

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

COMMERCIAL UMBRELLA POLICY DECLARATIONS

Policy Number
AXUM16506 2018 0

Renewal of Number: **AXUM16506**

Named Insured and Mailing Address
DAVID & KATHLEEN SAYLES
899 LINCOLN AVENUE
GLEN ROCK, NJ 07452

PRODUCER - 132
D & G SAYLES INSURANCE SERVICES
899 LINCOLN AVENUE
GLEN ROCK, NJ 07452
(201) 652-0407

Policy Term: From 03/12/2018 to 03/12/2019 12:01 A.M. Standard Time at your mailing address shown above.

You are a: INDIVIDUAL

Your Business/Operation: LRO-OFFICE

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.

LIMITS OF INSURANCE

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

RETAINED LIMIT \$10,000

SCHEDULE OF UNDERLYING INSURANCE

Insurer: Policy Number: Policy Period:	COVERAGES	LIMITS OF LIABILITY	
		Each Occurrence Limit	General Aggregate Limit
AXIS INSURANCE COMPANY AXB3870 03/12/2018 to 03/12/2019	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

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

Form Number & Edition

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

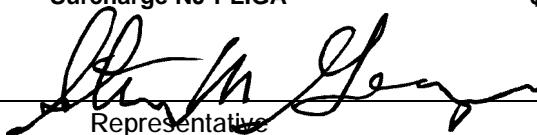
Total Advance Premium \$ 550
Surcharge NJ-PLIGA \$ 3

02/28/2019

Countersignature Date

By:

Representative



SUPPLEMENTAL DECLARATIONS - SIR 050**05 08**

Policy: AXUM16506**Expiration Date:** 03/12/2019**LOCATION(S) OF PREMISES COVERED:**

Loc. # 1 Building # 1

899 LINCOLN AVENUE

GLEN ROCK, NJ 07452

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:
\$ 39.

	I hereby elect to purchase terrorism coverage. Sign and return this form to us by <u>04/11/2018</u> .
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Policyholder/Applicant's Signature

AXIS INSURANCE COMPANY

Insurance Company

DAVID & KATHLEEN SAYLES

Print Name

AXUM16506

Policy Number

Date

COMMERCIAL UMBRELLA LIABILITY FORM – MCL 050 03 08

YOUR POLICY INCLUDES:

- The Declarations Page, Including Information About –
 - *You* and *Your* Business / Operations
 - The Premises and Business / Operations Covered
 - The Applicable Coverages
 - The Applicable Limits of Liability
 - Who *We* are, and *Your* Insurance Representative
- This Commercial Umbrella Liability Form – MCL 050
- Additional Endorsements, if Applicable.

THIS INSURANCE FORM INCLUDES:

PROVISION	PAGE
• Section I – Liability Coverages	2
• Insuring Agreement	2
• Exclusions	2
• Defense of Claims or <i>Suits</i>	5
• Section II – Limits of Insurance	6
• Section III – Conditions	6
• Section IV – Glossary	8

DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined for the purposes of this insurance in the Glossary.

The meaning of other words / phrases not specially defined in this form is to be found in their relevant conventional definition based on consideration of the context in which they are used in this form.



SECTION I • LIABILITY COVERAGES

We agree with *you* in consideration of the payment of premium and in reliance upon *your* statements in the Declarations and subject to the Limit of Insurance shown in the Umbrella Declarations, and all the exclusions, terms and conditions of this policy as follows:

COVERAGE G • BODILY INJURY AND PROPERTY DAMAGE LIABILITY

COVERAGE H • PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

A. Insuring Agreement

1. We will pay on behalf of the *insured* the *ultimate net loss* in excess of the *applicable underlying limit*, whether or not collectible, which the *insured* becomes legally obligated to pay as damages because of *bodily injury*, *property damage*, *personal injury* or *advertising injury* to which this insurance applies caused by an *occurrence* or *offense* happening anywhere in the world.
2. Such *bodily injury* or *property damage* must occur during the policy term and, prior to the policy term, no *insured* and 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. 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.
3. *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, including any change in, continuation of, or resumption of that *bodily injury* or *property damage* after the end of the policy term.
4. *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*:
 - a. Reports all, or any part, of the *bodily injury* or *property damage* to *us* or any other insurer;
 - b. Receives a written or verbal demand, claim or suit for damages because of the *bodily injury* or *property damage*; or
 - c. Becomes aware of anything that indicates that *bodily injury* or *property damage* has occurred or is occurring.

