

GENERAL SECURITY NATIONAL INSURANCE COMPANY
A STOCK INSURANCE COMPANY INCORPORATED IN NEW YORK
199 WATER STREET, SUITE 2100
NEW YORK, NY 10038-3526

JACK TROCKI DEVELOPMENT, LLC
PO BOX 689
NORTHFIELD, NJ 08225

GENERAL SECURITY NATIONAL INSURANCE COMPANY

A STOCK INSURANCE COMPANY INCORPORATED IN NEW YORK
199 WATER STREET, SUITE 2100
NEW YORK, NY 10038-3526
(212) 480 - 1900

BUSINESS OWNERS POLICY DECLARATIONS

Policy Number : **3710-25094**

AMENDED: 4/4/2018

Endorsement #1

Named Insured and Mailing Address

JACK TROCKI DEVELOPMENT, LLC
PO BOX 689
NORTHFIELD, NJ 08225

Agent - 151

INSURANCE AGENCIES INC
1601 NEW ROAD SUITE 100
PO BOX 225
NORTHFIELD, NJ 08225
(609) 646-1000

2. Policy Term: 12:01 A.M. Standard Time From 04/04/2018 to 04/04/2019

Policy Changes

ENDT AMENDING LOCATION ADDRESS

GENERAL SECURITY NATIONAL INSURANCE COMPANY

A STOCK INSURANCE COMPANY INCORPORATED IN NEW YORK
199 WATER STREET, SUITE 2100
NEW YORK, NY 10038-3526
(212) 480 - 1900

BUSINESS OWNERS POLICY DECLARATIONS

Policy Number
3710-25094 2018 1

BASIC PLUS
 EXPANDED

AMENDED: 4/4/2018

Endorsement #1

- 1. Named Insured and Mailing Address**
JACK TROCKI DEVELOPMENT, LLC
PO BOX 689
NORTHFIELD, NJ 08225

PRODUCER - 151
INSURANCE AGENCIES INC
1601 NEW ROAD SUITE 100
PO BOX 225
NORTHFIELD, NJ 08225
(609) 646-1000

- 2. Policy Term:** 12:01 A.M. Standard Time From 04/04/2018 to 04/04/2019
- 3. You are a:** LLC
- 4. Your Business/Operation:** RESTAURANT

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

5. SCHEDULE OF PREMISES

Location 1	Building 1	Rating Territory	Construction	Occupancy	Rating Class
800 BAY AVENUE		ATLANTIC	A	80	Basic: (8) Exp: 4
SOMERS POINT, NJ 08244					

PART I - BUSINESS PROPERTY AND LOSS OF BUSINESS INCOME

LIMIT OF LIABILITY	COVERAGES
--------------------	-----------

Location 1	Building 1	\$5000 < Deductible - Coverages A and B
\$ 1,700,000	A. Building	
\$ NIL	B. Business Personal Property	
\$ 200,000	C. Loss of Business Income	
\$ 10,000	D. Money and Securities - On Premises - All Locations	
\$ 2,000	Money and Securities - Off Premises - All Locations	
	2 Percent Annual Pro Rata Factor Coverage A	

PART II - BUSINESS LIABILITY

LIMIT OF LIABILITY	COVERAGES
--------------------	-----------

\$ 1,000,000	Each Occurrence Limit - Coverage E and F
\$ 5,000	Medical Payments (Cov. F) - Limit Per Person
\$ 2,000,000	General Aggregate/Total Limits - All Other Than Products / Completed Operations
\$ 1,000,000	General Aggregate/Total Limits - Products / Completed Operations

