	Due Date	Amount Due
09/05/2019	09/05/2020	Installment	12/05/2019	\$ 470.00
09/05/2019	09/05/2020	Installment	03/05/2020	\$ 470.00
Total Future Installments				\$ 940.00

The above future installments do not reflect the \$10.00 Per Installment Charge

Change of Address

Policy No.: AXCP15981

Your New Address is:

Phone No.: _____