B. Exclusions

This insurance does not apply to:

1. *Bodily injury* or *property damage* expected or intended from the standpoint of the *insured*. This exclusion does not apply to *bodily injury* resulting from the use of reasonable force to protect persons or property.
2. Any obligation imposed by law under any *auto* no-fault, uninsured motorist, underinsured motorist, workers compensation, disability benefits or unemployment

compensation law or any similar law.

3. Any liability arising from discrimination:
 - a. Suffered or allegedly suffered by *employees* or former *employees* of an *insured* or applicants for employment by an *insured*; or
 - b. Due to unfair trade practices.
4. *Bodily injury* or *property damage* due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution, including acts to defend against such, whether actual or expected. This exclusion applies only to liability assumed under a contract or agreement.
5. Liability arising out of 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.
6. Liability arising out of any violation(s) of any provision(s) of the Employee Retirement Income Security Act of 1974, Public Law 93-406 (commonly referred to as the Pension Reform Act of 1974) or any amendments thereto.
7. *Bodily injury*, *property damage*, *personal injury* or *advertising injury* for which the *insured* assumed liability under a contract or agreement if the damage or injury occurred prior to the effective date of the contractor agreement.
8. *Bodily injury* or *property damage* arising out of the ownership, maintenance, operation, use, including loading or unloading or entrustment to others, of watercraft over 50 feet in length or any aircraft:
 - a. Owned by any *insured*;
 - b. Chartered without crew by or on behalf of any *insured*; or
 - c. Owned and operated by an *employee* of any *insured*.

This exclusion does not apply to:

- a. A watercraft while ashore on premises *you* own or rent; or
 - b. Liability assumed under any contract or agreement.
9. *Advertising injury* arising out of:
 - a. Breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - b. The failure of goods, products or services to conform with advertised quality or performance;

- c. The wrong description of the price of goods, products or services; or
 - d. An *offense* committed by an *insured* whose business is:
 - 1. Advertising, broadcasting, publishing or telecasting;
 - 2. Designing or determining the content of websites for others; or
 - 3. Providing internet access, content, search or service.
- 10. Personal injury or advertising injury:**
- a. Arising out of oral or written publication of material, if done by or at the direction of the *insured* with knowledge that such is false or such would violate the rights of another and would inflict the injury;
 - b. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period. All *personal injury* or *advertising injury* arising out of publication of the same or similar material subsequent to the beginning of the policy period is also excluded;
 - c. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the *insured*;
 - d. Injury arising out of an electronic bulletin board or chatroom hosted or owned by the *insured* or over which the *insured* exercises control; or
 - e. 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.
- 11. Property damage to real or personal property:**
- a. Owned or occupied by or rented to the *insured*;
 - b. Used by the *insured*; or
 - c. In the care, custody or control of the *insured* or as to which the *insured* is for any purpose exercising physical control.
- 12. Property damage to your product arising out of it or any part of it.**
- 13. Property damage to your work arising out of it or any part of it and included in the *products / completed operations hazard*.**
- This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on *your* behalf by a subcontractor.
- 14. Property damage to impaired property or property that has not been physically injured, arising out of:**
- a. A defect, deficiency, inadequacy or dangerous condition in *your product* or *your work*; or
 - b. A delay or failure by *you* or anyone acting on *your* behalf to perform a contract or agreement in

accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to *your product* or *your work* after it has been put to its intended use.

- 15. Damages claimed for any loss, cost or expense incurred by *you* or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:**

- a. *Your product*;
- b. *Your work*; or
- c. Impaired property; if such product, work or property is withdrawn or recalled from the market or from use by *you* or any other person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- 16. Bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged, or threatened discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants.

We shall have no obligation under this policy:

- a. To investigate, settle or defend any claim or *suit* against any *insured* alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the *pollution hazard*; or
- b. To pay any damages, judgments, settlements, loss, costs or expenses that may be awarded or incurred by reason of any such claim or *suit* or any such injury or damage, or in complying with any action authorized by law and relating to such injury or damage.

As used in this exclusion:

Pollution hazard means an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties of any solid, liquid, gaseous or thermal pollutants, contaminants, irritants or toxic substances, including smoke, vapors, soot, fumes, acids or alkalis, and waste materials consisting of or containing any of the foregoing. Waste includes materials to be reclaimed, reconditioned or recycled.