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

7. FORMS AND ENDORSEMENTS MADE PART OF THIS POLICY

Form Edition	Description
BU 01 43*(03/2014)	Data Breach Exclusion - Part II
BU 01 78*(09/2007)	Exterior Insulation & Finish System Exclusion
BU 01 81*(09/2007)	Sexual Abuse or Sexual Misconduct Exclusion
BU 01 90*(09/2007)	Lead/Lead Contamination and Asbestos Exclusion
BU 04 01*(12/2007)	Businessowners Policy
BU 04 03*(01/2007)	Declarations Supplement - New Jersey
BU 08 20*(08/2015)	Mandatory Endorsement - New Jersey
MCM 418*(01/2015)	Non-Certified Acts of Terrorism Exclusions - Parts I & II
OFAC 0001 (05/2017)	Sanction Limitation and Exclusion Clause
SIBU-0003*(09/11)	Identity Recovery Coverage
SIPN-090*(01/16)	Notice to Policyholder - Boiler Inspections
SIIL-7000*(09/11)	Software Loss Exclusion - Part I
MCL 703 (04/1993)	Employee Dishonesty Coverage - Part I
MCL 703 (04/1993)	Premises Limitation - Part II
MCL 703 (04/1993)	Employer's Liability For Non-Owned Autos Exclusion
MCL 703 (04/1993)	Certified Acts of Terrorism Exclusions - Parts I and II
MCL 703 (04/1993)	Computer Coverage - Part I
MCL 703 (04/1993)	Equipment Breakdown Coverage Schedule
MCL 703 (04/1993)	Notice Of Terrorism Insurance Coverage
MCL 703 (04/1993)	Building Code/Law Coverage - Blanket Insurance Condition - Part I
MCL 703 (04/1993)	Protective Safeguards - Hood & Duct Protection - Part I
MCL 703 (04/1993)	Windstorm and Related Damage Deductible - Part I
MCL 703 (04/1993)	Protective Safeguards - Automatic Sprinkler System - Part I
MCL 703 (04/1993)	Protective Safeguards - Automatic Fire Alarm - Part I
MCL 703 (04/1993)	Protective Safeguards - Premises Burglar Alarm - Part I
MCL 703 (04/1993)	Building Code/Law Coverage Modification
MCL 703 (04/1993)	Money & Securities
MCL 703 (04/1993)	Equipment Breakdown Coverage

* NJ Mandatory Forms

\$ 9,993	< Annual Premium
\$ 60	< Surcharge NJ-PLIGA
\$ 10,053	< Total Premium

\$ 0	< Additional/Return Premium
\$ 0	< Additional/Return NJ-PLIGA

07/16/2019

Countersignature Date

By:

Representative



Policy Number: 3710-25094 2018 1

Effective: 04/04/2018

Each basic limit, or if increased, each revised limit - shown below is our maximum limit of liability for the coverage in any occurrence, except as otherwise stated.

Your Business/Operation: RESTAURANT

Location 1 Building 1 800 BAY AVENUE
SOMERS POINT, NJ 08244

COVERAGE

PART I

Accounts Receivable *	Basic Limit:	\$ 3,000
	Revised Limit:	\$ 0

* Applies Only With Coverage B

Building

E. Supplies and Materials Loss by Theft	Basic Limit:	\$ 2,000
---	--------------	----------

Building Code/Law Coverage *	Factor:	.10
	Revised Factor:	.00

* Does Not Apply if Insured on Actual Cash Value Basis

Building Glass Coverage - Limited Coverage

Basic Limit per Occurrence:	\$ 1,000
Basic Limit on Any One Pane or Unit:	\$ 100

Burglary & Robbery

On Premises	\$ 0
Off Premises	\$ 0

Business Personal Property

Customers' Property	Basic Limit:	\$ 1,000
	Revised Limit:	\$ 0

* Separate Specific Amount Not Subject to Coverage B Limit

Business Property Extension

• Consequential Loss

• Utility Services	Basic Limit:	\$ 0
	Revised Limit:	\$ 5,000
• Mechanical Breakdown	Basic Limit:*	\$ 0
	Revised Limit:*	\$ 2,500

* Annual Aggregate Limit

• Off Premises

• Coverage A	Basic Limit:	\$ 5,000	< Total Limit - All Locations
• Coverage B	Basic Limit:	\$	< Total Limit - All Locations
	Revised Limit:	\$	10,000 < Total Limit - All Locations

