

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

**COMMERCIAL UMBRELLA POLICY DECLARATIONS**

Policy Number

**AXUM700001099 2018 0**

**Renewal of Number: AXUM700001099**

**Named Insured and Mailing Address**  
HUFFMAN'S FLOOR COVERING LLC  
602 LAWNSIDE ROAD  
TOWNBANK, NJ 08204

**PRODUCER - 128**  
J BYRNE AGENCY INC  
5200 NEW JERSEY AVENUE  
PO BOX 1409  
WILDWOOD, NJ 08260  
(609) 522-3406

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**Policy Term:** From 07/31/2018 to 07/31/2019 12:01 A.M. Standard Time at your mailing address shown above.

**You are a:** LLC

**Your Business/Operation:** RETAIL CARPET STORE

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

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**LIMITS OF INSURANCE**

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COVERAGE G	•EACH OCCURRENCE LIMIT	\$ 1,000,000
COVERAGE H	•PERSONAL and ADVERTISING INJURY LIMIT	\$ 1,000,000
COVERAGE G	•PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 1,000,000
COVERAGE G & H	•GENERAL AGGREGATE LIMIT	\$ 1,000,000

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**RETAINED LIMIT \$10,000**

**SCHEDULE OF UNDERLYING INSURANCE**

	COVERAGES	LIMITS OF LIABILITY	
		Each Occurrence Limit	General Aggregate Limit
Insurer: AXIS INSURANCE Policy Number: AXB500002132 Policy Period: 07/31/2018 to 07/31/2019	General Liability	\$ 1,000,000	\$ 2,000,000
	Personal Injury -		
	Advertising Injury	\$ 1,000,000	
	Products-Completed Operations	Each Occurrence Limit \$ 1,000,000	Aggregate Limit \$ 1,000,000

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These Declarations together with the Forms and Endorsements, if any, Issued to form a part thereof, completes the above numbered policy

Form Number & Edition	Form Title
MCL 050*(03/2008)	Commercial Umbrella Liability Form
MCL 708*(03/2008)	Sexual Abuse/Harassment/Molestation Exclusion
MCL 712*(04/1993)	Cross Suits Exclusion
MCL 718*(04/1993)	Following-Form Limitation
MCL 731*(04/1993)	Unimpaired Aggregate
MCL 732*(03/2008)	Lead/Lead Contamination Exclusion
MCL 733*(09/1997)	Uninsured Premises Exclusion
MCL 745*(03/2008)	Employment-Related Practices Exclusion
MCL 754*(03/2008)	Contractors New York State Bodily Injury Exclusion
MCL 758 (05/2014)	Data Breach Exclusion
MCL 763*(01/2015)	Non-Certified Acts of Terrorism Exclusion
MCL 790*(08/2015)	Mandatory Endorsement - New Jersey
MCL 704 (04/1993)	Auto Liability Exclusion
MCL 717 (03/2008)	Employers' Liability Exclusion
MCL 719 (03/2008)	Designated Premises Limitation
MCL 761 (01/2015)	Certified Acts of Terrorism Exclusion
TPD12 (01/2015)	Notice Of Terrorism Insurance Coverage

\* Mandatory Forms

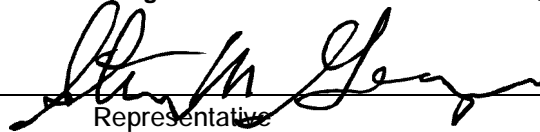
Minimum Policy Premium \$ 550

Total Advance Premium \$ 550  
Surcharge NJ-PLIGA \$ 3

02/25/2019

Countersignature Date

By:

  
Representative

**Policy:** AXUM700001099

**Expiration Date:** 07/31/2019

**LOCATION(S) OF PREMISES COVERED:**

**Loc. # 1            Building # 1**

3860 BAYSHORE ROAD

UNIT 5A

NORTH CAPE MAY, NJ 08204

# 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:  
\$ 33.

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage. Sign and return this form to us by <u>08/30/2018</u> .
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\_\_\_\_\_  
Policyholder/Applicant's Signature

HUFFMAN'S FLOOR COVERING LLC  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
AXIS INSURANCE COMPANY

\_\_\_\_\_  
Insurance Company

AXUM700001099  
\_\_\_\_\_  
Policy Number

**MANDATORY ENDORSEMENT – COMMERCIAL UMBRELLA – 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 the Commercial Umbrella Liability Form.*

**Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

**ADDITIONAL CONDITIONS**

**The CANCELLATION CONDITION is replaced by the following:**

**A.** The *first named insured* may cancel this insurance by mailing or delivering to *us* advance written notice of cancellation.