- 17. Bodily injury, property damage, advertising injury or personal injury** arising out of the *asbestos hazard*. We shall have no obligation under this policy:

- a. To investigate, settle or defend any claim or *suit* against any *insured* alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the *asbestos hazard*; or
- b. To pay, contribute to or indemnify another for any damages, judgments, settlements, loss, costs or expenses that may be awarded or incurred by reason of any such claim or *suit* or any injury or damage, or

in complying with any action authorized by law and relating to such injury or damage.

As used in this exclusion:

Asbestos hazard means an actual exposure or threat of exposure to the harmful properties of *asbestos*; or the presence of *asbestos* in any place, whether or not within a building or structure.

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

18. Any obligation to reimburse an insurer as provided by the terms of the "Endorsement For Motor Carrier Policies of Insurance For Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980" or under the terms of any similar endorsement required by federal or state statute.
19. *Bodily injury or property damage* for which any *insured* may be held liable by reason of:
 - a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages. This exclusion does not apply when *you* furnish, give, or serve alcoholic beverages without charge and a license is not required for such activity.
20. *Bodily injury or property damage* under any liability:
 - a. With respect to which an *insured* under this policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under such policy but for its termination upon exhaustion of its limit of liability; or
 - b. Resulting from the *hazardous properties of nuclear material* and with respect to which: (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or (2) the *insured* is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
 - c. Resulting from the *hazardous properties of nuclear material*, if: (1) the *nuclear material* is at any *nuclear facility* owned by, or operated by or on behalf of an *insured* or has been discharged or dispersed therefrom; (2) the *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or (3) the injury, sickness,

disease, death or destruction arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion, Paragraph c.3, applies only to injury to or destruction of property at such nuclear facility.

Glossary – As used in or applicable to this exclusion, the following are defined terms having special meaning:

- a. *Hazardous properties* include radioactive, toxic or explosive properties.
 - b. *Source material*, *special nuclear material*, and *byproduct material* have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - c. *Spent fuel* means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
 - d. *Waste* means any waste material: (1) containing *byproduct material*; and (2) resulting from the operation by any person or organization of any *nuclear facility* included under Paragraph a or b of the definition of *nuclear facility*.
 - e. *Nuclear facility* means:
 1. Any *nuclear reactor*;
 2. Any equipment or device designed or used for: (1) separating the isotopes of uranium or plutonium; (2) processing or utilizing *spent fuel*; or (3) handling, processing or packaging *waste*;
 3. Any equipment or device used for processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;
- and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- f. *Nuclear reactor* means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
 - g. With respect to injury to or destruction of property, the words "injury" and "destruction" include all forms of radioactive contamination of property.

21. *Bodily injury, property damage, advertising injury, or personal injury* arising out of the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of any *fungi*.

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

- a. 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*.
- b. 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.

22. *Bodily injury, property damage, advertising injury, personal injury, or medical payments* arising out of 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.

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

- a. 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 silica in any form, including silica particles or dust, or any products or substances containing silica.
- b. 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.

23. *Bodily injury, property damage, advertising injury, or personal injury* arising out of 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.

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

- a. 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 other pathological agents.

- b. 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.

C. Defense of Claims or Suits

- 1. We will have no duty to defend any claim or *suit* that any other insurer has a duty to defend. If we elect to join in the defense of such a claim or *suit*, we will pay all expenses we incur.
- 2. We will have the right and duty to defend any *suit* for damages which are payable under Coverage G or H (including damages wholly or partly within the *retained limit*) but which are not payable by a policy of *underlying insurance*, or any other available insurance, because:
 - a. Such damages are not covered; or
 - b. The *underlying insurance* has been exhausted by the payment of claims.
- 3. We may investigate and settle any claim or *suit* in the preceding Paragraph 2 at *our* discretion.
- 4. Our right and duty in the preceding Paragraph 2 end when we have used up the *applicable limit of insurance* in the payment of judgments or settlements.
- 5. We will pay, with respect to any claim or *suit* we defend in the preceding Paragraph 2:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the *applicable limit of insurance*. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the *insured* at *our* request to assist *us* in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$250 a day because of time off from work.
 - d. All costs taxed against the *insured* in any *suit* we defend.
 - e. Pre-judgment interest awarded against the *insured* on that part of any judgment we pay. If we make an offer to pay the *applicable limit of insurance*, we will not pay any pre-judgment interest imposed or earned after the date of such offer.
 - f. All interest earned on the full amount of any judgment after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within the *applicable limit of insurance*. These payments will not reduce the Limit of Insurance.