• Personal Effects

Basic Limit:	\$ 3,000
--------------	----------

DECLARATION SUPPLEMENT - NEW JERSEY

BU 04 03 01 07

Policy Number: 3710-25094 2018 1

Effective: 04/04/2018

Part I - CONTINUED	Location	1	Building	1
Debris Removal	Factor:			.25
	Basic Limit:	\$		5,000
Fire Expense Coverages				
* Fire Department Service Charge	Limit:	\$		1,000
* Fire Extinguisher Recharge Expenses	Limit:	\$		1,000
Outdoor (Exterior) Signs	Basic Limit:	\$		0
	Revised Limit:	\$		3,000
Pollution Clean-Up	Basic Limit:	\$		10,000
	Revised Limit:	\$		0
	Separate, Specific Deductible:	\$		
Property Restrictions				
• Furs	Basic Limit:	\$		3,000
• Jewelry	Basic Limit:	\$		3,000
(Jewelry Value Waiver Limit)		\$		100
Replacement Threshold	Limit:	\$		2,000
Trees, Shrubs, and Plants	Basic Limit per Occurrence:	\$		1,000
	Basic Limit on Any one Tree, Plant or Shrub:	\$		250
Valuable Papers and Records	Basic Limit:	\$		3,000
	Revised Limit:	\$		0
Water Damage -Sewer / Drain Backup				
When BU 50 03 applies:	Basic Limit:	\$		0
	Revised Limit:	\$		
Outdoor (Exterior) Building Glass	Linear:			0
	Deductible per Occurrence:	\$		

The following limits apply if limits for such are not shown in the Declarations

PART II

Fire and Explosion Legal Liability	Basic Limit:	\$	50,000
	Revised Limit:	\$	0
Personal Injury / Advertising Injury	Basic Limit:	\$	0 < Limit - All Locations
	Revised Limit:	\$	1,000,000 < Limit - All Locations

Policy Number: 3710-25094 2018 1

Effective: 04/04/2018

Supplemental - Continued

Location 1 Building 1

OTHER SPECIAL POLICY CONDITIONS:**Computer Coverage**

When SIBU-0005 applies: Limit: \$

Liquor Receipts \$ 0

DATA BREACH EXCLUSION • PART II

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

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

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

ADDITIONAL EXCLUSION – DATA BREACH

Part II C is extended to include the following:

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

GLOSSARY

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

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



EXTERIOR INSULATION AND FINISH SYSTEM EXCLUSION • PART II

This endorsement extends the exclusions to any occurrence or injury arising out of Exterior Insulation and Finish Systems as described. The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

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

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

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

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

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

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



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.



LEAD / LEAD CONTAMINATION AND ASBESTOS EXCLUSIONS • PART II – NEW JERSEY

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 BU 50 90 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.



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 – PROPERTY

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

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.

ADDITIONAL POLICY PROVISION

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.



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 EXCLUSIONS • PARTS I AND II

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

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

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

1. COVERAGE MODIFICATION – PROPERTY

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

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

1. We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *non-certified act of terrorism*, including any action taken in hindering or defending against an actual or expected *non-certified act of terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

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

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

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

seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one *non-certified act of terrorism*.

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

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

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

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

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

GOVERNMENTAL / LEGAL / WAR

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



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

2. COVERAGE MODIFICATION – LIABILITY

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

NON-CERTIFIED ACTS OF TERRORISM EXCLUSION

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

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

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

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

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

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

Multiple *non-certified acts of terrorism* which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one *non-certified act of terrorism*.

3. OTHER EXCLUSIONS

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

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

- A. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 1. Within the United States;
 2. At the premises of a United States Mission; or
 3. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;
- B. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.

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

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

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

This endorsement together with the Businessowner Form (BU 04 01 or BU 04 06) provides an additional Supplemental Coverage for identity recovery.