**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*.

**COVERAGE MODIFICATIONS**

**A. If this policy covers a residential dwelling, the following provisions apply:**

**Section I B – Exclusions is extended to include the following:**

- 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.

**B. ADDITIONAL POLICY PROVISION**

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



## SEXUAL ABUSE / HARASSMENT / MOLESTATION EXCLUSION

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

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

Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.

## ADDITIONAL EXCLUSION – SEXUAL ABUSE / HARASSMENT / MOLESTATION

Section I B is extended to include the following:

This insurance does not apply to any claim, damages, expenses or liability arising directly, indirectly, wholly or partially out of any actual or threatened sexual conduct, activities, or harassment directed toward anyone or the molesting of anyone committed, or alleged to have been committed, by any person. This includes, but is not limited to, related claims, damages or injuries arising out of:

1. Assault or battery;
2. Breach of oral or written contracts;
3. Breach of expressed or implied warranties;
4. Endangering the welfare of a minor;
5. Failure to supervise or improper supervision;
6. Hiring or other employment practices of an *insured*;
7. Violations of penal laws or ordinance, or other statutory violations.

We have no duty to defend any *insured*, pay on behalf of or indemnify any *insured*, or pay any injured party or any claimant in connection with any such claim, damages, or injury.



## CROSS SUITS EXCLUSION

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.  
Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

## ADDITIONAL EXCLUSION — CROSS SUITS

**Section I B is extended to include the following:**

This insurance does not apply to any claim for damages because of *bodily injury, property damage, personal injury or advertising injury* alleged, brought or initiated by a *named insured* or additional *named insured* covered by this policy against any other *named insured* or additional *named insured* covered by this policy.



**FOLLOWING-FORM LIMITATION**

*This endorsement provides following-form coverage under the Commercial Umbrella Liability Form.*

**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.  
Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

**FOLLOWING-FORM LIMITATION**

This insurance applies only to liability that is covered under valid and collectible *underlying insurance* and coverage for such is applicable under that *underlying insurance*.





**UNIMPAIRED AGGREGATE**

*This endorsement extends the Commercial Umbrella Liability Form conditions.*

**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.  
Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

**ADDITIONAL CONDITION — UNIMPAIRED AGGREGATE**

**Section III is extended to include the following:**

The applicable aggregate limit of the *underlying insurance* shall be unimpaired at the effective date of this form. For the purpose of this insurance, only *occurrences* that take place during the term of this insurance will be considered in determining the extent of the exhaustion of the aggregate limits of the *underlying insurance*.



**LEAD / LEAD CONTAMINATION EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

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

Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.

**ADDITIONAL EXCLUSION – LEAD / LEAD CONTAMINATION**

Section I B is extended to include the following:

- A. This insurance does not apply to *bodily injury, property damage or personal injury* arising out of, caused by, or resulting from lead or lead contamination. This includes injury or damage caused by or through absorbing lead, chewing on, eating or otherwise ingesting lead or inhaling lead; or the contamination of, or existence of, lead in air, ground or water, or any part of a premises including, but not limited to, building materials and paint.
- B. We do not insure here 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, treat, or in any way assess the effects of or respond to lead or lead contamination; 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 lead or lead contamination.



**UNINSURED PREMISES EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.  
Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

**ADDITIONAL EXCLUSION — PREMISES LIABILITY**

**Section I B is extended to include the following:**

This insurance does not apply to *bodily injury, property damage or personal injury* arising out of any location or premises owned by *you* that is not insured under any *underlying insurance*.



**EMPLOYMENT – RELATED PRACTICES EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

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

Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.

**ADDITIONAL EXCLUSIONS – EMPLOYMENT – RELATED PRACTICES**

Section I B is extended to include the following:

- A. This insurance does not apply to *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.
- B. This insurance does not apply to *bodily injury* or *personal injury*:
- Sustained by the brother, child, parent, sister, or spouse of *your employees* arising out of any injury described in the preceding Paragraph A.
- C. *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 A and B.