In any jurisdiction outside the United States of America (including its territories and possessions), Puerto Rico or Canada where *we* may be prevented by law or otherwise from carrying out this agreement:

- a. *You* must arrange to investigate, defend or settle any claim or *suit*.

SECTION II • LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Umbrella Declarations and the following rules fix the most *we* will pay regardless of the number of:
 1. *Insureds*;
 2. Claims made or *suits* brought; or
 3. Persons or organizations making claims or bringing *suits*.
- B. The Products / Completed Operations Aggregate Limit is the most *we* will pay under Coverage G for damages because of injury and damage included in the *products / completed operations hazard*.
- C. The General Aggregate Limit is the most *we* will pay for damages under Coverage G and Coverage H, except:
 1. Damages because of injury and damage included in the *products / completed operations hazard*; and
 2. Damages because of injury and damage included in the *auto hazard*.
- D. Subject to the preceding Paragraph C, the Personal and Advertising Injury Limit is the most *we* will pay under Coverage H for the sum of all damages because of all *personal injury* and all *advertising injury* sustained by any one person or organization.
- E. Subject to the preceding Paragraph B or C, whichever applies, the Each Occurrence Limit is the most *we* will pay for the sum of damages under Coverage G because of all *bodily injury* and *property damage* arising out of any one *occurrence*.
- F. To determine the limit of *our* liability, all *bodily injury* and *property damage* arising out of continuous or repeated exposure to the same general conditions shall be considered one *occurrence*.
- G. The limits of this insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months. The policy period begins with the effective date shown in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period.

SECTION III • CONDITIONS

1. APPEALS

- A. If the *insured* or the *insured's underlying insurer* elects not to appeal a judgment which exceeds the *applicable underlying limit*, *we* may do so.
- B. If *we* do, *we* will pay all costs of the appeal. *We* will also pay all costs on appeals related to the defense of the *insured* as provided under Defense of Claims or *Suits* in Section I C. These sums are in addition to the *applicable limit of insurance*. In no event shall *our* liability for *ultimate net loss* exceed the *applicable limit of insurance*.

2. BANKRUPTCY

Bankruptcy, insolvency, or receivership of the *insured*, the *insured's* estate or of any *underlying insurer* will not relieve *us* of *our* obligations under this insurance: but with regard to bankruptcy, insolvency, or receivership of any *underlying insurer*, *our* Limit of Insurance will apply only in excess of the required Limit of Insurance stated in the Schedule of Underlying Insurance in the Umbrella Declarations and shall apply in the same manner as though the *underlying insurance* were available and collectible.

3. CANCELLATION

- A. The *first named insured* may cancel this insurance by mailing or delivering to *us* advance written notice of cancellation.
- B. *We* may cancel this insurance by mailing or delivering to the *first named insured* written notice of cancellation at least:
 1. 10 days before the effective date of cancellation if *we* cancel for nonpayment of premium; or
 2. 30 days before the effective date of cancellation if *we* cancel for any other reason.
- C. *We* will make or deliver *our* notice to the *first named insured's* last mailing address known to *us*.
- D. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- E. If this policy is cancelled, *we* will send the *first named insured* any premium refund due.
- F. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. CHANGES

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

5. DUTIES IN THE EVENT OF OCCURRENCE OR OFFENSE, CLAIM OR SUIT

A. *You* must see to it that *we* are notified promptly of an *occurrence* or an *offense* which may result in a claim under this insurance. Notice should include:

- 1.** How, when and where the *occurrence* or *offense* took place;
- 2.** The name and address of any injured persons or witnesses; and
- 3.** The nature and location of any injury or damage arising out of the *occurrence*.

B. If a claim is made or *suit* is brought against any *insured* which may result in a claim against this insurance: *you* must see to it that *we* receive prompt written notice of the claim or *suit*.

C. *You* and any other involved *insured* must:

- 1.** Immediately send *us* copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
- 2.** Authorize *us* to obtain records and other information;
- 3.** Cooperate with *us* in the investigation, settlement or defense of the claim or *suit*; and
- 4.** Assist *us*, upon *our* request, in the enforcement of any right against any person or organization which may be liable to the *insured* because of injury or damage to which this insurance may also apply.