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

ADDITIONAL SUPPLEMENTAL COVERAGES

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

IDENTITY RECOVERY COVERAGE

A. We will provide the Case Management Service and Expense Reimbursement described in the following Paragraph B if all of the following occur:

1. There has been an *identity theft* involving the personal identity of an *identity theft insured* under this policy;
2. Such *identity theft* is first discovered by the *identity theft insured* during the policy period for which this Identity Recovery coverage is applicable; and
3. Such *identity theft* is reported to us within 60 days after it is first discovered by the *identity theft insured*.

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

1. Case Management Service

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

2. Expense Reimbursement

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

This coverage is additional insurance.

ADDITIONAL CONDITIONS

A. LIMITS

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

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

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

C. ASSISTANCE AND CLAIMS

For assistance, please call the **Identity Theft Help Line** at: **1-800-631-9130**.

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

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

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

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

D. COMPUTER SECURITY

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

E. OTHER INSURANCE

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



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

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

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

F. SERVICES

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

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

All other provisions of this policy apply.

ADDITIONAL DEFINITIONS

1. Identity Recovery Case Manager

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

2. Identity Theft

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

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

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

3. Identity Theft Expenses

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

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

the *identity theft insured's* true name or identity as a result of an *identity theft*.

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

4. Identity Theft Insured

Identity theft insured means the following:

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

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

ADDITIONAL EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover:

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

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.



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
<i>Hazardous Substances</i>	\$ 25,000
Spoilage	\$ 25,000
<i>Computer Equipment</i>	\$ 25,000
Data Restoration	\$ 25,000

Deductibles

Combined, All Coverages	\$ 5,000
Direct Coverages	\$ N/A
Indirect Coverages	\$ <u>N/A</u> or <u>N/A</u> hrs. or ADV
Spoilage	\$ <u>N/A</u> or <u>N/A</u> %

Other Conditions

PREMISES LIMITATION AS DESCRIBED IN DECLARATIONS • PART II

This endorsement limits insurance to the premises described in the Declarations and business / operations associated with such 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.**

COVERAGE MODIFICATION

PART II applies solely at the premises described in the Declarations of this policy, including necessary related operations away from these premises.



© 2002 MSO®, Inc.

EMPLOYEE DISHONESTY COVERAGE •PART I

This endorsement provides coverage for employee dishonesty. The required information may be shown below or elsewhere in this policy.

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 # 25094

SCHEDULE

Limit of Liability: \$ 5,000
Deductible: \$ 200

COVERAGE MODIFICATION

- A. We will pay up to the limit of liability shown in the Schedule, *your* loss of *money, securities* and other business personal property because of dishonest or fraudulent acts involving *your employees* (whether acting alone or in collusion with others). A series of similar or related acts is one occurrence.
- B. The limit is not cumulative from year to year even if the acts take place over a period of years. We cover loss discovered during the policy year, or within one year from the end of the policy period or the expiration date of a prior bond covering the loss (but only if recovery cannot be made under the prior bond).
- C. This does not cover loss where proof is dependent upon a profit and loss or inventory computation. But, such can be used to support a claim which *you* otherwise prove.
- D. This insurance is automatically cancelled on any *employee* immediately upon discovery by *you* or *your* directors, officers, partners or trustees of such dishonesty or fraud by the *employee*, whether or not you make claim or report such to *us*.
- E. A \$200 deductible per occurrence applies, unless a greater deductible amount is shown in the Schedule for this coverage.

BUSINESS OWNERS ENDORSEMENT

COMPUTER COVERAGE • PART I

This endorsement establishes an additional specific item of covered property.

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

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

COVERAGE MODIFICATIONS

SECTION 1

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

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

SECTION 2

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

LIMIT OF LIABILITY

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

LOSSES NOT INSURED

- A. Parts I D and I E (other than 2, 3, 4, 7 and 12.A) do not apply. We also do not cover loss:
 - 1. To media or data which cannot be replaced with other of like kind and quality.
 - 2. To property held for lease or sale to others.
 - 3. Caused by an original defect or error in programming.
 - 4. To media or data which results as a consequence of the failure to perform routine (at least on a monthly basis) complete backups of such media or data with such backups being kept off of the described premises.
- B. Coverages A and C of this policy are not modified or extended in any way by the coverage provisions of this endorsement. Any loss covered by this endorsement does not become a *covered loss* under Coverage A or C.



