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

COMMON POLICY DECLARATION

Policy Number
AXCM23082 2019 0

Renewal of Number: AXCM23082

Named Insured and Mailing Address
MARY M FINNELL
11 CLEVELAND CIRCLE
SKILLMAN, NJ 08558

PRODUCER - 107
BORDEN PERLMAN RUSSO
250 PHILLIPS BLVD
SUITE 280
EWING, NJ 08618
(609) 896-3434

Policy Term: From 08/01/2019 to 08/01/2020 12:01 A.M. Standard Time at your mailing address shown above.

You are a: PARTNERSHIP
Your Business/Operation: OFFICE -MANAGES OWNED PROPERTIES

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.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	(N/A MEANS NO COVERAGE) ADVANCE PREMIUM		
Commercial Property Coverage Part	$	131	
Commercial General Liability Coverage Part	$	229	MP
Commercial Inland Marine Coverage Part	$	90	
Commercial Crime Coverage Part	$	N/A	
Commercial Glass Coverage Part	$	N/A	
Certified Terrorism Coverage	$	N/A	
Total Advance Premium	$	450	
Surcharge NJ-PLIGA	$	3	

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

Form Edition	Description	
The following forms and endorsements are applicable to the Common Coverage Part		
AXIS 102 AIC (06/2015)	AXIS JACKET	
MCM 418*(01/2015)	Non-Certified Acts of Terrorism Exclusions	
MCM 820*(08/2015)	Mandatory Endorsement - New Jersey	
SIPN-090*(01/16)	Notice to Policyholder - Boiler Inspections	
MCM 412 (01/2015)	Certified Acts of Terrorism Exclusions	
TPD12 (01/2015)	Notice Of Terrorism Insurance Coverage	
MIM 141 (01/2015)	Certified Acts of Terrorism Exclusion	
The following forms and endorsements are applicable to the Commercial General Liability Coverage Part		
MCL 030* (10/2007)	Basic General Liability Form	
MCL 143 (03/2014)	Data Breach Exclusion - Part II	
MCL 178*(08/2000)	Exterior Insulation and Finish System Exclusion	
MCL 189*(04/2007)	Lead/Lead Contamination and Asbestos Exclusions - Liability	
MCL 191*(06/2002)	Sexual Abuse or Sexual Misconduct Exclusion	
MCL 193*(06/2005)	Contractors New York State Bodily Injury Limitation - Part II	
MCL 821*(06/2005)	Your Right to Loss Information	
MCL 159 (06/2005)	Designated Premises Limitation	
The following forms and endorsements are applicable to the Commercial Property Coverage Part		
MCP 010 (01/2008)	General Property Form	
SIIL-7000*(09/11)	Software Loss Exclusion	
SIIL-7001 (09/11)	Equipment Breakdown Coverage Schedule	
MCP 011 (01/2005)	Supplemental Declarations	
MCP 515	Deletes certain coverage for loss	
MCP 520	Provides Replacement Coverage	
SICP-7005 (09/11)	Equipment Breakdown Coverage Form	
The following forms and endorsements are applicable to the Commercial Inland Marine Coverage Part		
MIM 143 (01/2015)	Non-Certified Acts of Terrorism Exclusions	
MIM 010 (06/2007)	Inland Marine Common Provisions Form	
MIM 100 (09/2005)	Computer Coverage	$ 90
MIM 102 (04/2007)	Computer Hacking and Virus Exclusion	

* Mandatory Forms

07/03/2019
Countersignature Date

By: _____
Representative

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

COMMERCIAL PROPERTY POLICY DECLARATION

Policy Number
AXCM23082 2019 0

Renewal of Number: AXCM23082

Named Insured and Mailing Address
MARY M FINNELL
11 CLEVELAND CIRCLE
SKILLMAN, NJ 08558

PRODUCER - 107
BORDEN PERLMAN RUSSO
250 PHILLIPS BLVD
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EWING, NJ 08618
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Policy Term: From 08/01/2019 to 08/01/2020 12:01 A.M. Standard Time at your mailing address shown above.

You are a: PARTNERSHIP
Your Business/Operation: OFFICE -MANAGES OWNED PROPERTIES

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LOCATION, CONSTRUCTION AND OCCUPANCY OF PREMISES YOU OWN, RENT OR OCCUPY

Prem No.	Bldg No.		Construction	Occupancy	File No.
1	1	11 CLEVELAND CIRCLE SKILLMAN, NJ 08558	2	0070	

COVERAGES PROVIDED

Premises Building or Coverage Item #	Limits of Insurance	Coverage	Cause of Loss Options	Coinsurance Factor	Deductible	Premium
Prem No. 1 Bldg No. 1	10,000	Bus. Pers. Property	Expanded	80%	$ 500	$ 131
			Total Premium		$	131

MORTGAGEE(S) & MAILING ADDRESS

N/A

07/03/2019
Countersignature Date

By: _____
Representative

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

COMMERCIAL GENERAL LIABILITY POLICY DECLARATION

Policy Number
AXCM23082 2019 0

Renewal of Number: AXCM23082

Named Insured and Mailing Address
MARY M FINNELL
11 CLEVELAND CIRCLE
SKILLMAN, NJ 08558

PRODUCER - 107
BORDEN PERLMAN RUSSO
250 PHILLIPS BLVD
SUITE 280
EWING, NJ 08618
(609) 896-3434

Policy Term: From 08/01/2019 to 08/01/2020 12:01 A.M. Standard Time at your mailing address shown above.

You are a: PARTNERSHIP
Your Business/Operation: OFFICE -MANAGES OWNED PROPERTIES

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	(N/A MEANS NO COVERAGE)	
Each Occurrence Limit	$ 1,000,000	
General Aggregate Limit (Other Than Products-Completed Operations)	$ 2,000,000	
Products-Completed Operations Aggregate Limit	$ N/A	
Personal and Advertising Injury Limit	$ N/A	
Fire Legal Liability Limit	$ 50,000	Any One Fire
Medical Expense Limit	$ 5,000	Any One Person

LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

Prem No. 1 Bldg No. 1
11 CLEVELAND CIRCLE SKILLMAN, NJ 08558

ALL KNOWN EXPOSURES AT INCEPTION OF THE POLICY TERM ARE LISTED BELOW:

Classification	Code	Premium Basis Prem Ops	Premium Basis PR/CO	Advance Premium Prem Ops	Advance Premium PR/CO
Prem No. 1 Bldg No. 1	0070	A) 650	R)	$ 174	
NOC - OFFICES					

Prem Ops and Pr/Co Premium	$	174
Endorsement Premium	$	0
Total Advance Premium	$	229 MP

This Policy Contains Aggregate Limits: See Part II D 2 for Details

07/03/2019 By: _____
Countersignature Date Representative

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

COMMERCIAL INLAND MARINE POLICY DECLARATION

Policy Number
AXCM23082 2019 0

Renewal of Number: AXCM23082

Named Insured and Mailing Address
MARY M FINNELL
11 CLEVELAND CIRCLE
SKILLMAN, NJ 08558

PRODUCER - 107
BORDEN PERLMAN RUSSO
250 PHILLIPS BLVD
SUITE 280
EWING, NJ 08618
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Policy Term: From 08/01/2019 to 08/01/2020 12:01 A.M. Standard Time at your mailing address shown above.

You are a: PARTNERSHIP
Your Business/Operation: 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.

LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

Prem No. 1 Bldg No. 1
11 CLEVELAND CIRCLE SKILLMAN, NJ 08558

COVERAGES PROVIDED

Premises Building or Coverage Item #	Limits of Insurance	Coverage	Deductible	Premium
		Total Premium	$	90

MORTGAGEE(S), LOSS PAYEE(S) & MAILING ADDRESS

N/A

07/03/2019
Countersignature Date

By: _____
Representative

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

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

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

If you accept this offer of coverage, you should know that coverage that may be provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under this formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

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

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE

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

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

The portion of your annual premium that is for the coverage for terrorism, as defined in this Act, if you accept this coverage is:
$ 21.

	I hereby elect to purchase terrorism coverage. Sign and return this form to us by 08/31/2019.

	AXIS INSURANCE COMPANY
Policyholder/Applicant's Signature	Insurance Company
MARY M FINNELL	AXCM23082
Print Name	Policy Number
Date	

GENERAL PROPERTY FORM – MCP 010 01 08

***YOUR* POLICY INCLUDES:**

- The Declarations / Supplemental Declarations, Including Information About –
  - *You* and *Your* Business
  - The Locations and Property Items Covered
  - The Applicable Coverages
  - The Applicable General Limits and Deductible
  - The Applicable Special Limits and Factors
  - Who *We* are, and *Your* Insurance Representative
- This General Property Form – MCP 010.
- Additional Endorsements, if Applicable.

THIS INSURANCE FORM INCLUDES:

ITEM	PAGE
• Part I A – Main Property Coverages:	**2**
• Coverage A – Buildings	
• Coverage B – Business Personal Property	
• Coverage C – Personal Property of Others	
• Coverage D – Loss of Use from a *Direct Covered Loss*	
• Part I B – Supplemental Coverages	**4**
• Part I C – Cause of Loss Options	**10**
• Part I D – Property Exclusions / Limitations	**12**
• Part I E – Property Loss Limitations	**13**
• Part I F – Losses Not Insured	**13**
• Part I G – Special Conditions, Including –	
• Duties When Loss Occurs	**15**
• How Losses Are Settled	**16**
• Other Special Conditions, Including Vacancy, Unoccupancy, and Other Increase in Hazard	**19**
• Part I H – Glossary	**20**
• Part I – Common Conditions, Including –	**21**
• Action or Suit Against *Us*	
• Cancellation / Termination	
• Concealment / Misrepresentation / Fraud	
• Coverage Territory	
• Examination / Changes	
• Other Insurance	
• Other Conditions	
• Part I – Common Exclusions	**22**

DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined for the purposes of this insurance in Glossaries: See the Glossary and Part I C.

The word "Provisions," refers to all or part of the text of this insurance contract – including agreements, conditions, exclusions, limits, limitations, and all other terms.

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

COVERAGE PARTS

Part I – this coverage part – includes provisions relating to General Property Insurance for *your* buildings and / or business personal property. If included in this insurance contract, Part II relates to General Liability Insurance for covered operations and premises.

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PART I A • MAIN COVERAGES

INSURING AGREEMENT

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

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

B. Unless otherwise specifically provided in this policy, this insurance applies only to *covered loss* that takes place during the current policy term on the applicable described premises (the location / premises described in the Declarations).

C. With respect to personal property covered by this policy (including any covered within the definition of or by Extension of Coverage A), coverage is extended to *covered loss* that also takes place outdoors (meaning not in a building) on, or within 100 feet of, the described premises.

D. Insuring Agreement Qualification
The Coverages in this policy are subject to certain Exclusions and Limitations, including Part I Common Exclusions and Parts I D, E, and F.

COVERAGE A • BUILDINGS / STRUCTURES

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

1. Additions under construction.*

2. Alterations or repairs.

3. Building equipment, fixtures, materials, and supplies, intended for use in alteration, construction, or repair of described buildings.*

4. Completed additions.

5. Equipment, fixtures, and machinery permanently installed as part of described buildings.

6. Outdoor fixtures. For example, flag poles, ground lights, light standards.

* Such property is covered by this policy only on an excess basis, if covered by other insurance.

COVERAGE B • BUSINESS PERSONAL PROPERTY

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

1. Tangible personal property (including equipment, fixtures, and machines not subject to Coverage A) owned by *you* and used in *your* described business / operations.

2. Tangible personal property of others – but only to the extent of the value of the labor, materials, and supplies provided by *you* in connection with such property.

3. Tenant's improvements and betterments. This means *your* remaining use interest in additions, alterations, fixtures, and installations, not legally removable by *you,* that are both: made part of a building that *you* occupy (but do not own) and acquired or made at *your* expense.

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

COVERAGE C • PERSONAL PROPERTY OF OTHERS

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

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

COVERAGE D • LOSS OF USE RESULTING FROM *DIRECT COVERED LOSS*

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

1. The necessary interruption of *your* described business / operations; or

2. The described premises being made incapable of being occupied.

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

B. Coverage Description

1. The following coverages apply as described in the Declarations:

a. If Coverage D: Business Income (D.1) and Extra Expense (D. 2).

b. If Coverage D. 1: Business Income (Only).

c. If Coverage D. 2: Extra Expense (Only).

2. Coverage D. 1 – Business Income
We cover *your* following loss of Business Income, as described, to the extent that such would otherwise be earned or incurred by *your* business / operations had the *direct covered loss* not occurred.

a. Net Income – *Your* loss of net income (net profit or loss before income taxes) plus continuing necessary normal operating expenses to the extent that such would exist had the *direct covered loss* not occurred.

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

such leases, but which become *your* obligation because of the *direct covered loss.*

Coverage D. 1 does not extend to any expenses that do not continue, or need not continue, during the applicable coverage period.

3. Coverage D. 2 – Extra Expense

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

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

b. To minimize the period of interruption if *you* cannot continue *your* normal business / operations at the same capability and quality of service as would otherwise exist had the *direct covered loss* not occurred.

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

4. Special Costs or Expenses

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

5. Cancellation of Contract

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

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

C. Coverage Period(s)

1. Basic Period of Indemnity

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

a. The period required with diligence and ongoing effort to restore *your* covered business / operations to substantially the same capability and quality of service that existed immediately prior to the *direct covered loss;* or

b. The period required with diligence and ongoing effort to repair, replace, or restore the damaged property for the same purpose and occupancy.

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

2. Civil Authority – Special Period of Indemnity

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

3. Electronic Media – Special Period of Indemnity

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

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

If MCP 501 along with a number is listed in the Declarations, the number "60" above is replaced by the number shown for the subject described premises.

4. Extended Period of Indemnity

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

If MCP 502 along with a number is listed in the Declarations, the number "30" above is replaced by the number shown for the subject described premises.

5. Policy Term Extension

The described periods are not limited by expiration of the policy term.

6. Special / Extended Periods of Indemnity and Coverage D Limit

The described extended / special periods do not increase the applicable limit.

D. Special Conditions

1. *Your* business / operations, as referred to in this policy, means those activities and the associated expenses and income that are normal to *your* described business / operations at the described premises.

2. *You* are required to resume, in whole or in part, *your* normal business / operations as soon as possible and to the maximum extent feasible.

E. Special Exclusions / Limitations

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

1. **Cancellation –** The cancellation or suspension of any agreement, contract, lease, or license, other than as provided for in Part I A, Coverage D, Item B. 4.

2. ***Finished stock* –** Loss to *finished stock* or the time required to reproduce *finished stock:* this does not apply to Extra Expense.

3. **Interference –** Delay caused by strikers (or others) with rebuilding, repairing, or replacing property or resuming *your* business / operations at the described premises, whether such delay arises at the described premises or elsewhere.

4. **Antennas –** Loss to antennas (including their lead-in wiring, masts, and towers): this is deleted if MCP 503 is listed in the Declarations.

PART I B • SUPPLEMENTAL COVERAGES

SUPPLEMENTAL COVERAGES – ADDITIONAL CONDITIONS

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

A. These Supplemental Coverages do not modify or waive any provisions in this policy except to the extent specifically described: such are subject to all underlying provisions applicable in this policy, except to the extent specifically modified in Part I B.

B. The limits shown for the following Supplemental Coverages are additional amounts of insurance unless otherwise indicated. However, these special limits are not increased or added together because *we* provide multiple coverages or cover multiple locations in one or more policies.

C. If the Supplemental Coverage is keyed to a percentage of the underlying main coverage and such coverage is provided on multiple items at different limits, then:

1. If the Supplemental Coverage can be keyed to a specific described item, *we* use the coverage limit for that item as the basis limit.

2. If the Supplemental Coverage cannot be keyed to a specific described item, *we* use the single greatest limit provided in this policy for that coverage as the basis limit.

D. If the Supplemental Coverage is keyed to property subject to different causes of loss, then:

1. If the Supplemental Coverage can be keyed to a specific described item, *we* use the causes of loss for that item.

2. If the Supplemental Coverage cannot be keyed to a specific described item, *we* use the most relevant causes of loss at the described premises for the subject property: if at a newly acquired location, *we* use the most relevant causes of loss at the described premises for the subject property.

E. The Coinsurance Condition is not applicable to these Supplemental Coverages, except where specifically stated. However, any additional amounts of insurance applicable to the Supplemental Coverages may not be used to satisfy the Coinsurance Condition requirements for the underlying main coverage.