D. 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. When *we* believe that a claim may exceed the *underlying insurance*, *we* may join with the *insured* and the *underlying insurer* in the investigation, settlement and defense of all claims and *suits* in connection with such *occurrence* or *offense*. In such event, the *insured* must cooperate with *us*.

F. No *insureds* will, except at their own cost, voluntarily make any payment, assume any obligation, or incur any expense without *our* written consent.

6. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit *your* books and records as they relate to this insurance:

A. At any time during the policy period.

B. Up to three years afterward.

C. Within one year after final settlement of all claims under this insurance.

7. INSPECTIONS AND SURVEYS

A. *We* have the right but are not obligated to:

- 1.** Make inspections and surveys at any time;
- 2.** Give *you* reports on the conditions *we* find; and
- 3.** Recommend changes.

B. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. *We* do not make safety inspections. *We* do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And *we* do not warrant that conditions:

- 1.** Are safe or healthful; or
- 2.** Comply with laws, regulations, codes or standards.

C. This condition applies not only to *us*, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

8. LEGAL ACTION AGAINST US

A. No person or organization has a right under this insurance:

- 1.** To join *us* as a party or otherwise bring *us* into a *suit* asking for damages from an *insured*; or
- 2.** To sue *us* on this insurance unless all of its terms have been fully complied with.

B. A person or organization may sue *us* to recover on an *agreed settlement* or a final judgment against an *insured* obtained after an actual trial. *We* will not be liable for damages that:

- 1.** Are not payable under the terms of this insurance; or
- 2.** Are in excess of the *applicable limit of insurance*. An *agreed settlement* means a settlement and release of liability signed by *us*, the *insured* and the claimant or the claimant's legal representative.

9. MAINTENANCE OF UNDERLYING INSURANCE

The insurance afforded by each policy listed in the Schedule of Underlying Insurance in the Declarations will be maintained for the full term of this insurance. This provision does not apply to the reduction of the aggregate limit or limits due to payment of claims for *bodily injury*, *personal injury*, *property damage* or *advertising injury*. As these policies expire, *you* will renew them at limits at least equal to the expiring limits of insurance.

If *you* fail to comply with the preceding paragraphs, this insurance is not invalidated. However, in the event of a loss, *we* will pay only to the extent that *we* would have paid had *you* so complied.

You must give *us* written notice of any change in the *underlying insurance* as respects:

A. Coverage.

- B. Limits of insurance.
- C. Termination of any coverage.
- D. Exhaustion of aggregate limits.

10. OTHER INSURANCE

This insurance is excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributing, excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply in excess of this insurance.

11. OUR RIGHT TO RECOVER FROM OTHERS

If *we* make a payment under this insurance, the *insured* will assist *us* and the *underlying insurer* in recovering what *we* paid by using the *insured's* right to recovery.

Reimbursement will be made in the following order:

- A. First, to any interest (including the *insured*) who has paid any amount in excess of the limits of this insurance;
- B. Next, to *us*; and
- C. Then to any interest (including the *insured* and the *underlying insurer*) as are entitled to claim the remainder, if any.

A different order may apply if agreed upon by all interests. Expenses incurred in the process of recovery will be divided among all interests according to the ratio of their respective recoveries.

12. PREMIUM

The *first named insured* is responsible for the payment of all premiums and will be the payee for any return premium. Premiums are subject to a minimum earned premium as shown in the Declarations.

13. PREMIUM AUDIT

When this insurance is written on an adjustable premium basis the following items apply:

- A. *You* must keep records of the information *we* need for premium computation, and send *us* copies at such times as

we may request.

- B. At the close of each audit period *we* will compute the earned premium for that period.
- C. Audit premiums are due and payable on notice to the *first named insured*.

14. REPRESENTATION

By accepting this insurance *you* agree:

- A. The statements in the Declarations and any subsequent notice relating to *underlying insurance* are accurate and complete;
- B. Those statements are based upon representation *you* made to *us*; and
- C. *We* have issued this insurance in reliance upon *your* representation.

15. SEPARATION OF INSUREDS

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to *you* in this insurance, this insurance applies:

- A. As if each *named insured* were the only *named insured*; and
- B. Separately to each *insured* against whom claim is made or *suit* is brought.

16. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS INSURANCE

Your rights and duties under this insurance may not be transferred without *our* written consent except in the case of death of an individual named insured. If *you* die, *your* rights and duties will be transferred to *your* legal representative but only while acting within the scope of duties as *your* legal representative. Until *your* legal representative is appointed, anyone having proper temporary custody of *your* property will have *your* rights and duties but only with respect to that property.

SECTION IV • GLOSSARY

The following words are defined for the purposes of this insurance:

Advertising Injury

Advertising injury means injury arising out of one or more of the following *offenses* committed during the policy period:

1. 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;
2. Oral or written publication of material that violates a person's right of privacy;
3. Misappropriation of advertising ideas or style of doing business; or
4. Infringement of copyright, title, trade dress or slogan.

Such *offenses* must be committed in the course of advertising *your* goods or products.

Applicable Limit of Insurance

Applicable limit of insurance means the maximum amount *we* will pay as damages in accordance with the Limits of Insurance Condition in Section II.

Applicable Underlying Limit

1. *Applicable underlying limit* means:

- A. If the policies of *underlying insurance* apply to the *occurrence* or *offense*, the greater of:
 1. The amount of insurance stated in the policies of *underlying insurance* in the Declarations or any other available insurance less the amount by which any aggregate limit so stated has been reduced solely due to payment of claims; or
 2. The *retained limit* shown in the Declarations; or

- B. If the policies of *underlying insurance* do not apply to the *occurrence* or *offense*, the amount stated in the Declarations as the *retained limit*.
- 2. The limits of insurance in any policy of *underlying insurance* will apply even if:
 - A. The *underlying insurer* claims the *insured* failed to comply with any condition of the policy; or
 - B. The *underlying insurer* becomes bankrupt or insolvent.

Auto

Auto means a land motor vehicle, trailer or semitrailer.

Auto Hazard

Auto hazard means all *bodily injury and property damage* for which liability insurance is afforded under the terms, other than limits of insurance, of the *auto* policy of *underlying insurance*.

Bodily Injury

Bodily injury means bodily harm, sickness, or disease sustained by any person, including death resulting from any of these at any time, which occurs during the policy period.

Employee

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

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.

Impaired Property

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.

Insured

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

- A. If you are designated in the Declarations as:

- 1. **An Individual** – If *you* are an individual: *you* and *your spouse* are *insureds*, but only with respect to the conduct of a business of which *you* are the sole owner.
- 2. **A Partnership, Joint Venture or Limited Liability Company** – If *you* are a partnership, joint venture or limited liability company: *you* are an *insured*. *Your members*, *your partners*, and their spouses are also *insureds*, but only with respect to the conduct of *your* business.

- 3. **A Corporation or Other Organization** – If *you* are an organization other than a partnership, joint venture or limited liability company: *you* are an *insured*. *Your executive officers* and *directors* are *insureds*, but only with respect to their duties as *your officers* or *directors*. *Your stockholders* are also *insureds*, but only with respect to their liability as stockholders.

- B. Each of the following is also an *insured*:

- 1. As respects the *auto hazard*:
 - a. Anyone using an *auto* *you* own, hire or borrow including any person or organization legally responsible for such use provided it is with *your permission*; and
 - b. Any of *your executive officers*, *directors*, *partners*, *employees* or *stockholders*, operating an *auto* *you* do not own, hire or borrow while it is being used in *your business*.

None of the following is an *insured* under the preceding Paragraph a or b:

- c. Any person employed by or engaged in the duties of an *auto sales agency*, repair shop, service station, storage garage or public parking place that *you* do not operate; or
- d. The owner or lessee of an *auto* hired by or for *you* or loaned to *you*, and any agency or employee of such owner or lessee.

- 2. As respects aircraft:

Anyone using an aircraft chartered with crew by *you* or on *your behalf* and anyone legally responsible for its use except:

- a. The owner or crew of the aircraft or any person operating such aircraft;
- b. Any manufacturer of the aircraft or any of its parts;
- c. Any sales, service or repair company;
- d. Any airport or hangar operator; or
- e. Any employee of the preceding Paragraphs 2.b, c or d.

- 3. Except as respects aircraft and the *auto hazard*:

- a. *Your employees* while acting within the scope of their duties; and
- b. Any person or organization while acting as real estate manager for *you*.