CERTIFIED ACTS OF TERRORISM EXCLUSIONS • PARTS I AND II

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

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

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

1. COVERAGE MODIFICATION – PROPERTY

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

CERTIFIED ACTS OF TERRORISM EXCLUSION

We do not provide insurance for any loss or damage directly or indirectly arising out of or resulting from a *certified act of terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

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

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

2. COVERAGE MODIFICATION – LIABILITY

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

CERTIFIED ACTS OF TERRORISM EXCLUSION

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

3. OTHER EXCLUSIONS

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

4. ADDITIONAL DEFINITIONS

The following definitions apply:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism that is:

1. A violent act or an act that is dangerous to human life, property or infrastructure and that resulted in damage with an aggregate loss exceeding \$5,000,000:
 - a. Within the United States;
 - b. At the premises of a United States Mission; or
 - c. To an air carrier (as defined in section 40102 of title 49, United States Code) or to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs;
2. Committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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



BUILDING CODE / LAW COVERAGE – BLANKET INSURANCE CONDITION • PART I

This endorsement establishes coverage limits when the policy is written on a blanket basis.

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

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

COVERAGE MODIFICATION

Paragraph A of the Building Code / Law Supplemental Coverage is amended as follows:

If blanket insurance is provided by this policy (where more than one building or property is insured under a single limit of liability), the amount of coverage is determined by applying the applicable factor to the Coverage A replacement cost for the specific property subject to the *covered loss*.



BUILDING CODE / LAW COVERAGE MODIFICATION

This endorsement revises how the limits of coverage are determined.

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

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

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

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

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

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

The losses or expenses covered are:

1. The loss caused by enforcement of any building, land use, or zoning code / law in force the date of the *covered loss*, that:
 - a. Requires the demolition of parts of the same property not damaged by a covered cause of loss.
 - b. Regulates the construction or repair of buildings, or establishes building, land use or zoning requirements at the described premises.
2. The increased expense *you* incur to construct, rebuild, or repair the property caused by enforcement of building, land use, or zoning code / law in force 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 the date of the *covered loss*.

Coverage C is extended, as to the Coverage Period, to the increased period of time required to comply with the conditions described in Item 1, above; but, in no event is coverage provided beyond 12 months (365 days) from the first day of the *covered loss*.



PROTECTIVE SAFEGUARDS – HOOD AND DUCT PROTECTION •PART I

This endorsement establishes conditions for suspension of coverage. The required information may be shown below or elsewhere in this policy.

**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 # **25094**

SCHEDULE

Number *

Location 1

Building 1

*** Item No. or Location / Building Nos. as Shown in the Declarations**

COVERAGE MODIFICATION

The Part I Conditions are amended by adding the following:

- A. All cooking appliances including their hoods and ducts must have in service, at all times, both a fixed automatic fire extinguishing system and a grease removal system. Such systems must be installed, maintained and routinely inspected in accordance with local codes, NFPA Standards and the authority having jurisdiction.
- B. Insurance under Part I for loss caused by, or resulting from, fire is suspended and we do not insure such loss if *you* fail to immediately notify *us* when *you*:
 - 1. Know of any suspension of service or impairment in the working order of the fixed automatic fire extinguishing systems or the grease removal systems; or
 - 2. Fail to maintain in complete working order such fixed automatic fire extinguishing systems or grease removal systems under *your* control.
- C. If any changes in the systems are made, *you* must report the changes to *us* immediately in writing.
- D. If the policy covers more than one location and a premises is designated in the Schedule, this Condition applies only to such designated premises.

PROTECTIVE SAFEGUARDS — AUTOMATIC SPRINKLER SYSTEM •PART I

This endorsement establishes conditions for suspension of coverage. The required information may be shown below or elsewhere in this policy.