1. ACCOUNTS RECEIVABLE COVERAGE

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

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

Coverage does not apply to loss:

1. Due to accounting, billing, or bookkeeping error or omission; or

2. Where proof is dependent upon an audit, or inventory computation. But such audit can be used in support of a claim which *you* prove through other sources.

B. Deductible

1. A $250 deductible applies to this coverage unless MCP 510 is listed in the Declarations: if MCP 510 is applicable, the general deductible amount shown in the Declarations applies to this coverage.

2. If a specific separate deductible amount is specified for this coverage in the Declarations, such specific deductible applies (the preceding paragraph does not apply in such cases).

C. This Supplemental Coverage applies only in connection with Coverage B.

2. AUTOMATIC INCREASE / PEAK SEASON COVERAGES

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

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

B. Peak Season – The current limit of liability shown for Coverage B is increased by the factor shown in the Supplemental Declarations during those periods of time during the year when it is *your* normal practice to increase

the amount of business personal property at the described premises because of customary seasonal or holiday sales.

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

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

3. BUILDING EXTENSION COVERAGES

A. Glass Extension (Cause of Loss Options 3 and 5 Only)
We cover, up to the applicable limits shown in the Supplemental Declarations, loss to glass (other than signs) that is part of a building. The "per item" limit applies separately to each pane, panel, plate (or multiple plate) and similar discrete item or unit.

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

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

B. Outdoor Signs Extension
Coverage A is extended to cover, up to the applicable limits shown in the Supplemental Declarations:

1. Outdoor signs (including sign posts and poles) not attached to buildings. The applicable causes of loss are those applicable to outdoor signs attached to buildings: if there are no outdoor signs attached to buildings, cause of loss Option 2. B applies.

2. Outdoor signs (including sign posts and poles) attached to buildings for the causes of loss applicable to the subject building.

C. Personal Property Extension
Coverage A is extended to cover the following property when both owned by *you* and used primarily to maintain or service covered buildings / described premises: air conditioners; cooking, dishwashing, laundering, refrigeration, and ventilating appliances; fire extinguishers; floor coverings; lawn care and snow removal equipment – including riding mowers and similar items, but not other types of vehicles; outdoor fixtures / furniture.

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

4. BUILDING CODE / LAW COVERAGE

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

1. The loss caused by enforcement of any building, land use, or zoning code / law in force the date of the *covered loss,* that:

a. Requires the demolition of parts of the same property not damaged by a covered cause of loss.

b. Regulates the construction or repair of buildings, or establishes building, land use or zoning requirements at the described premises.

2. The increased expense *you* incur to construct, rebuild, or repair the property caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss:* the property must be intended for the same use / occupancy as the current property unless otherwise prohibited by such code / law.

3. The expense *you* incur to demolish undamaged parts of property and clear the site of such parts caused by enforcement of building, land use, or zoning code / law in force on the date of the *covered loss.*

If MCP 504 is listed in the Declarations, then Coverage D is extended, as to Condition C. 1 under Part I A, to the increased period of time required to comply with the conditions described in the preceding Paragraph 1.

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

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

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

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

C. *Our* maximum liability under this Supplemental Coverage (A.1, 2 and 3 combined), subject to (1), the specified limit and (2), the applicable limits and limitations on *our* liability described in Part I G, Condition 2. A, is the sum of the following:

1. The cost to demolish the property and clear the site. And,

2. The cost to reconstruct / replace the property on the described premises.

D. If a Coinsurance Condition reduction applies to the underlying *covered loss* (See Part I G), then the same amount of reduction applies to this Supplemental Coverage.

E. This Supplemental Coverage applies only to buildings covered on a replacement basis (See Part I G, Condition 2) – unless MCP 506 is listed in the Declarations.

5. ***COLLAPSE* – CAUSE OF LOSS OPTIONS 3 AND 5 ONLY**

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

1. Any cause of loss provided for in Cause of Loss Option 3. Under this coverage, these causes of loss apply to both covered buildings and business personal property.

2. Hidden decay, unless such decay is known to an *insured* prior to *collapse.*

3. Hidden insect or vermin damage, unless such damage is known to an *insured* prior to *collapse.*

4. Weight of contents, equipment, animals, or people.

5. Weight of rain that collects on a roof.

6. Use of defective material or methods in construction, remodeling, renovation or repair.

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

C. This Supplemental Coverage applies only to property covered in this policy by Cause of Loss Options 3 or 5.

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

6. **CONSEQUENT LOSS COVERAGES (SPOILAGE)**

A. *We* cover, up to the applicable limits shown in the Supplemental Declarations, loss to covered business personal property spoiled as a consequence of the disruption of cooling, electrical, heating, or refrigeration services on the described premises resulting from the following:

1. Loss of Utility Services
The loss of utility services to the described premises arising out of fortuitous direct physical loss to property of the utility caused by a cause of loss that would be covered by this policy if it were *your* property.

2. Mechanical Breakdown
The abrupt accidental mechanical breakdown or faulty operation (including refrigerant leakage) of equipment providing cooling, electrical, heating, or refrigeration services: the limit shown for this Extension is *our* total aggregate limit for all such loss during any annual (12 month) policy term.

This coverage does not include any loss arising out of conditions within *your* control. For example: failure to repair a defect or to repair or replace defective equipment or parts if the defect is known to *you, your* employees, or those acting on *your* behalf; insufficient fuel, inadequate or improper maintenance; disconnection of or failure to connect units to power source; failure to turn on power or units; failure to set proper temperature.

If a $0 (zero) limit is specified, then the subject coverage is not applicable under this policy.

B. Spoilage that results from *covered loss* to covered cooling, electrical, heating, or refrigeration equipment on the described premises is not subject to the special limits.

7. **DEBRIS REMOVAL COVERAGE – COVERAGES A, B, C**

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

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

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

1. The debris removal expense incurred exceeds the amount available for debris removal expense calculated in the preceding Paragraph B; or

2. The sum of the debris removal expense incurred and the amount otherwise payable by *us* for the *covered loss* exceeds *our* maximum limit of liability on the loss.

We pay up to the shortfall or the special limit, whichever is the lesser amount.

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

1. To remove the debris of trees.

2. To extract *pollutants* (whether or not covered property) from land or water.*

3. To remove, replace, or restore land or water that is polluted or is a *pollutant.**

4. To remove volcanic ash, dust, or particulate matter that does not cause loss.

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

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

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

8. EMERGENCY REMOVAL

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

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

9. FIRE EXPENSE COVERAGES

A. Fire Department Service Charges

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

This Supplemental Coverage does not cover service charges:

1. Incurred prior to assumption of *your* contractual obligation;

2. Arising in connection with a false alarm.

B. Fire Extinguisher Recharge Expense

We cover, up to the applicable limit shown in the Supplemental Declarations, the cost to recharge fire extinguishers / related equipment discharged in pursuit of extinguishing a fire at the described premises. The deductible does not apply.

10. NEWLY ACQUIRED PROPERTY COVERAGES

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

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

a. New buildings while being built on described premises.

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

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

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

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

a. Alterations or New Buildings at Described Premises

1. Alterations or additions to described buildings.

2. New buildings, whether under construction or completed.

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

If the subject *direct covered loss* delays the start of *your* covered business / operations at the described premises, then this Extension begins on the projected start up date (had the *direct covered loss* not occurred).

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

b. Newly Acquired Locations

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

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

B. Coverage Period

This Supplemental Coverage applies for up to a period of 60 consecutive days from the beginning date of the subject acquisition or construction: but, in no case, beyond the end of the policy term or the date on which *you* report the values to *us,* whichever date is earlier.

This coverage period does not apply to the Extension in the preceding Paragraph A.3.a.

C. Additional Premium

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

11. OFF PREMISES COVERAGES

A. Property at Other Locations

We cover, up to the applicable limit shown in the Supplemental Declarations, loss to covered property temporarily at locations that *you* do not lease, operate, or own.

This Extension does not apply to property: at exhibitions or fairs; in or on any vehicle; in the care, control, or custody of *your* sales people; that is *stock.*

B. Property in Transit – Cause of Loss Option 5 Extension

1. *We* cover, up to the applicable limit shown in the Supplemental Declarations, *your* business personal property covered by this policy (other than property in the care, control, or custody of *your* sales people) while in course of transit away from the described premises. Such property is covered for fortuitous direct physical loss (as described in the following Paragraph 2) while in or on a motor vehicle leased, operated, or owned by *you.*

2. The direct physical losses *we* cover under this Extension are:

a. Collision, overturn, or upset of *your* vehicle.

b. Fire (hostile fire) or lightning, explosion, riot or civil commotion, vandalism, windstorm / hail.

c. Theft of an entire bale, case or package by forced entry (there must be marks of forced entry) into a securely locked body or compartment of the vehicle.

3. If MCP 505 is listed in the Declarations, *we* cover, subject to the applicable limit shown in the Supplemental Declarations *(we* may show a separate sub-limit for loss by theft), *your* property while in the course of transit away from the described premises for all loss covered by Cause of Loss Option 5. The coverage described in the preceding Paragraph B.1, is deleted and replaced by that of MCP 505 and the limitations of coverage described in the preceding Paragraphs 1 and 2 do not apply to loss covered by MCP 505.

4. This Extension and Option MCP 505:

a. Apply only to property covered by Loss Option 5 at the described premises from which the property is in transit.

b. Do not apply to property within 100 feet of any described premises.

C. The limits under this Supplemental Coverage do not apply to property moved pursuant to Supplemental Coverage 8 – Emergency Removal.

12. OUTDOOR PROPERTY COVERAGE

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

Such property is covered for fortuitous direct physical loss caused by fire (hostile fire), aircraft, explosion, lightning, or riot or civil commotion, to the extent such are covered causes of loss.

13. PERSONAL PROPERTY COVERAGES

A. Creatures

Coverage B is extended to cover the following creatures:

1. Held for sale: but only if inside the building at the described premises at the time of loss.

2. Owned by others: but only if being boarded by *you* at the time of loss.

This Extension applies only to creatures destroyed by, or where their destruction is made necessary because of harm by, a *specified cause of loss.*

This Extension does not provide an additional amount of insurance.

B. Personal Effects

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

C. Personal Property of Others

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

This Extension is in addition to Coverage B. 2 under Part I A.

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

This Extension does not provide an additional amount of insurance.

D. *Valuable Papers and Records*

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

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

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

3. **Deductible**
   a. A $250 deductible applies to this coverage unless MCP 511 is listed in the Declarations: if MCP 511 is applicable, the general deductible amount shown in the Declarations applies to this coverage.

   b. If a specific separate deductible amount is specified for this coverage in the Declarations, such specific deductible applies (the preceding paragraph does not apply in such case).

E. Vehicles

1. Coverage B is extended to cover the following property owned by *you:*
   a. Aircraft, self-propelled machines, semi-trailers and trailers, watercraft, or other vehicles which *you:* hold for sale (other than automobiles), manufacture, process, or warehouse.

   b. Canoes and rowboats while ashore at the described premises.

   c. Vehicles principally operated at the described premises specifically to service the described premises or *your* described business / operations.

2. This Extension does not apply to vehicles: licensed for use on public roads; not customarily kept and operated at the described premises.

3. This Extension does not provide an additional amount of insurance.

14. POLLUTION CLEAN UP COST COVERAGE – COVERAGES A, B, C

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

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

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

B. This Supplemental Coverage does not apply to the extraction of any sort of nuclear or radioactive materials – whether such is natural or human made.

C. If a specific deductible is shown for this Supplemental Coverage, such deductible applies in lieu of any other deductible otherwise shown as applicable in this policy.

15. PRECIOUS METALS COVERAGE • INDUSTRIAL OPERATIONS

We cover, up to the applicable limit shown in the Supplemental Declarations, *your* gold, silver, or other precious metals that are used by *you* for manufacturing purposes in connection with *your* industrial operations covered in this policy. This does not apply to the manufacturing of gold, silver, or other precious metal products.

16. STEAM EQUIPMENT OR OTHER FIRED VESSEL EXPLOSION COVERAGE

A. *We* cover loss by explosion of fuel or gas within the furnace of a fired vessel or flues or passages through which the gases of combustion pass – including such explosion loss to steam boilers, engines, pipes or turbines.

B. *We* cover loss by explosion to hot water boilers or other equipment for heating water.

C. Unless Cause of Loss Option 5 applies, explosion does not include bursting, operation, or rupture of a pressure relief device.

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

17. WATER DAMAGE / RELATED DAMAGE REPAIR EXPENSE COVERAGE

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

1. The expense to repair damage to the building that occurs because of necessary reasonable efforts to get at and repair damage to the appliance, equipment, or system from which the "water" escapes.

2. The concurrently incurred expense to repair or replace that particular defective / damaged part (joint, piece of pipe, valve, or similar specific item) of the appliance, equipment, or system from which the "water" escapes.

B. This Supplemental Coverage does not apply:

1. To the expense to repair or replace the subject appliances, equipment, or systems, other than the particular defective / damaged part as provided for in the preceding Paragraph A.2.

2. If others are responsible by contract or law for payment of such expenses.

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

18. WEATHER RELATED COVERAGE – CAUSE OF LOSS OPTION 5

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

A. Loss arising out of the thawing of hail, ice, sleet, or snow on the building.

B. Loss by any such elements to the interior of the building although the exterior walls or roof are not first damaged by a covered Cause of Loss allowing these elements to enter into the interior: but, if MCP 515 is listed in the Declarations, this Extension is deleted.

C. Loss by such elements to personal property within a building.

This Supplemental Coverage applies only to property covered by Cause of Loss Option 5.

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

PART I C • CAUSE OF LOSS OPTIONS

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

A. Subject to all applicable provisions in this policy, property covered under this policy is insured for that coverage option (see descriptions) which is designated in the Declarations as applicable to the specific item. Accordingly, the same sort of property – buildings, for example – can be insured for differing causes of loss based upon the option selected to apply to the specific item.

B. The various described causes of loss cover fortuitous direct physical loss not otherwise excluded or limited. Loss – *covered loss* – means: **fortuitous direct physical damage to or destruction of covered property by a covered cause of loss, and if covered under Cause of Loss Option 5 the term "damage" includes the taking of the subject covered property by theft (including damage arising in the course of such theft).** Covered cause of loss means a cause of loss contemplated by the following coverage options to the extent that such are described as applicable to the subject covered property.

Direct physical loss does not include or mean any sort of consequent loss, loss of use, or loss of utility. But such loss may otherwise be specifically provided for in this policy: for example, see Coverage D or Supplemental Coverage 6

C. CAUSES OF LOSS COVERAGE OPTIONS

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

1. OPTION 1 – FIRE COVERAGE

Option 1 includes the following:

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

2. OPTION 2 – BASIC COVERAGE

Option 2 includes the following:

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

* **See following cause of loss descriptions.**

3. OPTION 3 – BROAD COVERAGE

Option 3 includes the following:

- **Fire** (hostile fire)
- **Aircraft***
- **Explosion**
- **Falling Objects***
- **Glass Breakage***
- **Lightning**
- **Riot or Civil Commotion***
- **Sinkhole Collapse***
- **Smoke***
- **Vandalism***
- **Vehicles***
- **Volcanic Eruption***
- **Water Damage***
- **Weight of Ice, Sleet, or Snow**
- **Windstorm / Hail**

* **See following cause of loss descriptions.**

4. OPTION 4 – SPRINKLER LEAKAGE COVERAGE

Option 4 adds **Sprinkler Leakage** to Options 1, 2, or 3.

5. OPTION 5 – EXPANDED COVERAGE

Option 5 includes Options 3 and 4, plus other fortuitous direct physical loss to or theft of covered property not otherwise excluded or limited in this policy. The losses and costs excluded in the following descriptions of the listed causes of loss in the following paragraphs with regard to Falling Objects and Sinkhole Collapse also apply to Option 5.

6. OPTION 6 – EARTHQUAKE

Option 6 is **Earthquake:** Option 6 is described in Endorsement MCP 119.

7. **EXCLUSION OPTION A – THEFT**
When Exclusion Option A is designated as applicable with Option 5, the covered causes of loss do not include theft (theft also includes burglary / robbery).

8. **EXCLUSION OPTION B – VANDALISM**
When Exclusion Option B is designated as applicable along with any other option (for example, Option 2 B), the covered causes of loss do not include vandalism.

9. **EXCLUSION OPTION C – WATER DAMAGE**
When Exclusion Option C is designated as applicable along with any other option (for example, Option 3 C), the covered causes of loss do not include water damage – other than that caused by covered freezing of an appliance or system.