- 4. Any organization *you* newly acquire or form, other than a partnership, joint venture or limited liability company, and over which *you* maintain ownership or majority interest, will be deemed to be a *named insured*. However, coverage does not apply:

- a. For a period greater than 120 days from the date of such acquisition or formation or the end of the policy period, whichever is earlier.
- b. To *bodily injury or property damage* that occurred before *you* acquired or formed the organization.

- c. To *personal injury* or *advertising injury* arising out of an *offense* committed before *you* acquired or formed the organization.
- 5. Any person or organization having proper temporary custody of *your property* if *you die*, but only:
 - a. With respect to liability arising out of the maintenance or use of that property; and
 - b. Until *your legal representative* has been appointed.
- 6. *Your legal representative* if *you die*, but only with respect to duties as such. That representative will have all *your rights* and *duties* under this insurance.
- 7. Any person or organization for whom *you* agreed in writing to provide this insurance for operations *you* perform or facilities *you own or use*. This insurance is subject to *your applicable underlying limits* for such operations or facilities.
- 8. Any other person or organization insured under any policy of the *underlying insurance*. This grant is subject to all the limitations upon coverage under such policy other than the limits of the *underlying insurers' liability*.

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

No person is an *insured* as respects *bodily injury* to a fellow *employee* unless insurance for such liability is afforded by the *underlying insurance*.

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*.

Occurrence

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

Offense

Offense means any of the offenses listed in the definition of *personal injury* or *advertising injury*.

Personal Injury

Personal injury means injury, other than *bodily injury*, arising out of one or more of the following offenses committed during the policy period:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. Wrongful entry into, or eviction of a person from, or invasion of the right of private occupancy of a room, dwelling 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;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or

organization's goods, products or services; or

5. Oral or written publication of material that violates a person's right of privacy.

Such *offenses* must arise out of the conduct of *your business*, excluding advertising, publishing, broadcasting or telecasting done by or for *you*.

Products / Completed Operations Hazard

Products / completed operations hazard includes all *bodily injury* and *property damage* occurring away from premises *you own or rent* and arising out of *your product* or *your work* except:

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

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

Property Damage

Property damage means the following which occurs during the policy period:

1. Physical injury to tangible property, including all resulting loss of use of that property; and
2. Loss of use of tangible property that is not physically injured.

Retained Limit

Retained limit is the sum stated in the Declarations as such. If the policies of *underlying insurance* do not apply to the *occurrence* or *offense*, the *insured* shall retain this amount as self insurance with respect to:

1. *Bodily injury or property damage* caused by each *occurrence*; or
2. *Personal injury or advertising injury* sustained by any one person or organization and caused by an *offense*.

Rot and Decay Organisms

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

Suit

Suit means a civil proceeding in which damages because of *bodily injury*, *property damage*, *personal injury* or *advertising injury* to which this insurance applies are alleged. *Suit* includes an arbitration proceeding alleging such damages to which *you* must submit or submit with *our consent*.

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*.

Ultimate Net Loss

Ultimate net loss means the sum actually paid or payable due to a claim for which the *insured* is liable either by a settlement to which we agreed or a final judgment. Such sum will include proper adjustments for recoveries and salvage.

Underlying Insurance

Underlying insurance means the policies listed in the Schedule of Underlying Insurance and includes:

1. Any renewal or replacement of such policies; and
2. Any other insurance available to the *insured*.

Underlying Insurer

Underlying insurer means any insurer which provides a policy listed in the Schedule of Underlying Insurance or any other insurance available to the *insured*.

We / Us / Our

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

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 (see “*insured*” in Glossary).

Your Product

Your product means:

1. Any goods or products (other than real property) manufactured, sold, handled, distributed or disposed of by:
 - A. *You*;
 - B. Others trading under *your* name; or
 - C. A person or organization whose business or assets *you* have acquired.
2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in the preceding Paragraphs 1 and 2.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

Your Work

Your work means:

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

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in the preceding Paragraphs 1 and 2.

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.*



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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.



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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*.



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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*.



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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.



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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*.



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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.



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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.



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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.

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.



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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.

Policy# 16506

SCHEDULE

DESIGNATED PREMISES

Description / Location of Subject Premises:

LRO-OFFICE

899 LINCOLN AVENUE GLEN ROCK NJ 07452

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.

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*.



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