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 # 25094

SCHEDULE**Designated Premises:**

Location No: 1

Building No: 1

800 BAY AVENUE

SOMERS POINT, NJ 08244

COVERAGE MODIFICATION

- A. As a condition of this insurance, you are required to maintain the *protective safeguard* as defined in this endorsement.

Insurance under Part I for loss caused by, or resulting from, fire is suspended and we do not insure such loss if *you* fail to immediately notify *us* when *you*:

- Know of any suspension of service or impairment in the working order of the *protective safeguard*; or
- Fail to maintain in complete working order such *protective safeguard* under *your* control.

However, if part of an *automatic sprinkler system* is shut off due to breakage, freezing conditions, leakage, or opening of sprinkler heads but *you* can restore full protection within 48 hours of such shut off, this insurance will not be suspended and *you* do not have to notify *us*.

- B. If the policy covers more than one location and a premises is designated in the Schedule, this Condition applies only to such designated premises.

ADDITIONAL DEFINITION

Protective safeguard, as used in this endorsement, means an *automatic sprinkler system*, including related supervisory services.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement, together with the Businessowners Policy (BU 04 01) 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 in the following paragraphs.

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.

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.

WINDSTORM AND RELATED DAMAGE DEDUCTIBLE •PART I

This endorsement provides a special deductible for windstorm and related losses. The required information may be shown below or elsewhere in this policy.

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

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

Policy # 25094

Loc. No.: 1

Bldg. No.: 1

\$10,000

< Windstorm Deductible Amount

COVERAGE MODIFICATION

The deductible provision of the Part I G •How Losses Are Settled Condition is amended as follows:

The deductible amount shown for Windstorm replaces the otherwise applicable Part I deductible for all loss in any one occurrence caused by windstorm. This includes any related loss to (1) the interior of a building or structure or (2) personal property within a building or structure: damaged by hail, ice, rain, sleet, snow or water as a result of an exterior roof or wall sustaining loss by windstorm allowing such elements to enter the building or structure.

PROTECTIVE SAFEGUARDS — PREMISES BURGLAR ALARM • PART I

This endorsement establishes conditions for suspension of coverage. The required information may be shown below or elsewhere in this policy.

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 # 25094

SCHEDULE**Designated Premises:**

Location No: 1

Building No: 1

800 BAY AVENUE

SOMERS POINT, NJ 08244

COVERAGE MODIFICATION

- A. As a condition of this insurance, *you* are required to maintain the *protective safeguard* as defined in this endorsement.

Insurance under Part I for loss caused by, or resulting from, burglary is suspended and we do not insure such loss if *you* fail to immediately notify *us* when *you*:

- Know of any suspension of service or impairment in the working order of the *protective safeguard*; or
- Fail to maintain in complete working order such *protective safeguard* under *your* control.

- B. If the policy covers more than one location and a premises is designated in the Schedule, this Condition applies only to such designated premises.

ADDITIONAL DEFINITION

Protective safeguard, as used in this endorsement, means a premises burglar alarm system.

PROTECTIVE SAFEGUARDS — AUTOMATIC FIRE ALARM •PART I

This endorsement establishes conditions for suspension of coverage. The required information may be shown below or elsewhere in this policy.

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 # 25094

SCHEDULE**Designated Premises:**

Location No: 1

Building No: 1

800 BAY AVENUE

SOMERS POINT, NJ 08244

COVERAGE MODIFICATION

- A. As a condition of this insurance, *you* are required to maintain the *protective safeguard* as defined in this endorsement.

Insurance under Part I for loss caused by, or resulting from, fire is suspended and we do not insure such loss if *you* fail to immediately notify *us* when *you*:

- Know of any suspension of service or impairment in the working order of the *protective safeguard*; or
- Fail to maintain in complete working order such *protective safeguard* under *your* control.

- B. If the policy covers more than one location and a premises is designated in the Schedule, this Condition applies only to such designated premises.

ADDITIONAL DEFINITION

Protective safeguard, as used in this endorsement, means an automatic fire alarm protecting the entire building and connected to a central station or reporting to a public or private fire alarm station.