10. **EXCLUSION OPTION D – WINDSTORM / HAIL**
When Exclusion Option D is designated as applicable along with any other option (for example, Option 5 D), the covered causes of loss do not include windstorm / hail.

11. **DESCRIPTION OF LISTED CAUSES OF LOSS**
The following definitions apply to and limit the scope of the listed causes of loss:

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

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

This does not include:
1. Loss to personal property outdoors (not in buildings).
2. Loss to the interior of a building, or any property within a building, unless the falling object first penetrates the roof or exterior walls of the building.

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

d. **Riot or Civil Commotion:** This includes, but is not limited to:
1. Acts of striking employees while occupying the described premises;
2. Looting occurring at the time and place of riot or civil commotion.

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

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

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

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

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

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

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

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

j. **Volcanic Eruption:** This means only:
1. Airborne blast or shock waves;
2. Ash, dust, or particulate matter other than that which can be swept or washed away without leaving physical damage; and
3. Lava flow;

caused by eruption of a volcano: but see Part I • Common Exclusion 1.

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

k. **Water Damage:** This means abrupt accidental discharge of water as a direct result of the breaking or cracking of any part of an appliance, equipment, or system containing water: but see Sprinkler Leakage for an *automatic sprinkler system.* Water includes steam and, as to Cause of Loss Option 5, includes such discharge of other liquids or materials.

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

D. ***SPECIFIED CAUSES OF LOSS***
Where the term *specified causes of loss* is used, the term means the following: fire; aircraft; explosion; falling objects; lightning; riot or civil commotion; sinkhole collapse; smoke; sprinkler leakage; vandalism; vehicles; volcanic eruption; water damage; weight of ice, sleet, or snow; windstorm / hail. However, these apply only to the extent that the subject property is otherwise insured for such causes of loss.

E. ***COVERED LOSS***
1. **Coverages A, B, C** • *Covered loss* is described in Part I C, General Cause of Loss Condition B.

2. **Coverage D** • Relevant to the context in which it is used:
a. *Direct covered loss* means: fortuitous direct physical loss as described in Part I C, General Cause of Loss Condition B which occurs at described premises occupied by *you* (occupancy is not a condition for

Rental Income loss), which directly results in the subject covered Business Income Loss / Extra Expense.

b. *Covered loss* means: the subject covered Business Income loss / Extra Expense which results as a direct consequence of such described *direct covered loss.*

PART I D • PROPERTY EXCLUSIONS / LIMITATIONS

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

1. ALL PROPERTY COVERAGES

A. Building Glass: but see Supplemental Coverage 3. A.

B. Crops of any sort, whether growing, harvested, or in any way held.

C. Land, including land on which covered property is located. Water.

D. Property not described in this policy.

E. Property that is more specifically described and insured under another coverage form in this policy or by any other insurance: but as to Coverage A, this insurance applies excess.

F. Outdoor property, as follows (but see Supplemental Coverage 12):

1. Antennas, including their lead-in wiring, masts, and towers.

2. Fences.

3. Lawns.

4. Plants, shrubs, or trees.

G. Signs (outdoor signs): but see Supplemental Coverage 3.B.

H. Vehicles, as follows: aircraft, motorized land vehicles, self-propelled machines, or watercraft – including their accessories, equipment, motor, parts, tires, or trailers. This also includes: devices designed to be powered through their electrical systems, radar detectors, recorded discs and tapes in such vehicles for use in the vehicle.

But see Supplemental Coverage 13. E.

2. COVERAGE A

A. Cost of backfilling or filling, excavations or grading.

B. Docks, piers, pilings, or wharves.

C. Foundations of buildings, boilers, or machinery that are below the lowest basement floor or, if no basement, below ground level.

D. Paved surfaces of any sort, including – but not limited to – bridges, driveways, parking lots, patios, roads, or walks.

E. Retaining walls that are not part of described buildings.

F. Underground drains, flues, or pipes.

3. COVERAGES B AND C

A. Creatures of any sort: but see Supplemental Coverage 13. A.

B. *Money.* Gold, silver, and other precious alloys or metals other than as provided for in the following Paragraph 4: but also see Supplemental Coverage 15.

C. Property while airborne or waterborne.

D. *Securities.*

E. *Valuable papers and records* as well as the cost to replace, research, or restore the information on *valuable papers and records:* but see Supplemental Coverage 13. D.

4. COVERAGES B AND C (CAUSE OF LOSS OPTION 5) Loss by theft to the following property is covered only up to the applicable limits shown in the Supplemental Declarations (these limits are aggregate limits for all described property per occurrence).

A. Furs (this also includes both fur and fur trimmed garments).

B. Jewelry-type property meaning: (1) jewels, jewelry, pearls, precious and semi-precious stones, watches and watch movements; (2) gold, silver, platinum and other precious alloys or metals used to make jewelry.

This does not apply to items of jewelry-type property worth, at *your* regular retail price, less than the applicable limit per item shown in the Supplemental Declarations.

PART I E • PROPERTY LOSS LIMITATIONS

***We* do not provide insurance under Part I for any sort of damage or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss otherwise covered contributes to such concurrently or in any sequence. The following exclusions and limitations of loss in connection with certain property apply to the extent that the subject loss and property are otherwise covered under this policy.**

1. **BUILDERS / BUILDING ITEMS**
   A. **Builders' Equipment –** Loss to builders' equipment, machinery, or tools either owned by *you* or in *your* care, custody, or control while away from the described premises.

   B. **Building Property –** Loss by theft of building materials or supplies – unless attached to and forming an integral part of the building under alteration, construction, or repair at the time of loss, other than such property held for sale by *you.*

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

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

4. **HOT WATER / STEAM EQUIPMENT**
   A. **Hot Water Boilers –** Loss to hot water boilers or other water heating equipment by any condition or event inside such boilers or equipment.

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

   But see Supplemental Coverage 16.

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

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

PART I F • LOSSES NOT INSURED

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

1. ***COMPUTER HACKING* AND *COMPUTER VIRUS* EXCLUSION**
   Computer hacking or *computer viruses.*

2. **DELAY OR LOSS OF MARKET / LOSS OF USE EXCLUSIONS**
   Delay or loss of market or sale. Loss of occupancy. Because property cannot be occupied or used. Consequent loss. But see Coverage D and Supplemental Coverage 6 for certain described coverage.

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

   This applies whether any such persons act alone or in collusion with others or such acts take place within or outside of working hours.

   This Exclusion does not pertain to acts of physical damage by *your* employees.

4. **ELECTRICAL DAMAGE EXCLUSION**
   Loss, however caused, by artificially generated electrical currents to electrical or electronic appliances, devices or wiring.

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

5. **EXPLOSION OF STEAM EQUIPMENT EXCLUSION**
   Explosion of steam boilers, engines, pipes, or turbines which are leased to *you,* owned by *you,* or operated under *your* control: but see Supplemental Coverage 16.

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

6. **FLOOD / FLOODING EXCLUSION**
   Flood, surface water, waves, storm surge, tidal water or tidal waves, overflow of streams or other bodies of water, or their spray, aggravated by or resulting from any natural or human made causes: all, whether or not arising out of or caused by rain, snow, wind or other condition of the weather, or an otherwise covered cause of loss.

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

7. **FREEZING OF APPLIANCES OR OTHER EQUIPMENT EXCLUSION**
Leakage or overflow of any liquids or any other materials from air conditioning, heating, plumbing, or other appliances or equipment (other than fire protection systems), or damage to such appliances or equipment, caused by freezing.

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

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

9. **LAW OR ORDINANCE / GOVERNMENTAL DIRECTIVE EXCLUSIONS**
Enforcement of any code, law, ordinance, or regulation, including those pertaining to construction, repair, or use of property or demolition of property (including debris removal). Any governmental directive. But see Supplemental Coverage 4.

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

But see Supplemental Coverage 6.

11. **WATER DAMAGE EXCLUSION**
    A. Underground, surface or subsurface water that exerts pressure on or flows, seeps or leaks through: basements; doors, windows, or other openings; driveways, floors; foundations; paved surfaces; sidewalks; swimming pools; walls. See also mudflow or mudslide under Exclusion 12. E.

    B. Water or sewage that backs up through sewers or drains or overflows from a sump: If MCP 507 is listed in the Declarations, this Paragraph (B) is deleted with regard to the subject described premises.

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

12. **WEAR, TEAR, AND OTHER SPECIFIED LOSS / CAUSE OF LOSS EXCLUSIONS**
    A. Wear and tear; birds, domestic animals, insects, raccoons, rodents, or vermin; contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of *pollutants;* (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to *pollutant*s, asbestos, *fungi,* mold or lead contamination or assess the effects of *pollutants,* asbestos, *fungi,* mold or lead contamination: but see Supplemental Coverage 14 for certain coverage; corrosion; decay or deterioration; deficiency, error, or omission in design, materials, plans, or workmanship; disease; dry or wet rot; *fungi,* mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); mechanical breakdown; rust.

    B. Buckling, bulging, contracting, cracking, expansion, settling, shrinkage, or sinking.

    C. Contamination by any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures, or the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to any virus or other pathological agent.

    D. Continuous or repeated leakage or seepage from any part of an appliance or system which contains water or other liquids resulting from a condition which *you* fail to repair.

    E. Earth / ground / land movement on or below the surface of the earth aggravated by or resulting from any natural or human made causes including, but not limited to: earth / ground / land collapsing (other than sinkhole collapse), pressure, rising, shifting, sinking, sliding, or subsidence; landslide; mine subsidence; mudflow; mudslide; rockslides or rock falls. See also Part I • Common Exclusion 1 as to catastrophic earth movement.

    F. Marring or scratching: but these apply solely to personal property.

    G. Smog, smoke, or vapor from agricultural or industrial activities.

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

13. **WEATHER / RELATED EXCLUSIONS**
    A. Cause of Loss Options 2 and 3
        1. As to Windstorm / Hail: cold or frost; ice (other than hail), sleet or snow, whether or not wind driven.

        2. Weight of hail, ice, sleet or snow: but these apply only to personal property while outdoors at the time of loss.

    B. Cause of Loss Options 2, 3, and 5
        1. **Building Interior –** Loss by dust, hail, ice, rain, sand, sleet, or snow, whether or not wind driven, to: (a) the interior of a building; or (b) property within a building: but see Supplemental Coverage 18. But, if the building first sustains loss by any covered cause of loss to the exterior roof or walls, which then allows these elements to enter the building, *we* insure the resulting loss by such elements.

        2. **Downspouts or Gutters –** Loss by weight of hail, ice, sleet, or snow to downspouts or gutters.

    C. Cause of Loss Option 5
        1. Drought.

2. Freezing, hail, ice, rain, sleet, or snow: but these only apply to personal property while outdoors at the time of loss;

3. Changes or extremes of temperature or dampness or dryness of the atmosphere: but these only apply to personal property; and

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

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

PART I G • SPECIAL PART I CONDITIONS

1. DUTIES WHEN LOSS / DANGER OF LOSS OCCURS
***You,* other *insureds,* and other coverage beneficiaries must do all of the following things:**

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

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

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

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

C. Cooperation on the Loss
As often as *we* may reasonably request / require:

1. Immediately exhibit all that remains of the damaged and undamaged property, and allow *us* to take samples of such property for examination and inspection.

2. Produce for examination and copying: the inventory described in the following Paragraph D; all relevant accounting procedures, affidavits, books of account, bills, contracts, deeds, documents, evidence, financial records, invoices, liens, leases, receipts, records, tax returns, vouchers, or other sources of information, or facsimiles acceptable to *us.*

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

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

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

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

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

1. The time and cause of loss.

2. *Your* interest and that of all others in the property involved (including a description of all encumbrances on such property).

3. All other insurance policies which may apply to the loss.

4. Any changes in occupancy, title, or use of the property during the policy term.

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

2. **HOW LOSSES ARE SETTLED**

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

Our **maximum liability is that amount which is the least one of all the following:**

1. The *actual cash value* or the replacement value (if MCP 520 is listed in the Declarations – see Condition 2.C.2) of the damaged portions of subject property at the time of loss. But, in no event, exceeding the lesser of Paragraph a or Paragraph b:
   a. The lesser cost reasonably required, with diligence and ongoing effort, to:
      1. Repair or restore the damaged property with like materials of comparable quality used for the same purpose / same occupancy, bringing such to the same general condition as existed immediately prior to the loss; or,
      2. Replace the damaged property, at the same described premises, with like property of comparable quality used for the same purpose / same occupancy;
   b. The necessary reasonable expense paid to repair, replace, or restore the damaged property.
2. Any factors, limits, special limits, or other recovery limitations described or specified in this policy as applicable to the subject loss and property, whether shown in the Declarations, any endorsements, or elsewhere in this policy.

   The inclusion of any sort of recovery limitations or special limits or the inclusion of more than one item within any provision in this policy do not increase or otherwise modify any of the general limits shown in this policy – unless specifically stated to be additional insurance.
3. The insurable interest of the *insured* (or other named interests) at the time of loss.

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

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

   Loss to glass is subject to the applicable limits shown in the Supplemental Declarations; the "per item" limit applies to each individual pane or panel or similar item.
5. ***Money*** (If covered under this policy) – At face value: if foreign money, at its exchange rate (in dollars) on the date that the loss is reported to *us* by *you.*
6. ***Securities*** (If covered under this policy) – At their value at the close of business on the date that the loss is reported to *us* by *you.*
7. ***Stock*** – Loss to *stock* that *you* have sold but not delivered at the selling price, less discounts and expenses that *you* would otherwise have.
8. **Tenant's Improvements and Betterments**
   a. If *you* make repairs as soon as feasible, loss is settled as described in the preceding paragraphs.
   b. If *you* do not make repairs as soon as feasible, *our* obligation is limited to a proportion of *your* original cost for the improvements, determined as follows:
      1. Divide the number of days from the date of loss to the expiration date of the lease by the number of days from the date of installation (of the improvement) to the expiration date of the lease, then
      2. Multiply the original cost by the figure resulting from this division.

      Note: If *your* lease contains a renewal option, *we* use the expiration date of the renewal option in lieu of the expiration date of the current lease.
9. ***Valuable Papers and Records*** – Loss to *valuable papers and records* (other than prepackaged software programs) not subject to Supplemental Coverage 13.D is settled on the basis of the cost of blank materials for reproducing such records plus the cost of labor to copy such records when duplicates of such exist.

B. **Limit of Liability per Loss Occurrence – Coverage D**

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

1. **Coverage D. 1 – Business Income**
   a. The net income / rental income of the business / operations before the date the *direct covered loss* occurred.
   b. The likely net income / rental income of the business / operations had the *direct covered loss* not occurred.
   c. The operating expenses, including payroll expenses, necessary to resume *your* normal business / operations at the same capability and quality of service as existed immediately prior to the date the *direct covered loss* occurred.
   d. Any other relevant sources of information, including all information described under Part I G, Condition 1 – "Duties."
   e. Any liability *we* otherwise have, as determined in the preceding Paragraphs, is reduced to the extent that *you* can resume *your* normal business / operations, in whole or in part, including by using any property (including damaged property) at the described premises or elsewhere: See Part I A, Coverage D, Condition D. 2.
2. **Coverage D. 2 – Extra Expense**
   a. All expenses that exceed the normal operating expenses that *you* would otherwise incur in *your* business / operations during the coverage period of indemnity had the *direct covered loss* not occurred.

b. All necessary expenses that reduce the Business Income loss that would otherwise be incurred: but this applies only if Coverage D. 1 applies under this policy.

c. Any liability *we* otherwise have for Extra Expense, as determined in the preceding Paragraph 2.a. is reduced by the following:

1. The remaining salvage value of any property bought for temporary use during the coverage period of indemnity once *your* business / operations are resumed.

2. Any Extra Expense that is paid for by other insurance that is not subject to the same provisions that apply under this policy.

3. To the extent that *you* can resume normal business / operations.

3. Coverage D. 1 and D. 2

Conditions 1 and 2 apply to each described premises at which *direct covered loss* occurs, and *our* maximum liability for such loss does not exceed the limits or other recovery limitations otherwise shown in this policy applicable to the subject *covered loss.*

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

1. *Actual Cash Value* Basis

Loss settlement under Coverages A, B, and C is on an *actual cash value* basis.

However, if the cost to repair a damaged building is less than the replacement threshold limit specified in the Supplemental Declarations, then loss settlement is on a replacement basis (pursuant to the provisions of the following Condition C.2) other than loss to the following property: awnings; cooking, dishwashing, laundering, refrigerating, or ventilating appliances; fire extinguishers; floor coverings; lawn care and snow removal equipment; outdoor fixtures / furniture.