Exclusions A through C 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.



CONTRACTORS NEW YORK STATE *BODILY INJURY* EXCLUSION

*This endorsement extends the Commercial Umbrella Liability Form Exclusion.*

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

Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.

ADDITIONAL EXCLUSION – CONTRACTORS NEW YORK STATE *BODILY INJURY* LIABILITY

Section I B is extended to include the following:

This insurance does not apply to any liability for *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.



**DATA BREACH EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

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

**Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

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**ADDITIONAL EXCLUSION – DATA BREACH**

**Section I B is extended to include the following:**

- A.** This insurance does not apply to *bodily injury, property damage, advertising injury, or personal injury*, resulting from or caused by a *data breach*.
- B.** This includes 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.



**NON-CERTIFIED ACTS OF TERRORISM EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form 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 of the Commercial Umbrella Liability Form are unchanged.**

**1. COVERAGE MODIFICATION**

Section I B is extended to include the following:

**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 1.B.1 and 2 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*.

**2. 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 war exclusion, the nuclear exclusion or any other exclusion.

**3. 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 – COMMERCIAL UMBRELLA – 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 the Commercial Umbrella Liability Form.*

**Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

**ADDITIONAL CONDITIONS**

The **CANCELLATION CONDITION** is replaced by the following:

- A.** The *first named insured* may cancel this insurance by mailing or delivering to *us* advance written notice of cancellation.
- 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*.

**COVERAGE MODIFICATIONS**

- A. If this policy covers a *residential dwelling*, the following provisions apply:**

**Section I B – Exclusions is extended to include the following:**

- 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.

**B. ADDITIONAL POLICY PROVISION**

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

**EXCLUSIONS**

- A. The following exclusion is added:**

**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*.

**B.** 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*.

#### **GLOSSARY**

The following definition is added:

##### ***Fracking***

*Fracking* means any process of drilling and injecting chemicals, as, 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.

**EMPLOYERS' LIABILITY EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

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

Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.

**ADDITIONAL EXCLUSION – EMPLOYERS' LIABILITY**

Section I B is extended to include the following:

This insurance does not apply to *bodily injury* to any of *your employees* arising out of and in the course of employment by you. This applies whether the claim or *suit* is brought by *your employee* or by any others or whether *you* are liable as an employer or in any other capacity.



**DESIGNATED PREMISES LIMITATION**

*This endorsement limits coverage under the Commercial Umbrella Liability Form. The required information may be shown below or elsewhere in the policy.*

**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

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**Policy# 700001099**

**SCHEDULE**

**DESIGNATED PREMISES**

**Description / Location of Subject Premises:**

**RETAIL FLOORING STORE**

**3860 BAYSHORE RD UNIT 5A NORTH CAPE MAY NJ 08204**

**ADDITIONAL LIMITATION - DESIGNATED PREMISES**

This insurance applies only to liability arising out of the following:

1. The ownership, maintenance or use of the designated premises shown above or any property located on such premises;
2. Operations on such premises (or elsewhere) which are necessary/related to the ownership, maintenance or use of such premises; and
3. Goods or products manufactured at or distributed from such premises.

Any change in conditions must be reported to us within 30 days.

**CERTIFIED ACTS OF TERRORISM EXCLUSION**

*This endorsement extends the Commercial Umbrella Liability Form 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 of the Commercial Umbrella Liability Form are unchanged.**

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**1. COVERAGE MODIFICATION**

Section I B is extended to include the following:

**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**.*

**2. 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 war exclusion, the nuclear exclusion or any other exclusion.

**3. ADDITIONAL DEFINITION**

The following definition applies:

*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.



***AUTO LIABILITY EXCLUSION***

*This endorsement extends the Commercial Umbrella Liability Form exclusions.*

**The provisions of this endorsement apply only when the endorsement number is listed in the Declarations.  
Except as provided below, all other provisions of the Commercial Umbrella Liability Form are unchanged.**

**ADDITIONAL EXCLUSION — *AUTO LIABILITY***

**Section I B is extended to include the following:**

This insurance does not apply to *bodily injury, property damage or personal injury* arising out of the loading, unloading, loaning, maintenance, operation, renting, use or entrustment to others of any *auto*.