2. Replacement Coverage Option – Coverages A / B

a. If MCP 520 is listed in the Declarations (or the replacement option is otherwise designated as applicable in this policy) then the expense of replacement applies in lieu of *actual cash value* as the basis for loss settlement on those buildings and that personal property designated in this policy as subject to this Option. However, in any case, loss to the following property remains on an *actual cash value* basis:

1. Manuscripts.

2. Property of others.

3. *Stock* – Unless MCP 521 is listed in the Declarations.

4. Works of art, antiques, or rare articles, including – but not limited to – bronzes, bric-a-brac, etchings, marble, pictures, porcelains.

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

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

3. Unless MCP 522 is listed in the Declarations as applicable to the subject property, *you* must make repair, replacement, or restoration at the same described premises. But see Supplemental Coverage 4, if such is prohibited by law or ordinance.

D. Appraisal

1. If *you* and *we* do not agree on the amount of the loss or values or on the amount of Business Income or operating expenses, either one can require that the items in dispute be set by appraisal. Within 30 days of receipt of a written demand for appraisal, each is to select a competent and disinterested appraiser. Each party is to then notify the other of the appraiser selected.

2. The two appraisers are to select a competent and disinterested umpire. If the appraisers are unable to agree upon an umpire within fifteen days, *you* or *we* may petition a judge of a Court of Record to select an umpire.

3. The appraisers are to reach a mutual agreement on the items in dispute. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement signed by any two of these three persons constitutes settlement on the items in dispute.

4. Each appraiser is paid by the party selecting the appraiser. All other expenses of the appraisal are paid equally by *you* and *us.*

5. If *we* agree to appraisal, *we* specifically retain *our* right to deny the claim.

E. Coinsurance Requirements • Coverages A, B, C

When the Declarations show a Coinsurance factor, the following Conditions apply:

1. Full Liability – *We* pay the full amount of *our* obligation on the loss, as otherwise determined and limited in this policy, if the product of "a" times "b" is an amount equal to or less than the applicable limit for the property shown in the Declarations, where:

a. "a" is 100% of the applicable value of the property at the time of loss (if two or more items are covered by one limit, use the sum of their separate values).

b. "b" is the applicable Coinsurance factor specified in this policy.

But if this figure exceeds the applicable limit, *our* maximum obligation on the loss is reduced, as determined in Condition E.2. (But see the following Special Condition).

2. **Reduced Liability –** If the figure in the preceding Paragraph E.1 (that is, "a" x "b") exceeds the applicable limit for the property, *our* obligation, subject to all other provisions, is as follows:
   a. Divide the applicable limit by the figure determined in Paragraph E.1; then
   b. Multiply the amount of loss (less deductible) by the figure determined in Paragraph E.2.a: *Our* maximum obligation is this reduced amount (the product of [b]).

F. Coinsurance Requirements • Coverage D.1
When the Declarations show a Coinsurance factor, the following Conditions apply:

1. **Full Liability –** *We* pay the full amount of *our* obligation on the loss, as otherwise determined and limited in this policy, if the product of "a" times "b" is an amount equal to or less than the applicable limit for such loss shown in the Declarations, where:
   a. **"a"** is the sum of the net income (net profit or loss prior to income tax) plus all operating expenses (including payroll).
   b. **"b"** is the applicable Coinsurance factor specified in this policy.

   But if this figure exceeds the applicable limit, *our* maximum obligation on the loss is reduced, as determined in Condition F. 2 (But see the following Special Condition).

   The net income and operating expenses used are those that would have been earned (had the *direct covered loss* not occurred) by *your* business / operations at the described premises for the 12 months following the latest one of the following dates, as applicable to the policy: the inception date, if a new policy; the renewal date, if a renewal policy; the last applicable anniversary date, if a term policy.

2. **Reduced Liability** – If the figure in the preceding Paragraph F.1 (that is, "a" x "b") exceeds the applicable limit for the loss, *our* obligation, subject to all other provisions, is as follows:
   a. Divide the applicable limit by the figure determined in Paragraph F.1; then
   b. Multiply the amount of loss by the figure determined in Paragraph F.2.a: *Our* maximum obligation is this reduced amount (the product of [b]).

Special Condition – Waiver of Conditions E and F.
When the amount of *covered loss* is less than both: the Special Condition limit specified in the Supplemental Declarations and the product of the amount of insurance (applicable to the *covered loss)* times the Special Condition factor specified in the Supplemental Declarations – the Coinsurance Condition is waived on such loss.

G. Deductible – Coverages A, B, C

1. *We* are liable for *covered loss* in any occurrence only when the loss is in excess of the deductible amount shown in the Declarations, and then only on the amount of loss less the deductible amount.
2. However, if MCP 512 is listed in the Declarations as applicable to the subject property loss and if the loss is 5 (five) times or more the deductible amount, then: reduce the applicable deductible by 2% (.02) of the amount of loss up to a maximum reduction of 100% of such deductible amount. For example, if the loss is $20,000 and the deductible is $1,000 the net deductible is $600 (.02 x $20,000 = $400; $1,000 - $400 = $600).

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

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

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

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

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

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

K. Recovery of Covered Property
In the event *we* make a payment for loss and a subsequent recovery is made of any of the property, *you* may choose to keep the property *you* have recovered or receive the property that *we* have recovered. If *you* choose this

option, *our* liability is reduced accordingly: payment is adjusted for the amount which *you* received for the loss to such property, and *you* must compensate *us* for the amount *we* previously paid.

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

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

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

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

3. OTHER SPECIAL PART I CONDITIONS

A. Abandonment of Property
Abandonment of any property to *us* is prohibited.

B. Increase in Hazard / Related Conditions

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

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

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

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

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

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

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

Provided that the mortgagee will:

1. Without delay, notify *us* of any change in ownership or occupancy, foreclosure proceeding, or increased hazard known to the mortgagee.

2. Pay, on *our* demand, any required premium because the *insured* fails to do so.

3. Furnish proof of loss within 60 days after *our* request if the *insured* fails to do so.

4. Give *us* the mortgagee's rights of recovery against anyone liable for the loss. This does not impair the mortgagee's right to recover the full amount of the claim.

5. Permit *us,* after a loss, to satisfy the mortgage requirements and receive a full assignment of the mortgage and all collateral securities to the debt.

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

See elsewhere in this policy for Conditions relating to Cancellation by *us.*

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

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

PART I H • GLOSSARY

The following words shown in italics are defined for the purposes of insurance under Part I to mean the following.

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

Automatic Sprinkler System
Automatic sprinkler system means –

A. Any automatic fire protection or extinguishing system, including any of the following connected parts:
   1. Ducts, fittings, pipes, or valves.
   2. Pumps and private fire protection mains.
   3. Sprinklers and other discharge nozzles.
   4. Tanks, including their component parts and supports.

B. When supplied by an automatic fire protection or extinguishing system:
   1. Hydrants, outlets, or stand pipes.
   2. Non-automatic fire protection or extinguishing systems.

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

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

1. In danger of falling down or caving in; or

2. Standing, even if it has separated from another part of the building.

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

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

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;

2. Copying, observation or scanning of data records, programs and applications and proprietary programs;

3. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;

4. Deletion, destruction, generation or modification of software; or

5. Denial of access to or denial of service from *your* computer network, hardware or website.

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

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;

2. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;

3. Deletion, destruction, generation or modification of software; or

4. Denial of access to or denial of service from *your* computer network, hardware or website.

Covered Loss
Covered loss: See Part I C • Cause of Loss Options.

Direct Covered Loss
Direct covered loss: See Part I C • Cause of Loss Options.

Finished Stock
Finished stock means – stock manufactured by *you:* but does not include such stock that is held for sale on the premises of a covered retail outlet.

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 byproducts or waste produced by *fungi,* but does not include any *fungi* intended to be edible.

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

Money / Securities
Money means – bank notes, bearer bonds, bullion, coins, currency, lottery tickets, money orders, prepaid phone cards, registered checks, stored value cards, and travelers checks held for sale to the public.

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

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

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

Stock
Stock means – merchandise held in storage or for sale; in-process or finished goods; raw materials; supplies used in packing or shipping of such goods, merchandise, or materials.

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

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

You / Your / Yourself
You, your and *yourself* refer to the *named insureds* who are the *insureds* named in the Declarations. *First named insured* is the *insured* named first in the Declarations.

PART I • COMMON CONDITIONS

These Common Conditions Apply in Addition to Part I G.

1. ACTION OR SUIT AGAINST *US*
The conditions for bringing an action or suit against *us* are described elsewhere in this policy in the state mandatory endorsement.

2. ASSIGNMENT OF YOUR INTEREST
No assignment of an interest in this policy is binding on *us* without *our* written consent. However, if *you* are an individual and die this insurance applies:

A. To *your* legal representative, while acting within the scope of the representative's duties.

B. To those with custody of *your* property prior to appointment of a legal representative.

3. CANCELLATION / TERMINATION

A. General
You may cancel this policy by: surrendering the policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. Such request made by the *first named insured* applies for all *insureds* / interests named under this policy. All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the *first named insured* – within 30 days after the cancellation date.

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

B. *Our* Right to Cancel or Terminate
Our rights to cancel or terminate this insurance are described elsewhere in this policy in the state mandatory endorsement.

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

5. CONFORMITY WITH STATUTE
It is agreed by *us* that the provisions in this policy are amended to conform to all applicable statutory requirements.

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

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

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

We may make premium adjustments based on the findings of *our* inspection and audit, or because of the application of MCP 550 (See Part I • Common Condition 11).

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

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

10. OTHER INSURANCE

A. This insurance is excess insurance over other insurance *you* may have applicable to the loss (whether *you* can collect on it or not) that is not subject to the same provisions contained in this policy.

B. When this insurance is excess over other insurance: *We* pay only *our* share of the remaining loss that exceeds the sum of both:

1. The total amount payable by all such insurance, as described, in the absence of this insurance, plus

2. The total of any deductibles or self-insured amounts under all such insurance.

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

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

1. If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the amount of obligation is paid or the insurer's applicable limit of liability is used up, whichever comes first.

2. If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of loss than *our* obligation on the applicable limit of liability of this policy bears to the total amount of insurance of all insurers covering the loss.

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

11. PREMIUMS

The *first named insured* is responsible for the payment of all premiums, and will be the sole payee of any premiums *we* return.

MCP 550 – Provisional Rates and Premiums

If MCP 550 is listed in the Declarations, the rates for the subject items are interim provisional rates and the subject premiums are tentative premiums. When the final specific rates (based on rating inspection / investigation of the subject premises) are promulgated such rates are applicable from inception of the current policy term.

The applicable tentative premiums are then recalculated using the final rates, and either a return premium or additional premium is applicable for the current policy term.

12. RECOVERY FROM OTHERS

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

A. Another *insured* under this policy; or

B. A business either controlled or owned by *you* or that controls or runs *your* business.

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

13. TIME OF INCEPTION AND COVERAGE PERIOD

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

14. WAIVER OR CHANGE OF PROVISIONS

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

NOTE: Similar Common Conditions are included in Part II (if made part of this Contract).

PART I • COMMON EXCLUSIONS

***We* provide no insurance for any sort of damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss otherwise covered contributes to such concurrently or in any sequence.**

These Common Exclusions Apply in Addition to Parts I D, E, and F.

1. EARTH MOVEMENT / EARTHQUAKE / VOLCANIC ACTIVITY

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

2. GOVERNMENTAL / LEGAL / WAR

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

B. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured.* Statutory fines or liability. Exemplary or punitive damages.

C. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.

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

3. NUCLEAR / RADIOACTIVE LOSS

A. Any nuclear event, occurrence, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination. These are not fire, explosion, smoke or any other covered cause of loss. However, if these result in fire *we* insure such resulting direct fire loss, but not any other direct physical loss which may ensue.

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

NOTE: Similar Common Exclusions are included in Part II (if made part of this Contract).

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Subject to any applicable limits on the Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising from any one Accident.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages		**Limits**
	Equipment Breakdown Limit	$ Per Policy Property Limits
	Loss of Use / Loss of Income (including Extra Expense if shown as covered)	$ Per Policy Limits
	Expediting Expense	$ 25,000
	Hazardous Substances	$ 25,000
	Spoilage	$ 25,000
	Computer Equipment	$ 25,000
	Data Restoration	$ 25,000
Deductibles		
	Combined, All Coverages	$ 200
	Direct Coverages	$ N/A
	Indirect Coverages	$ N/A or N/A hrs. or ADV
	Spoilage	$ N/A or N/A %

Other Conditions

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BASIC GENERAL LIABILITY FORM – MCL 030 10 07

***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 Basic General Liability Form – MCL 030
- Additional Endorsements, if Applicable.

THIS INSURANCE FORM INCLUDES:

ITEM	PAGE
• Part II A – Main Liability Coverage • Coverage E – Liability to Others • Coverage F – Medical Payments To Others	**2**
• Part II B – Supplemental Coverages	**3**
• Part II C – Liability Not Insured	**4**
• Part II D – Special Liability Conditions, Including – • Duties of *Insureds* • Limits of Liability	**8**
• Part II E – Glossary	**9**
• Part II – Common Conditions, Including – • Action or Suit Against *Us* • Cancellation / Termination • Concealment / Misrepresentation / Fraud • Coverage Territory • Examination / Changes • Other Insurance • And Other Conditions	**10**
• Part II – Common Exclusions	**12**

DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined for the purposes of this insurance in Glossaries: See Part II B.7, Part II C.3, Part II E and Common Exclusion 3.

The word "Provisions," refers to all or part of the text of this insurance contract – including agreements, conditions, exclusions, limits, limitations, and all other terms.

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

COVERAGE PARTS

Part II – this coverage part – includes provisions relating to Basic General Liability Insurance. If included in this insurance contract, Part I relates to Property Insurance for *your* buildings / *your* business personal property / *your* loss of business income.

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PART II A • MAIN LIABILITY COVERAGE

COVERAGE E • LIABILITY TO OTHERS

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

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

1. Be caused by a covered *occurrence* that takes place within the applicable coverage territory. See Common Condition 6. A covered *occurrence* means solely an *occurrence* arising out of the ownership, maintenance, or use of *your premises,* including operations necessary and related to such;

2. Occur during the policy term; and

3. Prior to the policy term, no *insured* or no *employee* authorized by *you* to give or receive notice of a claim or *occurrence,* knew that the *bodily injury* or *property damage* had occurred in whole or in part. If any *insured* or authorized *employee* knew, prior to the policy term, that the *bodily injury* or *property damage* occurred, then any change in, continuation of, or resumption of such *bodily injury* or *property damage* during or after the policy term will be deemed to have been known prior to the policy term.

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

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

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

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

2. Receives a written or verbal demand, claim or suit for damages because of the *bodily injury* or *property damage;* or

3. Becomes aware of anything that indicates that *bodily injury* or *property damage* has occurred or is occurring.

D. *We* have no obligation to pay any damages not covered in this policy or in excess of our limits of liability (See Part II D) for any covered damages.

COVERAGE F • MEDICAL PAYMENTS TO OTHERS

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

1. On *your premises.*

2. Away from *your premises,* but, if so, then only if the accident either:

a. Arises out of a condition at *your premises;* or

b. Arises out of the business / operations insured by this policy.

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

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

If no "per person" limit is shown for Coverage F, then this coverage does not apply under this policy.

APPLICATION OF THIS INSURANCE (PART II)

A. This insurance applies to liability arising out of *your* business / operations and *your premises* designated in the Declarations or elsewhere in this policy, to the extent covered in this policy.

B. Subject to Common Condition 7, such insurance also applies to any additions or changes to *your* business / operations or *your premises,* as described in the preceding Paragraph A, which occur during the current policy term providing: *you* report any such additions or changes to *us* within 60 days of such with *your* statement that *you* intend to make this policy – and no other – applicable to such.

All provisions applicable to *your* business / operations and *your premises* designated in this policy apply to such additions or changes.

We have no obligations to provide any insurance or services, or pay any expenses or any sums, other than those specifically described as applicable and insured in this policy.

PART II B • SUPPLEMENTAL COVERAGES

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

1. DEFENSE COVERAGE

A. With counsel of *our* choice, *we* defend suits (civil proceedings) against *insureds* seeking damages covered by this insurance. *We* have no duty to investigate any claim, defend or provide for a defense for any *insured:*

1. In connection with either suits seeking damages not covered by this policy or allegations within a suit which are not covered by this policy; or

2. When the applicable limit of liability is used up in payment of judgments or settlements.

B. *We* may investigate and settle any suit as *we* deem such to be reasonable.

C. *We* assume the following costs and expenses in a suit defended by *us:*

1. All costs incurred by *us.*

2. The interest which accrues after entry of a judgment, but only until that time when *we* pay, offer to pay, or deposit in court that part of the judgment within *our* limit of liability.

3. The prejudgment interest awarded against any *insured* on that part of the judgment *we* pay. But, if *we* offer to pay *our* applicable limit of liability under this policy, *we* will not pay any prejudgment interest which is based on the period of time that follows *our* offer.

4. Costs taxed against the *insured.*

5. Costs of appeal bonds or bonds to release attachments, for that amount of the bond within *our* applicable limit of liability. *We* need not furnish or secure such bonds.

6. The reasonable expenses incurred by the *insured* at *our* request, as well as earnings (up to $250 per day) lost because of absence from work at *our* request.

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

2. CONTRACTUAL COVERAGE

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

1. Agreements to indemnify a municipality as required by law or ordinance. This does not include agreements made in connection with work for a municipality.

2. Easements. This does not include easements involving work on, or within 50 feet of, a railroad.

3. Leases of premises (but not as to fire damage) or elevator maintenance agreements.

4. Sidetrack agreements.

B. This Supplemental Coverage applies only to contracts made in connection with *your* business / operations or *your premises* covered by this policy and, then, solely to *bodily injury* or *property damage* which occurs subsequent to execution of the covered contract.

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

If MCL 503 is listed in the Declarations, then coverage is extended to oral contracts.

3. FIRST AID EXPENSE COVERAGE

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

4. INCIDENTAL ALCOHOLIC BEVERAGE COVERAGE

Coverage E is extended to include *bodily injury* and *property damage* arising out of the furnishing, giving, serving or use of alcoholic beverages, as follows:

A. When *you* furnish, give, or serve alcoholic beverages without charge and a license is not required for such activity.

B. If MCL 512 is listed in the Declarations, then *we* also provide coverage when *you* furnish, give, or serve alcoholic beverages for which a charge may be made if such activities are an incidental and minor part of *your* business / operations (and such do not pertain to the distribution, manufacture, or sale of alcoholic beverages).

5. INCIDENTAL *AUTOMOBILE* COVERAGE

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

A. The parking of *automobiles* (not borrowed or owned by, or rented to, any *insured)* at *your premises.*

B. The operation of the following devices / equipment although attached to an *automobile:*

1. Air compressors, generators, pumps; building cleaning, geophysical exploration, lighting, spraying, or welding, or well servicing equipment; or

2. Cherry pickers and similar devices used to raise / lower workers.

C. The operation of any device permanently attached to a vehicle that would qualify as *mobile equipment*, under the definition of *mobile equipment,* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

6. **INCIDENTAL FIRE LEGAL LIABILITY COVERAGE**
Coverage E is extended to include, up to the applicable limit of liability (See Part II D) shown in the Declarations for Fire Legal Liability Coverage, *property damage* as follows:
   A. Arising out of fire at a nonowned premises rented to, or occupied by, *you*

   B. If MCL 511 is listed in the Declarations, then this extension also applies to property damage arising out of any other fortuitous direct physical loss at a nonowned premises rented to, or occupied by, *you.*

   If a separate specific limit is not shown in the Declarations for Fire Legal Liability, then this Supplemental Coverage does not apply under this policy. (The specified limit is *our* maximum liability in any one *occurrence* in connection with this Supplemental Coverage).

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

   B. Glossary
   1. *Mobile equipment* means solely land vehicles (including any equipment or machinery permanently attached to, or forming an integral part of, the vehicle) as follows:
      a. Vehicles used solely at *your premises.*

      b. Vehicles designed for primary use off public roads such as bulldozers, farm machinery, forklifts, and similar commercial types.

      c. Vehicles used primarily to provide mobility to the following:
         1. Concrete mixers (other than mix-in-transit type).*

         2. Diggers, drills, loaders, power cranes, or shovels.*

         3. Road construction and resurfacing equipment, such as graders, rollers, or scrapers.*

      d. Vehicles that are not self-propelled used primarily to provide mobility to:
         1. Air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.*

         2. Cherry pickers and similar devices used to lower / raise workers.*

      e. Vehicles that travel on crawler treads.

      f. Vehicles not otherwise used as described in the preceding Paragraphs 1.a through 1.e. that are maintained by *you* primarily for uses other than the transportation of cargo or persons: but this Supplemental Coverage does not extend to self-propelled vehicles designed as described in the following paragraph or equipped with any of the following permanently attached devices:
         1. Designed primarily for road maintenance (other than road construction or resurfacing), snow removal, or street cleaning.

         2. Equipped with air compressors, generators or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.

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

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

   2. However, *mobile equipment* does not include any land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *automobiles.*

* **But only if permanently attached to, or forming an integral part of, the vehicle.**

8. **INCIDENTAL WATERCRAFT COVERAGE**
Coverage E is extended to include *bodily injury* and *property damage* arising out of any watercraft while ashore at *your premises* (other than premises *you* have abandoned, sold or transferred to others).

PART II C • LIABILITY NOT INSURED

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

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

2. ***AUTOMOBILES* / AIRCRAFT / WATERCRAFT EXCLUSIONS**

We do not insure *bodily injury* or *property damage* arising out of the *loading or unloading,* loaning, maintenance, operation, renting, use, or entrustment to others (whether supervised or not) of any *automobile,* aircraft, or watercraft operated or owned by, or loaned or rented to, any *insured.* This also applies to such *bodily injury* or *property damage* arising out of: any device, equipment, machinery, parts, trailers or semi-trailers attached to any aircraft, *automobile,* or watercraft. But see Supplemental Coverages 5 and 8.

3. **BUSINESS ACTIVITIES / BUSINESS RISK EXCLUSIONS**

A. *We* do not insure *bodily injury* or *property damage* included within the *products / completed operations hazard.*

Note: The *products / completed operations hazard* does not include *bodily injury* or *property damage* arising out of:

1. Materials which are abandoned or unused, tools, or uninstalled equipment; or

2. Transporting property, unless the *occurrence* results from a condition in or on a vehicle created by *loading or unloading* of the vehicle.

B. *We* do not insure *bodily injury* or *property damage* arising out of operations on or from any premises *you* control, occupy, own, or rent from others, or the assumption of contractual liability in connection with such premises – other than *your premises* as described in this policy.

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

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

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

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

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

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

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

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

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

H. Glossary

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

1. It incorporates *your products* or *your work* that is known to be, or is thought to be, dangerous, defective, deficient, or inadequate – and it can be restored by adjustment, removal, repair, or replacement of *your products* or *your work.*

2. *You* have failed to fulfill the terms of an agreement or contract and it can be restored by *your* fulfilling the terms of the agreement or contract.

4. **CONTRACTUAL LIABILITY EXCLUSION**

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

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

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

5. ***EMPLOYEE,* EMPLOYMENT, AND RELATED INJURY EXCLUSIONS**

A. *We* do not insure any obligations of any *insureds* under a disability benefit, unemployment compensation, workers' compensation, or similar law.

B. *We* do not insure *bodily injury* to any of *your employees* arising out of and in the course of:

1. Employment by *you;* or

2. Performing duties related to the conduct of *your* business / operations.

C. *We* do not insure *bodily injury* arising out of the following:

1. Coercion, defamation, demotion, discipline, discrimination, evaluation, harassment, humiliation, reassignment, or other employment-related acts, omissions, policies, or practices.

2. Refusal to employ.

3. Termination of employment.

D. *We* do not insure *bodily injury:*

1. Sustained by the brother, child, parent, sister, or spouse of *your employees* arising out of any injury described in the preceding Paragraphs 5.B and C.

2. With respect to any *employee* (including any *executive officer)* as an *insured* in this policy, in connection with such injury to *you, your* members or partners (if *you* are a joint venture, partnership or limited liability company) or a fellow *employee,* caused by the *employee* while in the course of employment by *you.*

E. *We* do not insure any obligation to share damages with, or repay, others who must pay damages because of any *bodily injury* described in the preceding Paragraphs 5.B, C, and D.

Exclusions 5.B through E apply whether the claim or suit is brought by *your employees* or by any others or whether *you* are liable as an employer or in any other capacity.

6. ENDANGERMENT OR HARM EXCLUSION

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

7. *FUNGI* / MOLD EXCLUSION

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

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

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

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

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

8. *MOBILE EQUIPMENT* EXCLUSION

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

A. *Mobile equipment* not specifically covered under Supplemental Coverage 7; transportation of *mobile equipment* by an *automobile* borrowed, operated, or owned by, or rented to, any *insured* – even if such *mobile equipment* is otherwise covered by this policy.

B. *Mobile equipment* while being used in a prearranged demolition, racing, or speed contest or stunting activity, including preparation or practice for such – even if such *mobile equipment* is otherwise covered by this policy.

Mobile equipment means those vehicles described as such in Supplemental Coverage 7.

9. POLLUTION / ENVIRONMENTAL DAMAGE EXCLUSION

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

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

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

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

1. All materials burned (and the burning process) must give rise solely to ordinary combustion particulate and products, such as those usual to a building (materials) fire;

2. The fire must not involve any industrial, manufacturing, or processing activities; and

3. The premises, site or location is not or was not at any time used by or for any *insured* or others for the disposal, handling, processing, storage, or treatment of waste. Waste includes materials to be reclaimed, reconditioned or recycled.

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, treat, or in any way assess the effects of or respond to *pollutants;* or

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

10. PREMISES / OTHER PROPERTY ADDITIONAL EXCLUSIONS

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

1. Personal property in the care, control, or custody of any *insured* or any property borrowed by *you.* This does not apply to liability assumed under a written sidetrack agreement.

2. Premises *you* have abandoned, sold, or transferred to others, if the damage arises out of any part of such premises.

3. Property occupied or owned by, or rented to, *you:* but see Supplemental Coverage 6.

4. With respect to an *employee,* to property borrowed, occupied, owned, or rented: by such *employee,* any of *your* other *employees,* or any of *your* members or partners (if *you* are a joint venture, partnership or limited liability company).

B. *We* do not insure *bodily injury* or *property damage* arising out of any premises not specifically designated in this policy (but see Part II A, Application Of This Insurance, Item B as to an alienated premises) as well as any business / operations performed on or from such premises and liability assumed by any *insured* under a contract relating to such premises.

11. PROFESSIONAL ACTIVITIES EXCLUSION

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

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

12. SILICA EXCLUSION

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

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

1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to silica in any form, including silica particles or dust, or any products or substances containing silica.

2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to silica in any form, including silica particles or dust, or any products or substances containing silica.

13. STRUCTURAL ALTERATIONS / OTHER CONSTRUCTION EXCLUSION

We do not insure *bodily injury* or *property damage* arising out of any of the following operations performed by *you* or on *your* behalf:

A. Alterations involving changing in size or moving of buildings / structures.

B. Demolition.

C. New construction.

However, if MCL 509 is listed in the Declarations, this Exclusion is waived in connection with any premises (otherwise covered under this policy) designated as subject to MCL 509.

14. VIRUS CONTAMINATION EXCLUSION

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

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

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

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

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

THE FOLLOWING ADDITIONAL EXCLUSIONS APPLY ONLY TO COVERAGE F

15. *PRODUCTS / COMPLETED OPERATIONS HAZARD* EXCLUSION

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

16. SPECIFIED PERSONS EXCLUSIONS

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

A. Any *insured.*

B. Any person to whom benefits are payable, or must be provided under a disability benefit, workers' compensation, or similar law, for injury sustained by such person.

C. Any person hired to do work for, or on behalf of, any *insured* or a tenant of any *insured.*

D. Tenants or other persons on *your premises* if the injury occurs on that part of *your premises* such person normally occupies.

17. SPORTS ACTIVITIES EXCLUSION

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

18. *YOUR* MEDICAL SERVICES / GENERAL MEDICAL EXCLUSIONS

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

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

PART II D • SPECIAL LIABILITY CONDITIONS

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

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

A. Immediately notify *us* of all relevant circumstances relating to a claim or any incident which may result in a claim, with all necessary information. For example: who *you* are; the time, place, and circumstances of the injury or *occurrence;* the names and addresses of injured persons and witnesses.

B. Immediately send *us* all bills, documents, notices, papers, or summonses related to any claim or suit brought against any *insured* or to any medical expense claims.

C. Cooperate with *us* in matters relevant to the claim or suit. Assist *us* in: conducting suits, including by attending hearings and trials and giving evidence; enforcing any *insured's* rights of contribution or indemnity against others; investigating *occurrences;* making settlements; obtaining records (or other information) or the attendance of witnesses.

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

E. Refrain from voluntarily making payments, assuming obligations, or incurring defense, investigative, or any other expenses – unless with *our* specific written authorization to do so (otherwise such undertakings will be at the *insured's* own expense and *we* will not pay for them). This does not apply to first aid expense coverage.

F. With regard to Coverage F, coverage beneficiaries must, as *we* may reasonably require: provide written proof of claim (under oath, if required); submit, at *our* expense, to physical examinations by physicians of *our* choice; and authorize *us* to obtain medical records.

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

2. LIMITS OF LIABILITY

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

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

1. *Occurrence* Limit – Coverages E and F (If Applicable)

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

2. Accident Limit / Per Person Limit – Coverage F (If Applicable)

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

B. Aggregate / Total Limit – The following limit applies for all damages or medical expenses for all *occurrences,* accidents, or injuries that may occur in the period(s) described in C.

1. Aggregate / Total Limit

Our maximum limit of liability payable for:

a. Coverage E; and

b. Coverage F, (if applicable)

is the general aggregate / total limit shown in the Declarations.

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

C. Application of Limits

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

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

3. **OTHER CONDITIONS**

   A. Except for the limits of liability and any duties / rights assigned to the *first named insured,* this insurance applies separately: to each *insured* against whom claim is made or suit is brought; to each *named insured* as if the only *named insured.*

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

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

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

PART II E • GLOSSARY

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

Automobile
Automobile means:

1. Any land motor vehicle or trailer (including semi-trailers) designed for travel on public roads, including any equipment or machinery attached to such vehicle or trailer.
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Automobile does not include vehicles covered under this policy as *mobile equipment*.

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

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

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

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.

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

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

   If MCL 506 is listed in the Declarations, this extension to *employees* is deleted.
5. Persons (other than *your employees)* or organizations acting as real estate manager for *you.*

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

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

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

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

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

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

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

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

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

2. Work that has not been completed or abandoned. *Your work* is deemed completed at the earliest one of the following times:

A. When all the work called for in *your* contract is completed.

B. When all the work called for in *your* contract at the job location is completed if *your* contract calls for work at more than one location.

C. When that part of the work at a job location is put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

1. Direct physical injury to tangible property, including loss of use of such property (the loss of use is deemed to occur at the time of such direct physical injury).

2. Loss of use of tangible property that is not physically injured: all such loss of use is deemed to occur at the time of the *occurrence* causing the loss.

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

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 included a *leased worker.*

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

You / Your / Yourself
You, your and *yourself* refer to the *named insureds* who are the *insureds* named in the Declarations. *First named insured* is the *insured* named first in the Declarations.

Your Premises
Your premises means: a premises occupied or owned by, or rented to, *you,* at a location specifically designated in the Declarations; a premises *you* have abandoned, sold, or transferred to others.

A premises occupied or owned by, or rented to, *you* that is not described in the Declarations is not insured under this policy.

Your Products
Your products means the following:

1. Goods or products disposed of, distributed, handled, sold, or manufactured by: *you;* others trading under *your* name; persons or organizations whose business or assets *you* have acquired.

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

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

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

Your Work
Your work means the following:

1. Operations or work performed by *you* or on *your* behalf.

2. Equipment, materials, or parts furnished in connection with such work or operations.

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

COMMON CONDITIONS – PART II

These Common Conditions Apply in Addition to Part II D.

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

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

2. ASSIGNMENT OF *YOUR* INTEREST
No assignment of an interest in this policy is binding on *us* without *our* written consent. However, if *you* are an individual

and die, this insurance applies to the following who become *insureds* under this policy in the described capacity:

A. *Your* legal representative, while acting within the scope of the representative's duties.

B. Those with custody of *your* property prior to appointment of a legal representative.

3. CANCELLATION / TERMINATION

A. General

You may cancel this policy by: surrendering the policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. Such request made by the *first named insured* applies for all *insureds* / interests named under this policy. All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the *first named insured* – within 30 days after the cancellation date.

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

B. *Our* Right to Cancel or Terminate

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

4. CONCEALMENT / MISREPRESENTATION / FRAUD

This policy is void if, either before or after an *occurrence* or claim, any *insured* misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely relating to any aspect of this insurance (including the information *we* relied upon in issuing this contract).

However, if *we* specifically choose not to declare this policy void, *we* do not provide insurance under this policy to, or for the benefit of, any such *insureds.*

5. CONFORMITY WITH STATUTE

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

6. COVERAGE TERRITORY

Coverage under this policy applies only within the following territories:

A. The United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

B. International waters or air space, if the *bodily injury* or *property damage* occurs while in the course of transit to or from the territory described in Paragraph A.

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

7. EXAMINATION / CHANGES

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

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

We may make premium adjustments because of inspection and audit or any other rateable changes.

But *we* are not obligated to continue insurance on additions or changes, or new entities, or new premises. Nor, in any event, are such covered on renewal (of the expiring policy term) unless *you* report such to *us* and such are specifically designated in the renewal Declarations or elsewhere in this policy.

8. INSURANCE UNDER MORE THAN ONE COVERAGE

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

9. LIBERALIZATION

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

10. OTHER INSURANCE

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

1. That is not subject to the same provisions contained in this policy, other than an umbrella / excess liability policy which applies in excess of the limits of this policy.

2. That is property insurance (including fire, allied lines, inland marine) for a premises loaned or rented to, or occupied by, *you* that is covered as *your premises* under this policy.

3. That is liability insurance (including an umbrella / excess liability policy) for aircraft, *automobiles,* watercraft, or pollution, to the extent otherwise covered in this policy.

4. That is primary liability insurance available to *you* when *you* have been added or named as an additional insured on such other insurance for damages arising out of the business / operations or premises described in that other policy.

B. When this insurance is excess over other insurance:

1. *We* have no obligation to defend or provide a defense – but, *we* may defend:

a. If no other insurer defends: *we* are then entitled to the *insured's* rights against all other insurers; or

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

2. *We* pay only *our* share of the remaining loss that exceeds the sum of both:

a. The total amount payable by all such insurance, as described, in the absence of this insurance, plus

b. The total of any deductibles or self-insured amounts under all such insurance.

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

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

1. If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the total amount of obligation is paid (or each insurer exhausts its applicable limit of liability).

2. If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of the *insured's* obligation than the applicable limit of liability of this policy bears to the total amount of insurance of all insurers covering the loss.

11. PREMIUMS

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

12. RECOVERY FROM OTHERS

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

A. Another *insured* under this policy; or

B. A business either controlled or owned by *you* or that controls or runs *your* business.

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

13. TIME OF INCEPTION

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

14. WAIVER OR CHANGE OF PROVISIONS

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

NOTE: Similar Common Conditions are included in Part I (if made part of this Contract).

COMMON EXCLUSIONS – PART II

***We* provide no insurance for any sort of damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss or an *occurrence* otherwise covered contributes to such concurrently or in any sequence.**

These Common Exclusions Apply in Addition to Part II C.

1. EARTHQUAKE

Earthquake.

2. GOVERNMENTAL / LEGAL / WAR

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

B. Knowing violation of penal law or ordinance committed by, or with the consent of, any *insured.* Statutory fines or liability. Exemplary or punitive damages. Illegal trade.

C. Violation of any ordinance, regulation or statute that prohibits or limits the communicating, distributing, sending or transmitting of material or information such as the Telephone Consumer Protection Act (TCPA) or the CAN-SPAM Act of 2003, including any amendments or additions to such laws.

D. Confiscation, loss, or seizure under customs, drug enforcement or quarantine legislation or regulations.

3. NUCLEAR ENERGY

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

A. With respect to which any *insured* in this policy is also an insured under any nuclear energy liability policy (or would have been an insured under such but for its termination upon exhaustion of its limits).

B. Resulting from the *hazardous properties* of *nuclear material,* with respect to which:

1. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendments; or

2. The *insured* is (or would be if this policy did not exist) entitled to indemnity from the United States of America or its agencies under any agreement entered into by the United States of America or its agencies.

C. Resulting from the *hazardous properties* of *nuclear material,* if:

1. The *nuclear material* is at, or is discharged or dispersed from, any *nuclear facility* owned or operated by or on behalf of any *insured;* or

2. The *nuclear material* is contained in *spent fuel* or *waste* at any time disposed of, handled, possessed, processed, stored, transported, or used by or on behalf of any *insured.*

D. The furnishing by any *insured* of equipment, materials, parts, or services in connection with the construction, maintenance, operation, planning, or use of any *nuclear facility:* but if such facility is located within the United States of America, its possessions or territories, or Canada, this applies only to *property damage* to such facility and property located at such facility.

E. Glossary

The following special definitions apply to this Exclusion:

1. *Hazardous Properties* include explosive, radioactive, or toxic properties.

2. *Nuclear Facility* means any of the following:

a. Any *nuclear reactor;*

b. Any equipment or device designed or used for: separating the isotopes of uranium or plutonium; processing or utilizing *spent fuel;* handling, processing or packaging *waste;*

c. Any device or equipment used for alloying, fabricating, or processing of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such device or equipment is located consists of, or contains more than, 25 grams of plutonium or uranium-233, or any combination of such materials, or more than 250 grams of uranium-235;

d. Any basin, excavation, place, premises, or structure prepared for, or used for, the storage or disposal of *waste;* or

e. The site on which any of the foregoing property is located, all operations conducted on such site, and all premises used for such operations.

3. *Nuclear Material* means *source, special nuclear,* or *by-product material.*

4. *Nuclear Reactor* means any apparatus designed or used: to sustain nuclear fission in a self-supporting chain reaction; to contain a critical mass of fissionable material.

5. *Property Damage* also includes all forms of radioactive contamination of property.

6. *Source Material, Special Nuclear Material,* and *Byproduct Material* have the meanings given them in the Atomic Energy Act of 1954, or any amendments.

7. *Spent Fuel* means any fuel component or element, whether solid or liquid, which has been either used in, or exposed to radiation in, a *nuclear reactor.*

8. *Waste* means any material, resulting from the operation of a *nuclear facility* as defined in the first two items of *nuclear facility,* containing *by-product material* other than the tailings or wastes produced by the extraction or concentration of thorium or uranium from any ore processed primarily for its *source material* content.

NOTE: Similar Common Exclusions are included in Part I (if made part of this Contract).

***CERTIFIED ACTS OF TERRORISM* EXCLUSIONS • PARTS I AND II**

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

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

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1. COVERAGE MODIFICATION – PROPERTY

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

***CERTIFIED ACTS OF TERRORISM* EXCLUSION**

We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *certified act of terrorism.* Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

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

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

2. COVERAGE MODIFICATION – LIABILITY

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

***CERTIFIED ACTS OF TERRORISM* EXCLUSION**

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

3. OTHER EXCLUSIONS

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

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

1. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding $5,000,000:
   - **a.** Within the United States;
   - **b.** At the premises of a United States Mission; or
   - **c.** To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;

2. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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***CERTIFIED ACTS OF TERRORISM* EXCLUSION**

This endorsement modifies the policy to exclude certain loss arising out of terrorism for Inland Marine Coverage.

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

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1. COVERAGE MODIFICATION

The following exclusion is added to the Inland Marine Coverage EXCLUSIONS – LOSSES NOT INSURED:

***CERTIFIED ACTS OF TERRORISM* EXCLUSION**

We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *certified act of terrorism.* Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss

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 Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss Exclusion or any other exclusion.

3. ADDITIONAL DEFINITIONS

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.

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SUPPLEMENTAL DECLARATIONS — MCP 011 01 05

The following special limits and rating factors apply to the designated coverages, in accordance with the provisions of Coverage Form MCP 010.

		(A) POLICY LIMIT/FACTOR	(B) REVISED POLICY LIMIT/FACTOR	(C) REVISED ITEM LIMIT/FACTOR (1)
PART I B				**NUMBER (5)**
SUPPLEMENTAL COVERAGES				
Location 1	**Building 1**			
		Business Description:	**OFFICE**	
11 CLEVELAND CIRCLE				
SKILLMAN, NJ				
1.	Accounts Receivable	$ 3,000	$	$
2.A.	Automatic Increase			
	(Annual Inflation) Factor	—		
	Coverage A	—		
	Coverage B	—		
2.B.	Peak Season Factor	—		
3.	Building Extension			
	A. Glass			
	Limit	$ 1,000	$	$
	Per Item Limit	$ 100	$	$
	B. Outdoor Signs			
	1. Not Attached to Buildings	$ 1,000	$	$
	2. Attached to Building	$ 1,000	$	$
	Deductible	$	$	$
4.	Building Code / Law Coverage	0.10		
6.	Consequent Loss (2)			
	1. Loss of Utility Service	$ 1,000	$	$
	2. Mechanical Breakdown	$ 500	$	$
7.	Debris Removal			
	B. Factor (Covered Loss Times):	0.25	—	—
	C. Additional Limit	$ 5,000	$	$
9.	Fire Expense Coverages			
	A. Fire Department Service Charge	$ 1,000	—	—
	B. Fire Extinguisher Recharge Expense	$ 1,000	—	—
10.	Newly Acquired Property			
	1. Coverage A			
	Coverage A Limit Times:	0.25	—	—
	Maximum Limit per Building	$ 250,000	—	—
	2. Coverage B			
	Coverage B Limit Times:	0.10	—	—
	Maximum Limit per Location	$ 100,000	—	—
	3. Coverage D. 1			
	Coverage D Limit Times:	0.10	—	—
	Maximum Limit per Location	$ 100,000	—	—

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	(A) POLICY LIMIT / FACTOR	(B) REVISED POLICY LIMIT / FACTOR	(C) REVISED ITEM LIMIT / FACTOR (1)	NUMBER (5) Location 1 Building 1
PART I B SUPPLEMENTAL COVERAGES				
11. Off Premises Property				
A. At Other Locations	$ 5,000	$	$	
B. In Transit (3)	$ 1,000	$	$	
Option MCP 505	—	$	$	
Optional Theft Limit (4)	—	$	$	
12. Outdoor Property				
Limit	$ 1,000	$	$	
Per Item Limit	$ 250	$	$	
13. Personal Property				
B. Personal Effects	$ 3,000	$	$	
C. Property of Others	$ 3,000	$	$	
D. *Valuable Papers / Records*	$ 3,000	$	$	
14. Pollution Clean Up	$ 10,000	—	—	
15. Precious Metals	$ 3,000	$	$	
PART I D PROPERTY LIMITATIONS				
4. Coverages B / C				
A. Furs	$ 3,000	—	—	
B. Jewelry Type Property				
Limit	$ 3,000	—	—	
Per Item Limit	$ 100	—	—	
PART I G SPECIAL PART I CONDITIONS				
2. Replacement Threshold (C.1)	$ 3,000	—	—	
2. Special Condition (E / F)				
Limit	$ 10,000	—	—	
Factor	0.05	—	—	

NOTES:

- With the exception of Supplemental Coverages 6 (Item 2) and 14, the limits and factored amounts of insurance are aggregate limits per occurrence. With regard to 6 (Item 2) and 14 the limits are aggregate limits per policy year for all covered occurrences.
- Column (A) shows Basic Policy Limits / Factors: " — " means coverage not applicable.
- Columns (B) and (C) show the Revised Limits / Factors, which replace those shown in Column (A): " — " means no change permitted.
- The Revised Limits / Factors, shown in Column (C) apply only with regard to the Item or Building / Location, numbered per Declarations, specified: list Item / Number and applicable Revised Limit / Factor.

(1) Or see MCP 012, if listed as applicable to this policy.
(2) Coverage may be deleted by showing zero dollars ($O) in Column (B).
(3) When Option MCP 505 applies, this coverage and limit is replaced by MCP 505.
(4) When shown, the theft sub-limit applies to such losses in lieu of the MCP 505 limit otherwise applicable.
(5) Item No. or Location / Building Nos. Shown in the Declarations.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement, together with the General Property Form (MCP 010) provides additional coverages as described below.

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

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

ADDITIONAL SUPPLEMENTAL COVERAGES

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

A. EQUIPMENT BREAKDOWN

We will pay up to the limit shown in the Schedule, *your* direct physical damage to covered property caused by or resulting from an *accident* to *covered equipment.* As used in this Supplemental Coverage, an *accident* means fortuitous direct physical damage as follows:

1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
2. Loss by artificially generated electrical currents to electrical or electronic appliances, devices or wiring;
3. Explosion of steam boilers, steam engines, steam pipes or steam turbines *you* own or lease or which are operated under *your* control;
4. Loss or damage to steam boilers, steam engines, steam pipes or steam turbines caused by any condition or event within such boiler or equipment; or
5. Loss or damage to hot water boilers or other equipment for heating water caused by any condition or occurrence within such boiler or equipment.

B. COVERAGE EXTENSIONS

Unless otherwise shown in the Schedule, the following coverage extensions also apply to loss caused by or resulting from an *accident* to *covered equipment.* These coverage extensions do not provide additional limits of insurance.

1. **Expediting Expenses**

   We will pay, up to the limit shown in the Schedule, the reasonable extra cost to:

   a. Make temporary repairs to *your* damaged covered property; and / or

   b. Expedite permanent repairs or permanent replacement to *your* damaged covered property.

2. ***Hazardous Substances***

   We will pay for the additional expenses to repair or replace covered property because of contamination by a *hazardous substance.* This includes the additional expenses required to clean up or dispose of such property.

   This does not include contamination of *perishable goods* by refrigerant, including but not limited to ammonia, which is addressed in Spoilage below.

   Additional expenses mean those beyond what would have been required had no *hazardous substances* been involved. The most *we* will pay for loss, damage or expense under this coverage, including actual loss of Business Income *you* sustain and necessary Extra Expense *you* incur, is the limit shown in the Schedule.

3. **Spoilage**

   We will pay for the following:

   a. Physical damage to *perishable goods* due to spoilage;

   b. Physical damage to *perishable goods* due to contamination from the release of refrigerant, including but not limited to ammonia; or

   c. Any necessary expenses *you* incur to reduce the amount of loss under this coverage. *We* will also pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

   If *you* are unable to replace the *perishable goods* before its anticipated sale, the amount of *our* payment will be determined on the basis of the sales price of the *perishable goods* at the time of the *accident,* less discounts and expenses *you* otherwise would have had. Otherwise *our* payment will be determined in accordance with the How Losses Are Settled condition.

   The most *we* will pay for loss, damage or expense under this coverage is the limit shown in the Schedule.

4. ***Computer Equipment***

   We will pay for loss or damage caused by or resulting from an *accident* to *computer equipment.*

   The most *we* will pay for loss, damage or expense under this coverage, including actual loss of Income *you* sustain, is the limit shown in the Schedule.

5. ***Data* Restoration**

   We will pay for *your* cost to research, replace and restore *data.* The most *we* will pay for loss or expense under this coverage, including actual loss of Income *you* sustain, is the limit shown in the Schedule.

6. **Service Interruption**

   Any insurance provided for Loss of Income, and Spoilage is extended to apply to loss caused by or resulting from an *accident* to equipment that is owned by a utility, landlord, or other supplier with whom *you* have a contract to provide *you* with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

   Unless otherwise shown in the Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the *accident*.

   The most *we* will pay for loss damage or expense under this coverage is the limit that applies to Loss of Income or Spoilage.

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7. **Loss of Use**
Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most *we* will pay for loss of Business Income *you* sustain or necessary Extra Expense *you* incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Schedule.

ADDITIONAL CONDITIONS

1. **Suspension**
When any *covered equipment* is found to be in, or exposed to a dangerous condition, *our* representative may immediately suspend the insurance against loss from an *accident* to that *covered equipment. We* can do this by mailing or delivering a written notice of suspension to *your* address as shown in the Declarations, or at the address where the equipment is located. Once insurance is suspended, it can be reinstated only by written notice from *us.* If insurance is suspended, *you* will receive a pro rata refund of premium. The suspension will be effective even if *we* have not yet offered or made a refund of premium.

2. **Jurisdictional Inspections**
If any property that is *covered equipment* under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, *we* agree to perform such inspection on *your* behalf.

3. **Environmental, Safety and Efficiency Improvements**
If *covered equipment* requires replacement due to an *accident, we* will pay *your* additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, *we* will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which *actual cash value* applies.

4. **Deductible**
As regards Equipment Breakdown Coverage only, the following provision is added to Part 1G.2.B. Deductible:
   a. The Equipment Breakdown Deductible is shown on the Equipment Breakdown Schedule.

   If the deductibles vary by type of *covered equipment* and more than one type of equipment is involved in any one *accident,* only the highest deductible for each coverage will apply.

   b. Direct and Indirect Coverages
   Unless otherwise shown in the Schedule, the direct coverages deductibles apply to all loss or damage covered by this endorsement with the exception of those coverages subject to the indirect coverages deductibles as noted in the following Paragraphs 1, 2 and 3. Unless more specifically indicated in the Schedule, the indirect coverage deductibles apply to Loss of Income.
   1. Dollar Deductibles:
   We will not pay for loss, damage or expense resulting from any *one accident* until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. *We* will then pay the amount of loss, damage or expense in excess of the applicable deductible, up to the applicable Limit of Insurance after any deduction for the coinsurance requirements.

   2. Time Deductible:
   If a time deductible is shown in the Schedule, *we* will not be liable for any loss occurring during the specified number of hours or days immediately following the *accident.* If a time deductible is expressed in days, each day shall mean twenty four consecutive hours.

   3. Multiple of Average Daily Value (ADV):
   If a deductible is expressed as a number times ADV, that amount will be calculated as follows:
   The ADV (Average Daily Value) will be the Business Income (as defined in any Loss of Use coverage that is part of this policy) that would have been earned during the period of interruption of business had no *accident* occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the *accident* or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss.

   The number indicated in the Schedule shall be multiplied by the ADV as determined in the preceding paragraphs. The result shall be used as the applicable deductible.

   4. Percentage of Loss Deductibles: If a deductible is expressed as a percentage of loss, *we* will not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

   5. The most *we* will pay for loss or damage under this endorsement arising from any *one accident* is the equipment breakdown limit shown in the Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

ADDITIONAL DEFINITIONS

Boilers and Vessels
Boilers and vessels means:

1. Any boiler, including attached steam, condensate and feedwater piping;
2. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

Computer Equipment
Computer equipment means covered property that is electronic computer or other *data* processing equipment, including *media* and peripherals used in conjunction with such equipment.

Covered Equipment
Covered equipment, unless otherwise specified in the Schedule, means covered property:

1. That generates, transmits or utilizes energy, including electronic communications and *data* processing equipment; or
2. Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Data
Data means information or instructions stored in digital code capable of being processed by machinery.

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

Media
Media means material on which *data* is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

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

Perishable Goods
Perishable goods means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

Production Machinery
Production machinery means any machine or apparatus that processes or produces a product intended for eventual sale. However, *production machinery* does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

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

ADDITIONAL EXCLUSIONS

COVERAGE MODIFICATIONS
All of the Property Exclusions / Limitations, Losses Not Insured and Common Exclusions in *your* policy apply except as modified in the following paragraphs and to the extent that coverage is specifically provided by this Supplemental Coverage Equipment Breakdown.

A. Part I E. Losses Not Insured is modified as follows:

1. The following is added to the end of the first paragraph of provision 6:
   However, if electrical *covered equipment* requires drying out because of these causes, *we* will pay for the direct expenses of such drying out subject to the equipment breakdown limit and deductible.

2. Provision 12.A. is deleted and replaced with the following:
   Wear and tear; birds, domestic animals, insects, raccoons, rodents or vermin; corrosion; decay or deterioration; deficiency, error or omission in design, materials, plans or workmanship; disease; dry or wet rot; *fungi*, mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); rust.
   However, if loss by an *accident* results, *we* will pay for the loss or damage caused by that *accident*.

   Contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release or seepage of *pollutants*; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for or in any way respond to *pollutants*, asbestos, *fungi*, mold or lead contamination or assess the effects of *pollutants*, asbestos, *fungi*, mold or lead contamination; but see Supplemental Coverage 12 for certain coverage.

3. The following paragraph is added to provisions 12.B., 12.E. and 12.F:
   However, if loss by an *accident* results, *we* will pay for the loss or damage caused by that *accident.*

B. The following are added to Part I E. Losses Not Insured:

1. *We* will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an *accident*:
   a. Fire; lightning; windstorm / hail; explosion (except as specifically provided in the preceding

Additional Supplemental Coverages A.3.); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of ice, sleet or snow; freezing or collapse; flood or earth movement.

b. Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is *perishable goods*, to the extent that spoilage is covered under Spoilage coverage.

2. *We* will not pay under this endorsement for loss or damage caused by or resulting from the following:

a. *Your* failure to use all reasonable means to protect the *perishable goods* from damage following an *accident;*

b. Any defect, programming error, programming limitation, computer virus, malicious code, loss of *data*, loss of access, loss of use, loss of functionality or other condition within or involving *data* or *media* of any kind. But if an *accident* results, *we* will pay for the resulting loss, damage or expense; or

c. Any of the following tests:

- A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- An insulation breakdown test of any type of electrical equipment.

C. Property Exclusions

The following are not considered *covered equipment:*

1. Structure, foundation, cabinet, compartment or air supported structure or building;

2. Insulating or refractory material;

3. Sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;

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

5. *Vehicle*, or any equipment mounted on a *vehicle*;

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

7. Dragline, excavation or construction equipment; or

8. Equipment manufactured by *you* for sale.

DESIGNATED PREMISES LIMITATION • PART II

This endorsement limits insurance to the designated premises and business / operations associated with the designated premises.

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

Policy # **23082**

SCHEDULE

DESIGNATED PREMISES
Description / Location of Subject Premises:
OFFICE
1 PALMER SQUARE 3RD FLOOR PRINCETON NJ 08542 MERCER COUNTY

ADDITIONAL LIMITATION - DESIGNATED PREMISES

We insure *bodily injury, property damage, personal injury* or *advertising injury* arising out of only the following:

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

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COMPUTER HACKING AND VIRUS EXCLUSION

This endorsement excludes losses caused by computer hacking and computer viruses.

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

ADDITIONAL EXCLUSION — LOSSES NOT INSURED

The following is added to the Exclusions / Losses Not Insured Section:

***COMPUTER HACKING* AND *VIRUS* EXCLUSION**

We do not cover losses due to *computer hacking* or *computer viruses.*

ADDITIONAL DEFINITIONS

The Glossary is amended to include the following:

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

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;

2. Copying, observation or scanning of data records, programs and applications and proprietary programs;

3. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;

4. Deletion, destruction, generation or modification of software; or

5. Denial of access to or denial of service from *your* computer network, hardware or website.

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

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;

2. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;

3. Deletion, destruction, generation or modification of software; or

4. Denial of access to or denial of service from *your* computer network, hardware or website.

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INLAND MARINE COMMON PROVISIONS FORM

This coverage form, together with one or more Inland Marine Coverage endorsements, establishes the provisions for Inland Marine insurance.

COVERAGE

A. DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined in the Glossary. The meanings of other words / phrases not specifically defined are to be found in their relevant conventional definition, based on consideration of the context in which they are used in this coverage form.

B. INSURING AGREEMENT – *COVERED LOSS*

1. *We* will pay for fortuitous direct physical loss or damage to Covered Property caused by or resulting from any cause of loss not otherwise excluded or limited in this coverage form.

2. Insuring Agreement Qualification

The Coverages in this coverage form are subject to certain Exclusions and Limitations, including General Exclusions, Property Not Covered, and Exclusions – Losses Not Insured.

C. COVERED PROPERTY

We cover loss to property for which a specific limit of liability and related premium charge is shown on the Declarations or other specific endorsement. The term "Declarations" also includes a Supplemental Declarations or any other similar forms.

SUPPLEMENTAL COVERAGES

A. NEWLY ACQUIRED PROPERTY

1. *We* cover newly acquired property similar to that already covered in this coverage form, up to a limit of 25% of the existing amount of insurance on similar property, not to exceed a maximum of $10,000, unless another limit for such property is shown in the Declarations.

2. Additional Premium

Additional premium is due on a pro rata basis for the term from the date of acquisition to the expiration of the policy.

Failure to report newly acquired property within 30 days or to pay the additional premium when due will void this coverage.

3. Coverage Period

This Supplemental Coverage applies for up to a period of 30 consecutive days from the date of acquisition.

B. PROPERTY OF OTHERS

Coverage is extended, up to the applicable limit shown in the Declarations, to property belonging to others, but in the care, custody, or control of an *insured.*

If MIM 501 is listed in the Declarations, this extension is deleted.

CAUSE OF LOSS OPTION

Coverage is provided for fortuitous direct physical loss to or theft of covered property not otherwise excluded orlimited in this coverage form.

EXCLUSIONS – LOSSES NOT INSURED

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

1. DISAPPEARANCE OF PROPERTY EXCLUSION

Loss, otherwise covered under this coverage form, in connection with covered property that is missing where there exists no physical evidence to show what happened to the property. Loss discovered or inferred upon taking inventory.

2. DISHONESTY EXCLUSION

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

This applies whether any such persons act alone or in collusion with others or such acts take place within or outside of working hours.

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This Exclusion does not pertain to acts of physical damage by *your* employees.

3. FRAGILE ITEMS EXCLUSION

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

4. GOVERNMENTAL / LEGAL / WAR EXCLUSION

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

B. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured.* Statutory fines or liability. Exemplary or punitive damages.

C. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.

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

5. INTENTIONAL LOSS EXCLUSION

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

6. NUCLEAR / RADIOACTIVE LOSS EXCLUSION

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

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

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

7. UNAUTHORIZED / VOLUNTARY TRANSFER OF PROPERTY EXCLUSION

A. Unauthorized Transfer – Loss in connection with property that is given or transferred to any persons or transferred to any place on the basis of false / unauthorized instructions – however such are given or transmitted.

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

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

A. Wear and tear; birds, domestic animals, insects, raccoons, rodents, or vermin; contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of *pollutants;* (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to *pollutants,* asbestos, *fungi,* mold or lead contamination or assess the effects of *pollutants,* asbestos, *fungi,* mold or lead contamination; corrosion; decay or deterioration; deficiency, error, or omission in design, materials, plans, or workmanship; disease; dry or wet rot; *fungi,* mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); marring or scratching; mechanical breakdown; rust.

B. Contamination by any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures, or the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to any virus or other pathological agent.

LOSS CONDITIONS

1. ABANDONMENT OF PROPERTY

Abandonment of any property to *us* is prohibited.

2. DUTIES WHEN LOSS / DANGER OF LOSS OCCURS

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

A. Report the Loss

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

B. Protect Property

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

However, it is *your* ongoing obligation, at your expense, to – as soon as feasible after *you, your* employees, or those *you* authorize to act on *your* behalf

become aware of any condition under *your* control which could lead to loss while this policy is in force – undertake all reasonable construction, maintenance, or repair necessary to protect property from such *covered loss.* Listing of all such conditions is not feasible, but examples include: if a roof is leaking, to repair such; if a flooring support is collapsing / deteriorating, to repair such; if new supports or retaining walls become required, to construct such.

C. Cooperation on the Loss

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

1. Immediately exhibit all that remains of the damaged and undamaged property, and allow *us* to take samples of such property for examination and inspection.
2. Produce for examination and copying: the inventory described in the following Paragraph D; all relevant accounting procedures, affidavits, books of account, bills, contracts, deeds, documents, evidence, financial records, invoices, liens, leases, receipts, records, tax returns, vouchers, or other sources of information, or facsimiles acceptable to *us*
3. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, *we* reserve the right to make such examination of each person out of the presence of the others. *We* also reserve the right to video record any examinations.
4. Otherwise cooperate with *us* in the investigation / settlement of the claim.

D. Inventory

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

E. Statement of Loss / Proof of Loss

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

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

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

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

3. HOW LOSSES ARE SETTLED

A. Limit of Liability per Loss Occurrence

***Our* maximum liability is that amount which is the least one of all the following:**

1. The *actual cash value* or the replacement value (if MIM 520 is listed in the Declarations) of the damaged portions of subject property at the time of loss. But, in no event exceeding the lesser of a or b:
   - **a.** The lesser cost reasonably required, with diligence and ongoing effort, to:
     1. Repair or restore the damaged property, bringing such to the same general condition as existed immediately prior to the loss; or
     2. Replace the damaged property with like property of comparable quality;
   - **b.** The necessary reasonable expense paid to repair, replace, or restore the damaged property.
2. Any factors, limits, special limits, or other recovery limitations described or specified in this policy as applicable to the subject loss and property, whether shown in the Declarations, any endorsements, or elsewhere in this policy. The inclusion of any sort of recovery limitations or special limits or the inclusion of more than one item within any provision in this policy do not increase or otherwise modify any of the general limits shown in this policy – unless specifically stated to be additional insurance.
3. The insurable interest of the *insured* (or other named interests) at the time of loss.

B. Appraisal

1. If *you* and *we* do not agree on the amount of the loss or values, either one can require that the items in dispute be set by appraisal. Within 30 days of receipt of a written demand for appraisal, each is to select a competent and disinterested appraiser. Each party is to then notify the other of the appraiser selected.
2. The two appraisers are to select a competent and disinterested umpire. If the appraisers are unable to agree upon an umpire within 15 days, *you* or *we* may petition a judge of a Court of Record to select an umpire.
3. The appraisers are to reach a mutual agreement on the items in dispute. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement

signed by any two of these three persons constitutes settlement on the items in dispute.

4. Each appraiser is paid by the party selecting the appraiser. All other expenses of the appraisal are paid equally by *you* and *us.*

5. If *we* agree to appraisal, *we* specifically retain *our* right to deny the claim.

C. Deductible

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

D. Loss to a Portion of a Pair or Set of Articles

1. Loss to some portion of a pair or set of articles or to property consisting of two or more parts (when complete) is not considered a total loss unless: because of such loss, the remainder is of no use and repair or replacement is not feasible.

2. In case *we* agree to pay for total loss, *you* are required to give *us* the remainder of such property, at *our* request, prior to such payment.

E. *Our* Liability and Satisfaction of *Your* Loss

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

F. *Our* Options in Settling Losses

1. *We* may pay for the loss in money.

2. *We* may repair or replace all or any part of the property as provided for in this policy, or take all or any part of such property at a mutually agreed, or appraised, value. *We* may give notice of *our* intent to do so at any time up to 30 days after *our* acceptance of *our* liability for the loss (i.e., proof of loss).

3. *We* may settle the claim with *you,* any loss payee named in this policy, or others legally entitled to receive payment. If the claim applies to property of others, *we* have the right to adjust the loss with the owners of the property: satisfaction of their claim is also satisfaction of *your* claim as to such property. If legal action is taken in a claim against *you, we* have the right to conduct and control a defense at *our* expense (but without increasing *our* liability under this policy).

G. Recovery of Covered Property

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

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

H. When Loss Becomes Payable / Payment to Others

Loss becomes payable 30 days after completion and acceptance by *us* of a written agreement between the parties, or after an award is filed with *us* as provided in this coverage form. Payment under this coverage form shall not reduce the limit of insurance, unless payment is made for a total loss to a scheduled item. If payment is made for a total loss to a scheduled item, the amount of unearned premium applicable to such items shall be refunded to the *insured,* or applied to the additional premium for replacement items scheduled under this coverage form.

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

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

4. NO BENEFIT TO BAILEE

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

COMMON CONDITIONS

1. ACTION OR SUIT AGAINST *US*

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

2. ASSIGNMENT OF *YOUR* INTEREST

No assignment of an interest in this policy is binding on *us* without *our* written consent. However, if *you* are an individual and die, this insurance applies to:

A. *Your* legal representative, while acting within the scope of the representative's duties.

B. Those with custody of *your* property prior to appointment of a legal representative.

3. CANCELLATION / TERMINATION

A. General

You may cancel this policy by: surrendering the policy to *us* or *our* agent or by mailing *us* or *our* agent notice stating a subsequent cancellation date for the policy. Such request made by the *first named insured* applies for all *insureds /* interests named in this policy. All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the *first named insured* – within 30 days after the cancellation date.

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

B. *Our* Right to Cancel or Terminate

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

4. CONCEALMENT / MISREPRESENTATION / FRAUD

This policy is void if, either before or after a loss, any *insured* misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely relating to any aspect of this insurance (including the information *we* relied upon in issuing this contract).

However, if *we* specifically choose not to declare this policy void, *we* do not provide insurance in this policy to, or for the benefit of, any such *insureds.*

5. CONFORMITY WITH STATUTE

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

6. COVERAGE TERRITORY

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

7. EXAMINATION / CHANGES

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

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

We may make premium adjustments based on the findings of *our* inspection and audit.

8. INSURANCE UNDER MORE THAN ONE COVERAGE

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

9. LIBERALIZATION

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

10. OTHER INSURANCE

A. If any of the property covered under this insurance is also covered under another coverage form of this policy, those provisions are hereby amended to exclude such property. Coverage under this coverage form is the sole coverage on such property under this policy.

B. This insurance is excess insurance over other insurance *you* may have applicable to the loss (whether *you* can collect on it or not) that is not subject to the same provisions contained in this policy.

C. When this insurance is excess over other insurance:

We pay only *our* share of the remaining loss that exceeds the sum of both:

1. The total amount payable by all such insurance, as described, in the absence of this insurance; plus

2. The total of any deductibles or self-insured amounts under all such insurance.

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

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

1. If all such other insurers provide for contributions by equal shares: *we* and all other insurers contribute equal amounts until the amount of obligation is paid or the insurer's applicable limit of liability is used up, whichever comes first.

2. If any other insurer does not provide for equal shares: *we* pay no greater proportion of the total amount of loss than *our* obligation on the applicable limit of liability in this policy bears to the total amount of insurance of all insurers covering the loss.

However, if *you* have any other insurance applicable to property covered by this policy – but not covering a

cause of loss covered by this policy, then: any loss payable under this policy in connection with such cause of loss is apportioned and payable by *us* in the same way as if such other insurance covered the loss.

11. PREMIUMS

The *first named insured* is responsible for the payment of all premiums, and will be the sole payee of any premiums *we* return.

12. RECOVERY FROM OTHERS

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

A. Another *insured* in this policy; or

B. A business either controlled or owned by *you* or that controls or runs *your* business.

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

13. TIME OF INCEPTION AND COVERAGE PERIOD

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

14. WAIVER OR CHANGE OF PROVISIONS

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

GLOSSARY

The following words shown in *italics* are defined for the purposes of insurance under this coverage form to mean the following:

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

Covered Loss – *Covered loss* means fortuitous direct physical damage to, destruction or theft of covered property by a covered cause of loss.

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.

Insured – *Insured* means the person or entity designated as *insured* in the Declarations, or otherwise named as an *insured* in this policy. *First named insured* is the *insured* named first in the Declarations.

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

Rot and Decay Organisms – *Rot and decay organisms* means any living organism that causes decomposition of physical property.

Specified Causes of Loss – Where the term *specified causes of loss* is used in this coverage form, the term means the following: fire; accident to a transporting conveyance; aircraft; collapse; earthquake; explosion; falling objects; flood; lightning; riot or civil commotion; sinkhole collapse; smoke; sprinkler leakage; theft; vandalism or malicious mischief; vehicles; volcanic eruption; water damage; weight of ice, sleet, or snow; windstorm / hail.

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

You / Your / Yourself – *You, your* and *yourself* refer to the *named insureds* who are the *insureds* named in the Declarations. *First named insured* is the *insured* named first in the Declarations.

AXIS INSURANCE COMPANY

Commercial Lines Policy

Home Office:
111 South Wacker Dr.
Suite 3500
Chicago, IL 60606

Administrative Office:
11680 Great Oaks Way
Suite 500
Alpharetta, GA 30022

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

This Policy Consists of:

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

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

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

Secretary	President
Andrew Weissert, Secretary	Carlton Maner, President

***DATA BREACH* EXCLUSION • PART II**

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

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

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

ADDITIONAL EXCLUSION – *DATA BREACH*

Part II C is extended to include the following:

A. *We* do not insure *bodily injury, property damage, advertising injury,* or *personal injury,* resulting from or caused by a *data breach.*

B. *We* do not insure any costs, expenses, liability or loss incurred by *you* or others, arising out of any notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense arising out of a *data breach*.

GLOSSARY

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

A. Personally identifiable information such as:

1. Identification and contact information.

2. Government issued identification numbers.

3. Financial information.

B. Protected health information as defined by the Health Information Portability and Accountability Act (HIPAA) including any amendments or additions to such law.

C. Customer lists, financial information, formulas, patents, processing methods, trade secrets, or other items of information that are not available to the general public.

D. Any other type of nonpublic information as defined in Title V of the Gramm-Leach Bliley Act of 1999 including any amendments or additions to such law.

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EXTERIOR INSULATION AND FINISH SYSTEM EXCLUSION • PART II

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

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

ADDITIONAL EXCLUSIONS — EXTERIOR INSULATION AND FINISH SYSTEM

A. Part II C is extended to include the following:

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

1. the construction, correction, design, fabrication, installation, maintenance, manufacture, preparation, remodeling, replacement, repair or service of an exterior insulation finish system (EIFS), synthetic stucco, or any similar product or any part; or

2. the application or use of accessories, caulking, coatings, conditioners, paints, primers or sealants in connection with such a product.

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

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

1. the construction, correction, design, fabrication, installation, maintenance, manufacture, preparation, remodeling, replacement, repair or service of an exterior insulation finish system (EIFS), synthetic stucco, or any similar product or any part; or

2. the application or use of accessories, caulking, coatings, conditioners, paints, primers or sealants in connection with such a product.

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LEAD/ LEAD CONTAMINATION AND *ASBESTOS* EXCLUSIONS • PART II

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

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

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

ADDITIONAL EXCLUSIONS

Part II C is extended to include the following:

LEAD / LEAD CONTAMINATION EXCLUSIONS

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

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

B. *We* do not cover *property damage, advertising injury* or *personal injury* resulting from or caused by lead or lead contamination arising out of any *occurrence* at *your premises.* This includes such caused by or through any sort of lead contamination or existence of lead in:
   1. Air, ground, or water; or
   2. Any part of the premises including, but not limited to, building materials and paint.

C. *We* do not insure any cost, expense, liability or loss arising out of any of the following:
   1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to lead or lead contamination.
   2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to lead or lead contamination.

ASBESTOS EXCLUSIONS

A. *We* do not cover *bodily injury, property damage, advertising injury, personal injury,* or medical payments resulting from or caused by the actual, alleged, or threatened exposure to *asbestos,* or the presence of *asbestos* in any place.

B. *We* do not insure any cost, expense, liability or loss arising out of any of the following:
   1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to *asbestos.*
   2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to *asbestos.*

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

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***SEXUAL ABUSE* OR *SEXUAL MISCONDUCT* EXCLUSION • PART II**

This endorsement extends the exclusions to any occurrence or injury arising out of sexual abuse or sexual misconduct as described.

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

ADDITIONAL EXCLUSION

PART II C • Liability Not Insured is extended to include the following:

A. *We* do not insure *bodily injury, property damage, advertising injury, personal injury* or medical payments arising out of any actual, alleged or threatened *sexual abuse* or *sexual misconduct* committed by any *insured* or any person performing services for or on behalf of any *insured.*

B. *We* do not insure any *insured's* liability arising out of the employment, investigation, retention, supervision of any person, or the reporting to the proper authorities, or failure to so report, of any act of any person whose conduct would be excluded either under this or any other exclusion in this policy.

ADDITIONAL DEFINITIONS

Sexual abuse or *sexual misconduct* means any illegal or offensive physical act, contact or conduct of a sexual nature.

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CONTRACTORS NEW YORK STATE *BODILY INJURY* LIMITATION • PART II

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

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

Policy # **23082**

SCHEDULE

Limit of Liability

$ 15,000

COVERAGE MODIFICATIONS

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

ADDITIONAL DEFINITION

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

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

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

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MANDATORY ENDORSEMENT — NEW JERSEY

This endorsement establishes loss information conditions.

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

YOUR RIGHT TO LOSS INFORMATION

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

A. *We* will provide the *first named insured* loss information relating to this policy and any preceding General Liability Insurance *we* have issued to *you* during the previous three years, as follows:

1. A report of each *occurrence* of which *we* were notified in accordance with the DUTIES OF *INSUREDS* Condition in Part II D including a brief description of each *occurrence* and whether any claim arising out of such is open or closed.

2. A summary, by policy year, of payments made and amounts reserved stated separately under any General Coverage Aggregate / Total Limits or *Products / Completed Operations Hazard* Aggregate / Total Limits, as may be applicable.

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

B. *We* will provide this information only if *we* receive written request from the *first named insured* during the policy period. *We* will provide the information no later than 45 days after receiving such request.

C. *You* must not disclose this information to any claimant's representative without *our* consent.

D. *We* compile claim, *occurrence* and other relevant information for *our* own business purposes and *we* exercise reasonable care in doing so. By providing information to the *first named insured, we* make no representations or warranties to *insureds,* insurers or others to whom this information is furnished by, or on behalf of, any *insured.*

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

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

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

1. COVERAGE MODIFICATION – PROPERTY

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

***NON-CERTIFIED ACTS OF TERRORISM* EXCLUSION**

1. *We* do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *non-certified act of terrorism,* including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism.* Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

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

2. Regardless of the amount of damage and losses, this *Non-certified Acts of Terrorism* Exclusion applies to any *non-certified act of terrorism:*

a. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

b. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

c. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

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

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

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

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

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

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

GOVERNMENTAL / LEGAL / WAR

1. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected. With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes the Nuclear / Radioactive Loss Exclusion.

2. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured.* Statutory fines or liability. Exemplary or punitive damages.

3. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.

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

2. COVERAGE MODIFICATION – LIABILITY

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

***NON-CERTIFIED ACTS OF TERRORISM* EXCLUSION**

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

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

A. The total of *insured damage* to all types of property sustained by all persons and entities affected by the *non-certified act of terrorism* (and including loss of Business Income and Extra Expense sustained by owners or occupants of such damaged property), exceeds $25,000,000; or

B. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

1. Physical injury that involves a substantial risk of death; or
2. Protracted and obvious physical disfigurement; or
3. Protracted loss of or impairment of the function of a bodily member or organ; or

C. The *non-certified act of terrorism* involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

D. The *non-certified act of terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

E. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

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

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

Multiple *non-certified acts of terrorism* which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one *non-certified act of terrorism.*

3. OTHER EXCLUSIONS

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

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding $5,000,000:

1. Within the United States;
2. At the premises of a United States Mission; or
3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;

B. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

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

A. Committed by an individual or individuals and appears to be a part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and

B. Not deemed to be a *certified act of terrorism* under the terms of the Federal Terrorism Risk Insurance Act of 2002 or any subsequent action of Congress pursuant to the Act.

MANDATORY ENDORSEMENT – NEW JERSEY

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

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

ADDITIONAL CONDITIONS

The COMMON CONDITION – CANCELLATION / TERMINATION is supplemented as follows:

B. *Our* Right to Cancel / Terminate

1. Cancellation / Termination for Nonpayment of Premium

a. If the *first named insured* fails to pay, when due, any premium or installment for this policy, it may be cancelled by *us* by mailing or delivering notice of cancellation to the *first named insured* not less than 10 days prior to the effective date of cancellation.

b. This policy terminates automatically on the expiration date of the expiring policy term if the *first named insured* does not pay when due any renewal premium, or installment payment, for this policy. Notice of the amount of renewal premium must be mailed or delivered by *us* to the *first named insured* not less than 30 days but not more than 120 days prior to the premium due date.

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

a. *We* may cancel or nonrenew for reasons other than nonpayment of premium by mailing notice to the *first named insured* not less than 30 days (except for reasons of moral hazard which require only 10 days' notice) but not more than 120 days prior to the effective date of cancellation or termination.

b. This policy cannot be cancelled or terminated for any underwriting reason or guideline that is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the *first named insured.* The underwriting reasons or guidelines that *we* can use to cancel or terminate this policy are maintained on file by *us. We* will furnish such to *you / your* lawful representative upon written request.

c. This provision does not apply to any policy that has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

3. *We* mail or deliver *our* notice of cancellation or termination to the *first named insured's* last mailing address known to *us. We* also agree to mail or deliver the notice of cancellation to the mortgagee named in this policy and to any other person entitled to such notice under this policy.

COVERAGE MODIFICATIONS – LIABILITY AND PROPERTY

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

COVERAGE MODIFICATIONS – PROPERTY

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

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

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

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

COVERAGE MODIFICATIONS – LIABILITY

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

PART II C – LIABILITY NOT INSURED

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

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

As used in this endorsement, the following definitions apply:

Lead-based Paint

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

Lead-based Paint Hazard

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

Residential Dwelling

Residential dwelling means:

1. A single-family dwelling, including attached structures such as porches and stoops; or

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

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COMMON EXCLUSIONS

A. The following exclusion is added to PART I:

Fracking

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

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

B. The following exclusion is added to PART II:

Fracking

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

1. Earthquake, earth movement, or sinkhole collapse;

2. The actual, alleged, or threatened discharge, dispersal, emission, escape, flowing, leakage, migration, release, or seepage of *fracking* fluids, *pollutants* or other similar forms of environmental damage into land, any body of water, above ground or underground water, or wells;

3. Contamination resulting in any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures;

4. The leasing or renting of *your* premises for the purpose of *fracking*;

5. The removal, storage or transportation of waste water or other chemicals from the *fracking* drilling site;

6. The extraction of *fracking* fluids or other *pollutants* caused by *fracking* from land or water;

7. The removal, replacement, or restoration of land or water that is polluted with *fracking* fluids or other *pollutants* caused by *fracking*.

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

1. Any demand, directive, order, or request that any *insured* or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the harmful effects associated with the process of *fracking;* or

2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assess the harmful effects associated with the process of *fracking*.

COMMON GLOSSARY

The following definition is added:

Fracking

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

***NON-CERTIFIED ACTS OF TERRORISM* EXCLUSION**

This endorsement modifies the policy to exclude certain loss arising out of terrorism for Inland Marine Coverage.

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

1. COVERAGE MODIFICATION

A. The following exclusion is added to the Inland Marine Coverage EXCLUSIONS – LOSSES NOT INSURED:

***NON-CERTIFIED ACTS OF TERRORISM* EXCLUSION**

1. *We* do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *non-certified act of terrorism,* including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism.* Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

2. Regardless of the amount of damage and losses, this *Non-certified Acts of Terrorism* Exclusion applies to any *non-certified act of terrorism:*

a. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

b. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

c. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *non-certified act of terrorism* was to release such materials.

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

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

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

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

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

B. The GOVERNMENTAL / LEGAL / WAR EXCLUSION is replaced by the following:

GOVERNMENTAL / LEGAL / WAR

1. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected. With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes the Nuclear / Radioactive Loss Exclusion.

2. Knowing violation of penal law or ordinance committed by, or with the consent of, an *insured.* Statutory fines or liability. Exemplary or punitive damages.

3. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.

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

2. 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

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be excluded under this policy by the Governmental / Legal / War Exclusion, the Nuclear / Radioactive Loss 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.

NOTICE TO POLICYHOLDER

BOILER INSPECTIONS

Please call your boiler department at (800) 425-4119 or email boilinsp@travelers.com in order that an inspection may be conducted promptly at your premises in compliance with state regulations.

Please be prepared to provide the following pieces of information:

- Your AXIS policy number
- Effective date of your policy
- Street address, including city and state
- Contact name at premises
- Phone number of contact
- Date and time of day that is convenient for the contact to allow the inspector on the premises.

If you have locations in New York City (the five boroughs), the Department of Buildings requires that all boilers be inspected once during the calendar year. The city will NOT accept late inspections. Heavy fines, which are per boiler, will be levied on the BUILDING OWNER if the boilers aren't inspected and reported to the City in time. To help ensure your boiler will be properly inspected in time to avoid these fines, please call/email your Equipment Breakdown department at the contact information listed above before October 1st to allow adequate time for inspector scheduling. This is especially critical if this is your first year insured with AXIS Insurance Co and your effective policy date is in the second half of the calendar year.

Thank you for your cooperation in this important matter.

***SOFTWARE LOSS* EXCLUSION – PART I**

This endorsement establishes an exclusion for software loss.

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

COVERAGE MODIFICATION

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

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

GLOSSARY

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

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

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

1. Computer, computer system, computer software or operating systems, computer hardware, communication system,

2. Computer memory, computer chip, microchip,

3. Data processing equipment, file server, networking equipment, integrated circuit or similar device in computer equipment,

4. Program, programming instructions, or data.

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

1. Computer, computer system, computer software or operating systems, computer hardware, communication system,

2. Computer memory, computer chip, microchip,

3. Data processing equipment, file server, networking equipment, integrated circuit or similar device in computer equipment,

4. Program, programming instructions, or data, including but not limited to, any destructive program, computer code, *virus*, worm, logic bomb, denial of service attack, smurf attack, vandalism, trojan horse, or any other data introduced into any electronic system causing deletion, destruction, degradation, corruption, malfunction or compromise to *your* data, software or electronic business systems.

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